

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: Bevan Foundation

Response from: Bevan Foundation

1. Thank you for the opportunity to submit additional evidence to the Committee's inquiry.
2. The Welsh Government's Economic Action Plan outlines some promising strategies to reduce inequality in Wales, and we welcome its commitment to inclusive growth, fair work and greater spatial balance.
3. However, the plan is also short on practical actions to achieve these ambitions. The new economic contract, streamlining of funding and a change in the sectoral approach are welcome but are not in our view sufficient to achieve a transformation in pay and hence a reduction in poverty.
4. Our view remains that if the action plan is to ensure 'prosperity for all' it needs to address the fundamental drivers of poverty i.e.
  - a. Increase the **number** of jobs especially in areas where there is a short-fall relative to the population.
  - b. Boost earnings at the bottom of the wages distribution including:
    - i. Raising the hourly rate of pay
    - ii. Increasing the security and number of hours of work.
5. The action plan is relatively light on action in these areas. We would therefore like to see the following:
  - a. A commitment to increasing the take up of the Living Wage, with an aim to reduce the proportion of people in Wales earning less than the Living Wage to the UK average (excluding London) within five years – requiring a cut of about 6,000 people a year.
  - b. Increased opportunities for low-paid employees to access training and development. This could include drawing on Welsh Government work-based training and other schemes where available, and working with staff and employers to overcome barriers to progression.
  - c. Increased provision of adult skills and training opportunities, including those which achieve outcomes to reduce poverty (e.g. focused on the incomes of individuals and productivity of employers rather than qualification achieved), and that resources are targeted based on need and personal circumstances.

- d. A commitment to improving adult literacy, numeracy and digital skills through increasing participation in essential skills learning.
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- 6. We would also like to see the plan include clear objectives in respect of specific groups of people. Whilst the plan briefly outlines how it will help those who are furthest away from the labour market to access employment, there needs to be some clear objectives here (e.g. increasing the employment rate of disabled people or individuals with severe mental health conditions by X percentage points).
  - 7. We would also like to see the plan include clear objectives in respect of specific places. Whilst the plan makes a welcome commitment to the re-regionalisation of economic development policy, it should go further by committing to create jobs in specific places where employment opportunities are currently lacking. Making sure that the Welsh Government's own spatial targeting 'joins up' with these objectives is a key first step, backed by its other policies e.g. on transport, business rates and adult learning.

Bevan Foundation  
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