

Priorities for the Economy, Trade and Rural Affairs Committee

Submission from the Bevan Foundation

The Bevan Foundation is Wales's most influential and innovative think tank. We develop practical solutions to poverty, inequality and injustice. We welcome the opportunity to contribute views on priority issues for the committee to consider.

- 1.1 The committee will have a vital role to play in scrutinising Welsh Government measures to create a prosperous, fair and sustainable economy in Wales. This must include consideration of impacts of the Covid-19 pandemic, adjustment to Brexit, demographic change, the climate crisis and automation.
- 1.2 The effects of the pandemic on pre-existing inequalities underline the need for a fair recovery to be a central focus of the committee's future inquiries.
- 1.3 Self-employment in Wales has risen rapidly in recent years. In some parts of Wales it accounts for a quarter of employment. The pandemic has highlighted the financial insecurity that some self-employed people face when the opportunity for work is severely limited and challenges in accessing and qualifying for associated support.

This comes on top of pre-existing issues for some low-income self-employed people around income insecurity and precarity of work. Considering this area in greater detail, which has remained relatively overlooked in economic discourse in Wales, would be an opportunity to understand how the Welsh Government is building this substantial part of the workforce and economic activity into its strategy and actions for the economy in Wales.

- 1.4 Currently, a quarter of the workforce in Wales does not earn enough for a basic standard of living and one in twenty-five is on a zero-hours contract. In

the foundational economy alone, our recent work found fair work to be scarce, while low pay and conditions are widespread¹

The Welsh Government has made much of a “something for something” approach in its economic contract to drive up sustainable and responsible business behaviour and had made a new commitment to its strengthening. The committee is well placed to scrutinise how the contract operates and is enforced and where the best opportunities lie for maximising its impact.

- 1.5 Alongside inequalities between people, inequalities between places, and the economic challenges faced by disadvantaged places are key issues. Given the Welsh Government’s ongoing encouragement of regional collaboration, scrutiny of this area of work will be vital in understanding how it is addressing regeneration in practical terms in different parts of Wales.

With the establishment of four Corporate Joint Committees (CJCs) with a range of independent functions, there is an opportunity to bring clarity to their role and learn from their plans in relation to regional economic development and addressing spatial inequalities, as well as the governance and democratic oversight of these new bodies. Drawing lessons and keeping a watching brief will be an important part of the committee’s ongoing work across this term.

- 1.6 The committee may wish to consider in greater depth the skills crisis that has been highlighted in recent months, including the relationship between skills development and labour market needs. Recent reports of shortages of labour affecting food, logistics and hospitality offer a snapshot of issues associated with a wider process of economic adjustment as well as post-Covid recovery. An inquiry into these trends, their impact on workers and businesses and the Welsh Government’s response to them will be crucial to help inform a coherent and robust approach to skills development in Wales.

The Welsh Government’s Programme for Government includes commitments to create a greener and fairer economy, to strengthen regional skills partnerships and to skills that allow everyone the best life chances². The

¹ Bevan Foundation (2021) Fair work in the foundational economy: what should be done?
<https://www.bevanfoundation.org/resources/fair-work-what-should-be-done/>

² Welsh Government (2021) Programme for Government

Welsh Government's own strategy and capacity to skill, re-skill and upskill current and future workers and for all ministries with interests and powers in this area to work cross -departmentally will be fundamental to delivery of these ambitions.