

Economy Infrastructure and Skills Committee National Assembly for Wales

Dear Committee Members,

Public Procurement is a powerful lever to deliver economic and social benefits to communities. The focus of this inquiry on the foundational economy, and ensuring that procurement builds wealth in communities across Wales is very welcome.

While organisations with more technical and specialist knowledge around procurement will be well-placed to address the specific questions outlined in the terms of reference, we felt it was important for us to contribute regarding the potential of procurement to advance gender equality and how advancing gender equality directly contributes to the objective of building wealth in communities. Any improvements made to procurement which embed gender equality within processes and policies will be in line with the ambitious commitments made by Welsh Government in the Gender Equality Review to embed equality at the heart of policy-making, powers and processes. We will outline some key principles, and examples of learning around gender equality in procurement which we believe should be adopted in approaches to public procurement in the foundational economy.

We have previously called for a shift in the focus of procurement and public funding, away from purely on cost and gross value of goods and services, and towards measurements which take into account equality, wellbeing, value of services and the wider societal impact of work in Wales.

Positive steps have already been taken within procurement, particularly around the *Code of Practice for Ethical Employment* which encourages payment of the living wage, and prevents the unfair use of zero hours contracts. These policies will have a significant impact on women in Wales, who we know are more likely to be working on low wages, and on zero hours contracts. This should also be particularly impactful within certain sectors of the foundational economy – such as care, and food and drink – which are female-dominated and characterised by long hours, low pay and insecure work.

There have been increasing international discussions in recent years about the potential of procurement to accelerate gender equality. UN Women guidance defines gender-responsive procurement as; ‘the selection of services and goods that considers their impact on gender equality and women’s empowerment’¹. Through implementing more inclusive processes that endorse supplier delivery, procurement can deliver change for women and girls.

Finally, considering the aim of building wealth for communities across Wales, it is important to note the value of gender equality more broadly to the Welsh economy. While efforts to ensure gender equality in procurement, public funding and economic policy will deliver for women in Wales, our own research found that achieving full gender equality could add £13.6 billion to the Welsh economy². Therefore embedding gender equality into procurement is not just a ‘nice to have’ but an economic imperative in order to create wealth for everyone in Wales.

1. While powers over employment are still reserved, procurement is an effective way for the Welsh Government to influence the private sector and encourage consideration of working conditions, equality and diversity. In order to build strong local supply chains, which build wealth in communities, Welsh Government need to take steps to ensure that everyone in Wales is able to access this wealth, and that these benefits deliver for women and men. This is where specific interventions with the aim of advancing equality are needed.

¹ UN Women, Gender-responsive Procurement, <https://www.unwomen.org/en/about-us/procurement/gender-responsive-procurement>

² Chwarae Teg, The Economic Value of Gender Equality, 2019, <https://chwaraeteg.com/research/economic-value-of-gender-equality/>

2. As mentioned above, steps which have already been taken around promoting the living wage and preventing zero hours contracts through procurement will particularly benefit women. We also welcome calls from the Fair Work Commission for fair work to be a guiding principle in reviews of public funding. However, while these steps will have a particularly positive impact on women, specific interventions are needed in order to accelerate gender equality which take into account the gender make up and challenges of sectors in the foundational economy. As while some changes to create wealth for Welsh communities will benefit women, women face additional and differing barriers to benefitting from public funding, therefore new approaches to procurement – particularly within the foundational economy – should be gender responsive and consider gender equality at their core.
3. The gendered aspect of the foundational economy cannot be ignored within this inquiry, as sectors such as care and health, food and drink, tourism and retail tend to be female dominated and face gender specific problems. Our own recent research for Oxfam Cymru looked at decent work for women in two foundational sectors; care, and food and drink.³ We found that current commissioning of the care sector which focuses predominantly on cost is coming at the expense of the wellbeing and sustainability of the, predominantly female workforce.
 - 3.1. Within this research we called for Welsh Government to adopt broader definitions of success in the new economic strategy, to include measures of quality of employment alongside measures such as GVA. This should be extended to how decisions are made around procurement to ensure suppliers are not only appointed on the basis of cost, but on broader value, wellbeing, and equality and diversity objectives. In recent years, there has been international recognition of the potential of procurement to advance gender equality. In considering how to embed this throughout procurement in Wales, the Assembly and Welsh Government can draw on various international examples.
4. The European Charter for Equality of Women and Men in Local Life provides a [checklist](#) of questions for consideration around developing and offering services that are in line with gender equality objectives throughout procurement – such as those set by the Welsh Government within the Gender Equality Review. Questions within this checklist include considering how the service up for procurement affects women and men, and whether there are similarities or differences in experiences; whether statistics related to the public service are gender disaggregated; and whether there is a connection between this service and broader gender equality objectives set by Government. Measures and monitoring is also highlighted here as crucial in understanding how procurement is delivering for women and men. This guidance could help to shape initial discussions of how to embed gender equality within procurement, and monitoring can help to assess how these interventions progress.
5. There have been broader positive steps by Welsh Government around accelerating gender equality in economic policy, such as the new strategy for supporting entrepreneurial women in Wales. Learning from this should be incorporated into procurement in order to understand the additional barriers women led businesses face in bidding for, and accessing public funding. Effective monitoring of procurement and distribution of public funding is also essential to determine how many women-led businesses are benefitting from public funding and public contracts, as well as the equality and diversity of organisations more broadly. Our recent research also found that these barriers can be heightened for BAME women leading their own businesses, or in self-employment⁴. Therefore, policies around procurement should be considered through an intersectional lens and undergo thorough impact assessments to understand how they will impact women of all backgrounds.
6. We would also welcome the inclusion of requirements for those who are recipients of procurement contracts or public funding to clearly demonstrate understanding of Welsh Government objectives around gender equality, as well as an understanding of the specific gender dynamic and challenges within their sector. This expectation would look different for organisations of different sizes and with different numbers of employees, but it is crucial to ensure that public procurement at all levels is contributing to overarching equality goals and ambitions.
7. While positive steps have been made, and very welcome and bold ambitions have been set by Welsh Government, an implementation gap still exists within economic policy. Tackling inequality is at the centre of

³ Chwarae Teg, Decent Work for Women in Wales, 2017, <https://chwaraeteg.com/research/decent-work/>

⁴ Chwarae Teg, Triple Glazed Ceiling: Barriers to Black Asian and Minority Ethnic (BAME) Women Participating in the Economy, 2019, <https://chwaraeteg.com/research/triple-glazed-ceiling/>

Welsh Government's new Economic Action Plan, and we welcome the goal of 'investment with social purpose', but it is still unclear how these good intentions are being put into practice. We need to see more accessible reporting and monitoring of the implementation process.

7.1. There has also been a concerning lack of transparency around economic policy, particularly in the Foundational economy which we raised in our response to a recent Public Accounts Committee Inquiry. Concerns were raised by the [Economy, Infrastructure and Skills Committee on 21st November 2018](#) that no progress had been made on spending committed to support enabling the foundational economy in Wales, and future plans were vague. Bold commitments to equality are welcome, but must be followed with action and effective monitoring to ensure that women-led organisations and organisations who are making concerted efforts to address gender challenges within their sectors are rewarded with public contracts and have equal access to public funding.

We hope that these suggested principles can demonstrate the impact public procurement could have in advancing gender equality and creating wealth for Welsh communities which can be accessed and enjoyed equally by women and men. Given the commitments made by Welsh Government to ensure that gender equality is at the heart of policy-making and processes, it is particularly important for consideration to be given to gender equality within discussions around improving and reviewing procurement and public funding. Gender equality needs to be mainstreamed into all work across Welsh Government, including procurement, which has the potential to be a powerful lever for extending bold ambitions around gender equality into Wales' private sector.

If these factors are taken into consideration throughout the Committee's inquiry and in its recommendations, we could see real and powerful change to how the foundational economy works in Wales, with a particular impact on the women who work within it; women who are service users; and more broadly for communities in Wales.

If you have any questions or would like any additional input from Chwarae Teg throughout this inquiry, please do not hesitate to get in touch.

Best wishes,

Polly Winn
Policy and Communications Partner