

# Child Poverty Strategy and Delivery Plan for Wales

## Chwarae Teg Consultation Response

July 2010

### ***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 and society and sensitising 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, and the development of, the Welsh economy. This has included working with women entrepreneurs and encouraging early stage enterprises in addition to providing pre-employment training for economically inactive women in their communities.

Our current project, **AGILE NATION: New ways of working in the 21<sup>st</sup> century**<sup>1</sup> 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 is a partnership organisation and we work with organisations from all sectors.

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<sup>1</sup> Funded by European Social Fund and Welsh Assembly Government 2008 - 2014

## Consultation Response

Chwarae Teg welcomes the opportunity to comment on the Welsh Assembly Government's proposals for a new Child Poverty Strategy and Delivery Plan for Wales. We believe that increasing the role of women in the economy will go a long way towards helping the Welsh Assembly to achieve their target of eliminating child poverty by 2020. For a high number of families, the woman brings home the second wage within the household. In many cases, this additional income is the deciding factor as to whether a family lives in poverty or not.

*“Only 1 in 10 low paid men earn sufficient to keep their families out of poverty on their own. 2<sup>nd</sup> income is the difference between living in or out of poverty”* (Child Poverty: Relationship with Economic Development)

***Creating conditions that allow women to fulfil their potential in the economy is the answer to eliminating child poverty.*** To make this happen, the Welsh Assembly Government must take action across a range of policy areas, including childcare, transport, education and skills. Women that have a high level of skills, access to flexible working, reliable childcare and good transport networks are able to participate fully in the economy. Full economic participation will allow women to bring in the finance they need to lift families out of poverty.

*“Already, around 130,000 more children are in workless households and the number of households where all adults are working has come down by around 250,000 as a result of the recession”* (Save the Children, 2010)

The recent recession has brought further challenges for the economy with job cuts that we expect will continue into 2011. In Wales in particular, with a high dependency on public sector jobs, budget cuts are likely to have a major impact.

Unemployment has a direct impact on child poverty and so it is vital that the Welsh Assembly Government and public sector organisations do everything in their power to keep job cuts to a minimum.

Many parents want to work but struggle to reconcile work and family life. Flexible working allows individuals to juggle their responsibilities. Being able to manage time effectively, allows individuals to meet commitments at home and work. In turn, this reduces employee stress and absenteeism while increasing overall productivity. Currently, women's skills

*51% of women aged 25-54 working part-time and working below their potential are doing so because it is the only work they can get where they can combine work with caring for children* (DWP, 2009)

are being under-utilised. This is due to a need for part-time work and a lack of high-quality part-time jobs. Employers must be encouraged to consider innovative ways to increase diversity in the workplace. This particularly applies to occupations and sectors in which women are under-represented. We no longer live in an industrial economy and more must be done to encourage employers to move away from the traditional “9-5” mode of working.

Finally, we must make sure that training and education meets the needs of the economy. This applies to children and adults. We can make a difference today by making sure parents have the skills they need for the current labour market. And, we can take action now to make sure children leave school equipped for the labour market of tomorrow. Part of this work must include combating stereotypes from an early age. 50% of the priority sectors identified in *Skills That Work for Wales* are male dominated.<sup>2</sup> Evidence shows that women can succeed in these areas. In Science, Technology, Engineering and Maths (STEM) subjects alone girls out-perform boys at school.

*£2 billion is lost from the UK economy as a result of a lack of female SET graduates working in the sector*

However, this does not translate into success in the workplace. In particular, it is clear that women tend not to return to these SET related industries after a career break. Employers have a key role in re-engaging “returners”, support women through a range of initiatives to maintain skills, knowledge and technology developments and through innovative, flexible working schemes can retain talented personnel. This is particularly important in sectors where women are under-represented and which afford opportunities for quality, industry related employment.

Working in partnership we can unleash the latent potential of the female workforce in Wales. In doing this, we can make a major contribution to increase GDP and reduce the number of children living in poverty.

## ***Consultation Questions***

### **1) What are your views on our three strategic objectives for our new child poverty strategy for Wales?**

Chwarae Teg agrees with the three strategic objectives identified in the Child Poverty Strategy for Wales.

<sup>2</sup> Welsh Assembly Government (2010) *Skills That Work for Wales: A Skills and Employment Skills Strategy and Action Plan*

**Reducing the number of families living in workless households** is vital if we want to eliminate child poverty. Sixty percent (60%) of children in poverty in Wales live in households where neither parent works.<sup>3</sup> Over 50% of all children living in severe poverty are from families where no adults work.<sup>4</sup> In households where neither adult is working, the risk of falling into severe poverty is far greater than households where at least one adult has a job.<sup>5</sup>

In our response to the recent consultation on an Economic Renewal Programme for Wales, we shared our vision for a prosperous future economy:

*“Chwarae Teg’s vision for a successful Welsh economy is for all women to play their part. We will see women making the best use of their abilities and contributing fully to the future prosperity of Wales. In fact, our vision would be employment for all individuals that are willing and able to work.”*

(Economic Renewal Programme, Chwarae Teg Response, 2010)

‘Household worklessness’<sup>6</sup> is also one of the main factors of young people becoming NEET.<sup>7</sup>

Addressing this issue will not only impact child poverty now but will help to change patterns of worklessness and poverty for the future.

**Improving the skill level of parents and young people in low income families so they can secure well paid employment** will increase household income and lift families out of poverty. Increasing the skill levels of the Welsh population will be an important part of helping people into quality jobs. However, evidence shows that many women are under-employed, working below their skill level in part-time jobs that allow them to meet their responsibilities at home. The Women and Work Commission claim that the under-utilisation of women’s skills costs the economy £15-23 billion per year or 1.3% – 2.0% of Gross Domestic Product (GDP).<sup>8</sup> In Science, Engineering and Technology (SET) industries alone, 70% of women qualified in these subjects, do not work in the sector.

Chwarae Teg believes that it is necessary to support employers to show them the **business benefits** of a **diverse workforce** and help them to implement flexible working so that parents can reconcile home and work life. Utilising modern technology to facilitate flexible working can help women/parents to fulfil their potential. Flexible working can have beneficial impacts on a range of policy areas including **Climate Change**. An increase in flexible working will help more women into good quality employment through increased opportunities and career progression. This will increase household income which is the key to eliminating child poverty.

<sup>3</sup> Winkler, V. (2009) *What is needed to end child poverty in Wales?* (Joseph Rowntree Foundation: York)

<sup>4</sup> Save the Children (2010) *Measuring Severe Child Poverty in Wales*

<sup>5</sup> Ibid.

<sup>6</sup> Welsh Assembly Government (2009) *Reducing the Proportion of Young People Not in Education, Employment or Training*

<sup>7</sup> NEET - Not in Employment, Education or Training

<sup>8</sup> Women and Work Commission (2006) *Shaping a Fairer Future*

### **Reducing the inequalities that exist in the health, education and economic outcomes for children living in poverty, by improving the outcomes of the poorest.**

Fifteen percent (15%) of children (96,000) in Wales live in families experiencing severe poverty.<sup>9</sup> These families live on less than £12,220 a year which leaves them £113 a week short of what they need to cover basic essentials.<sup>10</sup> Children in these families are likely to go without things that many take for granted such as birthday treats, days out, pocket money, holidays or school trips. Not being able to participate in these activities makes children and young people feel excluded. Children in poverty also often miss out on leisure activities as they can be too expensive. This can inhibit their ability to build relationships with their peers. Not only are they unable to attend but they are also excluded from conversations about the experience after the event has passed. The affect of this can leave young people feeling isolated. In essence, financial poverty can contribute to social exclusion and isolation.

### **2) What are your views on the policy action we set out in the delivery plan?**

Chwarae Teg agrees that the policy actions set out in the delivery plan will go a long way to reducing child poverty. We particularly welcome the Welsh Assembly Government recognition of our expertise in implementing flexible working practices and the contribution this can make to the elimination of child poverty through innovation in the workplace.

The pressure on public spending, for the foreseeable future, will prove challenging in implementing and meeting some of the short and medium term aims identified in the Child Poverty Strategy, however, Chwarae Teg is confident that the Welsh Assembly Government are committed to working closely with UK Government, and Europe, in eliminating Child Poverty by 2020.

### **Action for young people Not in Employment, Education or Training (NEET)**

In our response to the recent Economic Renewal Programme consultation, Chwarae Teg expressed a desire to see the Welsh Assembly Government take action to support young people who are currently out of work. Figures show that nearly 1 million 16-24 year olds are not currently in employment or training. If this cohort is not supported soon, it will have a detrimental effect on our economy in years to come. **“These young people are the economic future”.**<sup>11</sup> Addressing this problem now will help prevent child poverty beyond 2020.

### **Qualifications and Skills**

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<sup>9</sup> Save the Children (2010) *Measuring Severe Child Poverty in Wales*

<sup>10</sup> Ibid.

<sup>11</sup> Chwarae Teg (2010) Response to Economic Renewal Programme

Chwarae Teg supports moves to increase the level of qualification/skill held by the workforce. Fourteen per cent (14%) of people in Wales have no qualifications.<sup>12</sup> In some areas, this figure is considerably higher.

For example, the Valleys communities have the highest percentage of residents with no qualifications. In some areas, the proportion of people with no qualifications can reach nearly 50%.<sup>13</sup> Low skills levels prevent individuals from progressing in the workplace and limit their earnings capacity. Only 50% of those with no qualifications are in employment compared with 90% of those with a degree.<sup>14</sup> Encouraging adult learning will help those out of work to become more employable and those who are in work will be able to move up the career ladder. Parents who are learning can also have a positive affect on a child's learning through firstly, becoming a role model and setting an example, and secondly, through being able to help with homework or other learning outside of school. Chwarae Teg recommends initiatives to encourage "**learning families**", especially in areas of low academic or educational achievement.

## Apprenticeships

The Careers Wales Pupil Destinations Survey shows that young people are still making stereotypical choices in their occupational routes. Of those young people entering employment or work-based learning, more female chose Childcare, Hairdressing and Beauty while more males chose Construction and Automotive Trades. Females make up just 2% of Automotive apprentices in Wales.<sup>15</sup> Of the **priority sectors** identified by the Welsh Assembly Government, **50% are male-dominated** (e.g. Energy, Automotive, Aerospace) and the other **50% are typically low paid** (e.g. Retail, Leisure and Tourism). It is vital that steps are taken to challenge stereotypes from a young age.

Girls should be encouraged to explore opportunities in non-traditional employment sectors and employers encouraged to **consider greater equality and diversity** when recruiting apprentices. Challenging occupational segregation and gender stereotyping will broaden the opportunities for young people and contribute to the growth areas in our economy – with the economy benefiting from the wealth generated by these sectors. . Better job opportunities will help to increase the household income and reduce child poverty.

The **poverty of aspiration** is the most significant inhibitor of maximising the potential of young people in work-less households and deprived communities and every endeavour to inculcate ambition in our future generation must be a priority for the Welsh Assembly Government

## Childcare

The measures in the delivery plan address the number of childcare places available in Wales and the skill level of the workforce. However, further measures must be taken to reduce the cost of childcare and to improve the flexibility of provision. High childcare

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<sup>12</sup> Annual Population Survey (2008), accessed via NOMIS

<sup>13</sup> NOMIS, accessed July 2010

<sup>14</sup> Equality and Human Rights Commission (2009), *The Equality and Human Rights Commission response to: Ending Child Poverty: Making it Happen*

<sup>15</sup> Institute of the Motor Industry (2009) *Wales - Annual Apprentice Report 2007/2008*

costs prevent many mothers from entering employment and reduce the benefits of working. The Daycare Trust, *Childcare Costs Survey*, shows that childcare costs are rising. Currently, the average cost of childcare in Wales is £4,056 or around £80 per week. This is based on 25 hours per week nursery based care for a child under 2.

In 2009, nursery fees for children over 2 rose by 11.3% and by 6.8% for under 2's. Childminder costs rose by 5.3% for under 2s and 8.1% for over 2s.<sup>16</sup> Whilst Wales' child poverty duty now extends free childcare for 15 hours per week to all disadvantaged under 2s, this is not a universal provision. Forty per cent (40%) of lone parents working less than 16 hours a week state that problems finding affordable childcare is what prevents them from either working at all or working more.<sup>17</sup> The lack of affordable and flexible childcare options stop mothers from taking jobs available to them if they do not fit into traditional work patterns. Chwarae Teg's research undertaken in 1992 – at inception –and 10 years on<sup>18</sup> still cite lack of available, affordable childcare as a barrier to employment, self employment and career progression.<sup>19</sup>

## Transport

Chwarae Teg supports the Welsh Assembly's aim to improve local transport services. Many communities in Wales have weak transport links which can prevent individuals from accessing work, thus exacerbating levels of poverty in workless households. Women are particularly vulnerable as they are more likely than men to depend on public transport for getting around. For young people, poor public transport services or high fares can cause social exclusion. Often, parents are unable to drive the children or young people to social, community, sporting activities or to see friends, particularly in rural areas of Wales, which, again, contributes to feelings of isolation and marginalisation.

## Flexible Working

Chwarae Teg is greatly encouraged to see that the strategy identifies us as a **key partner** in promoting the benefits of flexible working and supporting employers to develop and implement policies. Flexible working is one of many work-life balance initiatives that help women to manage their responsibilities both in and out of work. A recent report from the Department of Work and Pensions shows that:

- 51% of women aged 25-54 working part-time and working below their potential are doing so because it is the only work they can get where they can combine work with caring for children.
- 24% of women working part-time would prefer to work full-time.
- Being unable to find full-time flexible work is a problem for 43% of adults working part-time, both men and women.
- 57% of women in manual jobs work part-time compared with 24% of women in managerial and professional roles.<sup>20</sup>

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<sup>16</sup> <http://www.daycaretrust.org.uk/pages/childcare-costs-surveys.html>

<sup>17</sup> WWNC (2009) *Women and the Recession in Wales*

<sup>18</sup> Chwarae Teg, Beaufort Research 2002

<sup>19</sup> Women Starting in Business, Chwarae Teg/Lampeter University 2006

<sup>20</sup> DWP (2009) *Flexible Working: Working for families, Working for business*

Increasing the amount of flexible working opportunities in Wales will allow more people to work and increase household incomes.

### 3) Do you think the policy action set out in the Delivery Plan will enable us to achieve our three strategic objectives and our vision for 2020?

#### **Budget cuts**

The economic recession has presented great challenges. Just over 1/3 of the Welsh population are in public sector employment.<sup>21</sup> With the current pressure on public finances, it is highly likely that the sector will be forced to make severe job cuts over the next 18 months. As women make up 70% of public sector employment<sup>22</sup>, these cuts will affect women disproportionately, with a possibility of a rise in the number of children living in poverty or at risk of poverty. As illustrated earlier in this document, the women's wage is often part of the joint primary income, not secondary or additional, and lone parents are particularly vulnerable during recessionary times.

Such financial constraints will impact significantly on the vision to eradicate child poverty and Chwarae Teg urges the Welsh Assembly Government to take all available measures to ensure that the Child Poverty Strategy for Wales and Delivery Plans are given priority in future budgetary reviews.

#### **Enterprise, including social enterprise**

Chwarae Teg would strongly recommend that the Welsh Assembly recognises the **potential of female entrepreneurship in reducing child poverty**. For many women, self-employment is a good way to generate income whilst maintaining the flexibility they need to meet family commitments. Twenty one percent (21%) of women cite family commitments as a reason for becoming self-employed (compared to 2% of men).<sup>23</sup> And **40% of women come into self-employment from a position of economic inactivity** compared to 20% of men.<sup>24</sup>

Chwarae Teg believes that unlocking the potential of female entrepreneurs in Wales will make a significant impact on the economy and child poverty.

### 4) What is the best way to integrate local multi-agency support for families living in poverty?

For agencies to work successfully together there must be strong leadership and central co-ordination. This approach will make it easier to monitor success and identify further actions. The agency co-ordinating service delivery should be independent and not the one which is responsible for ensuring delivery or grant distribution. It is important to recognise that a range of agencies will be needed to address child poverty. Support

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<sup>21</sup> ABI (2008), accessed via NOMIS

<sup>22</sup> Ibid.

<sup>23</sup> Government Equalities Office (2008) *Women in Business*

<sup>24</sup> Ibid.

must include a variety of agencies - specifically, skills, education and advocacy. There must be long-term financial commitment to the strategy and it is important to take steps to continually monitor, measure and evaluate progress against an appropriate framework. Finally, maximise **Wales' involvement in the Four Nations Forum on Child Poverty** to provide a collective voice to UK Government in areas such as Welfare Reform.

## 5) Any other issues

### **Stereotypes – breaking the mould**

The Welsh Assembly Government, and the range of referral agencies, educators, advisers and employers who provide career guidance to young people, must continue to promote employment opportunities in those areas where there is female under-representation - recognising the need to breakdown stereotypes. Many of the future growth sectors are male dominated. Women and girls must be encouraged to develop the skills, knowledge and competencies to enter the priority sectors identified in the Economic Renewal Programme for Wales. Jobs in these industries tend to be better paid than the female dominated sectors and could provide longer term financial security.

### **Enterprise**

The Welsh Assembly Government should provide targeted support for female entrepreneurs. As illustrated earlier, more females go from a position of economic inactivity to self-employment than males. Ten per cent (10%) of the female population in the UK is thinking about starting up a business. If women started up businesses at the same rate as men, there would be 150,000 extra start-ups each year in the UK.<sup>25</sup> Wales desperately needs new businesses to support the economy and provide jobs.

Targeted business support, specifically for women and other minority entrepreneurs, in setting up new ventures, growing existing businesses or developing social enterprises will alleviate the dependency on the public sector in Wales and strengthen the private sector where the new jobs for the future will be created.

## ***Final Comment***

***“Child poverty outcomes result from complex interactions between joblessness, in-work poverty and the impact of transfers. The countries achieving the best outcomes are those that are performing well on all fronts by combining strategies aimed at facilitating access to employment and enabling services (e.g. childcare) with income support”<sup>26</sup>***

<sup>25</sup> Government Equalities Office (2008) *Women in Business*

<sup>26</sup> Thematic Study on policy measures concerning child poverty. EU Social Protection and Social Inclusion Process. Policy Studies Findings - 10

Chwarae Teg welcomes the opportunity to contribute to this major consultation. We believe that all children should have the same start and opportunities in life and that no child should be disadvantaged for any reason. Research shows that more equal societies have fewer health and social problems.<sup>27</sup> Eliminating child poverty will impact the general wellbeing of the Welsh population, increasing overall prosperity.

We have highlighted the following areas for action in this response:

- Care
- Apprenticeships
- Enterprise
- Stereotypes
- Skills and Qualifications
- Transport
- Flexible working

We hope that the Welsh Assembly Government will consider the suggestions we have put forward and incorporate our ideas into the final strategy so that we can see child poverty eliminated by 2020 – if not before.

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<sup>27</sup> Wilkinson, R. and Pickett, K. (2009) *The Spirit Level: Why more equal societies almost always do better* (Allen Lane: UK)