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Ymateb gan: Oxfam Cymru

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Economy, Trade, and Rural Affairs Committee
Green Economy
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Evidence from: Oxfam Cymru





Correspondence

Dr Hade Turkmen (Author)

Policy and Communication Adviser

Email: [REDACTED]

Sarah Rees

Head of Oxfam Cymru

Email: [REDACTED]

Response from Oxfam Cymru

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1. Oxfam Cymru's Standpoint

Oxfam advocates for tackling extreme inequality and climate breakdown simultaneously to create a planet that serves the majority. This requires innovative and radical approaches to climate finance and dismantling inequalities. It's essential to address the historical and current responsibilities of high-emitting nations and corporations, recognising the disproportionate impact of a small minority in driving the climate crisis.

Oxfam campaigns for making polluters across the UK pay for climate justice, moving finances from the fossil fuel industry, eliminating structural inequalities and poverty, and developing a new, innovative, and radical approach to the economy for the future of the planet and people.

Oxfam Cymru's strategy is one of Climate Justice, with a focus on moving towards fair finance for just and transformational climate solutions and a green economy. A just transition to a net-zero and green economy should be at the heart of governments' policies regarding the climate emergency. It requires a joint effort of all Welsh Government departments through a lens of climate actions on the nexus of climate and inequality to ensure solutions do not further entrench inequality, locally or globally.

2. Defining “Green Economy” and “Green Economy Sectors”

Developing a green economy involves multiple dimensions that need to be integrated for its successful establishment. Such an economy is characterized by its low-carbon footprint, efficient use of resources, inclusivity, and focus on promoting the well-being of people and the planet while ensuring social equity.¹

¹ UNDP and UNEP, 2015. Towards Green and Inclusive Prosperity: Building Green Economies that Deliver on Poverty Reduction.

<https://www.undp.org/sites/g/files/zskgke326/files/publications/Towards%20Green%20and%20inclusive%20prosperity.pdf>

The concept of a green economy is not just about reducing carbon emissions. However, there is a tendency to limit green economy investments to industries with high carbon emissions, like manufacturing, energy, construction, and transportation. This approach excludes already low-carbon, foundational industries such as education, health, and care. Focusing solely on decarbonising the economy is not enough to bring about a complete transformation of how economies and societies are structured. It is also insufficient in overcoming structural inequalities and poverty, and ensuring a fair transition towards a net-zero, green, and caring economy. Therefore, it is essential to broaden the concept beyond decarbonising high-emission sectors, and include investment in social infrastructure which is vital for the economy, sustainability and wellbeing.

3. Response to Consultation Questions

Question 1:

Within its devolved powers, what should be the Welsh Government's key priorities to maximise the potential economic opportunities from green economy sectors? To what extent does its current approach reflect these?

As mentioned in section 2, it is essential to broaden the scope of green economy sectors and include foundational economy sectors such as education, health and care, which are within the Welsh Government's levers and control and have the most significant impact on achieving a just transition to a green economy.

In setting the key priorities to maximise the potential economic opportunities in transition to a green economy, the Welsh Government should adopt an approach that eliminates existing inequalities and poverty, and prioritises the wellbeing of people and the planet. These plans should consider investment in decarbonising high-polluting sectors as well as improving and investing in foundational sectors.

Decarbonising high-polluting sectors has great potential for job creation, while there might also be some job losses. Wales TUC suggests that, with £6 billion public investment in 16 infrastructure projects in digital, manufacturing, transport, housing/construction, energy, land use and natural resources sectors, fifty nine thousand jobs can be created in the short-term in Wales.² The breakdown of jobs that the Wales TUC package suggests follows as:

- 27 thousand jobs in housing construction and energy efficiency retrofits
- 18 thousand jobs in transport upgrades
- 9 thousand jobs in energy, manufacturing, and broadband infrastructure upgrades
- 5 thousand jobs in land, forestry, and agriculture improvements.

Research by London School of Economics exploring a just transition in the UK suggests that around 20% of the jobs in Wales have direct exposure to the shift to a green, zero-carbon

² TUC Wales (2021), *Negotiating the future of work: Automation and New Technology*;
<https://www.tuc.org.uk/sites/default/files/2021-12/Negotiating%20Automation%20-%20report.pdf>

economy. 10.3% of these jobs (appx. 150,000) are “transition aligned”, meaning that they will be adaptable to the green economy; but an estimated 9.6% of the jobs (140,000) will need some form of upskilling or reskilling. The sectors most affected by the green transition include construction (30%), transport (26%) and manufacturing (17%). 73% of the jobs in these sectors are in need of some sort of reskilling according to reports.³

While investment in decarbonisation of the high-emission sectors is discussed widely, investment in relatively low-carbon foundational sectors as a green economy plan is not on the agenda of the transition to a green economy. Yet, investing in these sectors will not only be important for a just transition but also for economic prosperity. An estimate published in 2020 by the UK Women’s Budget Group shows that any investment in care in the UK would produce “2.7 times as many jobs as an equivalent investment in construction: 6.3 times as many jobs for women and 10% more for men”.⁴

The care sector is currently facing a crisis due to a shortage of workforce and resources. It is crucial to invest in this sector not only to boost the economy but also to ensure the wellbeing of people. The decision of the Welsh Government to establish a national care and support service is a positive step forward in improving the holistic approach to investing in this sector. If the investment in the care sector is presented as a green economy initiative, then the much-needed financial resources for this investment can be combined with green economy finance, which can offer more revenue-raising options than the health and care sector.

Question 2 and 4

2. What are the key barriers to Wales making the most of opportunities in the green economy, and what steps should be taken to overcome these?

4. What skills challenges exist in relation to transitioning to a green economy? What actions should be taken, and by whom, to ensure the skills are there to meet the growing demands of a green economy?

We would like to address questions two and four in conjunction, as they are related to the skill gap, which is a significant obstacle to achieving a green transition.

To achieve a net-zero Wales, transitioning to a green economy requires a diverse skill pool and upskilling the workforce across different sectors. Education, training, and workforce

³ Grantham Research Institute on Climate and the Environment (2019), *Policy brief: Investing in a just transition in the UK*; In partnership with London School of Economics (LSE), University of Leeds, Principles for Responsible Investment (PRI), Trade Union Congress (TUC).

https://www.lse.ac.uk/granthaminstitute/wpcontent/uploads/2019/02/Investing-in-a-just-transition-in-the-UK-policy-brief_8pp-1.pdf

⁴ De Henau, J. and Himmerweit, S. (2020) *A Care-Led Recovery from Coronavirus: The case for investment in care as a better post-pandemic economic stimulus than investment in construction*, Women’s Budget Group. <https://wbg.org.uk/wpcontent/uploads/2020/06/Care-led-recovery-final.pdf>

upskilling are critical to achieving a green economy. However, there are challenges in accessing skill training, a lack of diversity in the workforce, and a limited pipeline of young people interested in science, technology, engineering, and mathematics (STEM) qualifications.⁵

There are also structural barriers to accessing the sectors that are critical to decarbonising the economy. As stated in Question 1, there is immense potential for creating new jobs in high-polluting sectors while greening the economy. However, job losses and redundant roles may also result from this process, and investing in these sectors may not immediately yield economic benefits for all. A comprehensive impact assessment must be carried out while investing in these sectors, as existing structural inequalities could persist or worsen without one.⁶ Notably, there is a significant gender gap within these sectors, further emphasising the importance of addressing social disparities alongside environmental concerns in the pursuit of a sustainable economy.

Workforce job by industry (SIC 2007) and gender, September 2023

(workforce jobs by industry (SIC 2007) and sex - unadjusted via NOMIS)

Industry	Male	Female	Total	Male %	Female %
A : Agriculture, forestry and fishing	13,848	1,207	15,055	92.0%	8.0%
C : Manufacturing	112,558	34,322	146,880	76.6%	23.4%
D : Electricity, gas, steam and air conditioning supply	4,717	1,492	6,209	76.0%	24.0%
E : Water supply; sewerage, waste management and remediation activities	11,666	4,653	16,319	71.5%	28.5%
F : Construction	70,599	14,823	85,422	82.6%	17.4%
H : Transportation and storage	46,391	13,330	59,721	77.7%	22.3%
I : Accommodation and food service activities	53,992	72,423	126,415	42.7%	57.3%
J : Information and communication	28,213	8,813	37,026	76.2%	23.8%
M : Professional, scientific and technical activities	36,489	43,255	79,744	45.8%	54.2%
P : Education	43,063	90,032	133,095	32.4%	67.6%
Q : Human health and social work activities	51,146	168,907	220,053	23.2%	76.8%
Column Total	472,682	453,257	925,939	51.0%	49.0%

The higher education enrolment stats also show a significant gender gap in the enrolment of women in these sectors; only 17% of the undergraduate students in engineering and technology, and computing are women.⁷ To tackle the skill gap in a fair and just way, it is

⁵ Parken A. and MacBride-Stewart S. et al. (2023). *Summary Report of The Mainstreaming Equality And Just Transition Evidence Panel*. Cardiff University Business School, Cardiff University School of Social Sciences and Cardiff University School of Law and Politics.

⁶ Ibid.

⁷ [StatsWales, Student enrolments in Wales by HECOS subject, level and mode of study, 2020-21](#)

critical to engage with women and other underrepresented groups in these sectors and tackle the barriers that result in these groups not actively participating in the workforce.

Inequalities also persist within the foundational economy sectors, which often do not receive the same attention in decarbonisation investments. These sectors are frequently overlooked in discussions related to economic prosperity and green economy initiatives. Yet, despite their crucial role, the workforce within these sectors, mostly composed of women and marginalised groups, are usually stuck in low-paid positions with limited opportunities for career advancement. The lack of integration between foundational economy sectors and high-profit, high-emission industries presents a significant barrier to developing a truly holistic approach to the green economy.

Existing inequalities and poverty also present formidable obstacles to achieving a just and equitable transition to a green economy in Wales. These disparities exacerbate the vulnerability of marginalised communities to the impacts of environmental degradation and climate change, further deepening social and economic divides. Individuals and communities facing poverty often lack access to education, training, and resources needed to participate in the green economy, perpetuating cycles of exclusion and marginalisation. Moreover, the upfront costs associated with transitioning to sustainable practices can pose significant financial barriers for low-income households, widening the gap between those who can afford to embrace green technologies and those who cannot.

Question 5

What will workers and employers need for a just transition to a Net Zero economy to be achieved, and what actions should the Welsh Government take to deliver the elements of this that lie within its devolved powers?

5.1. Investing in a caring economy

Access to training, upskilling, and participation in the workforce remains a significant barrier for many individuals, particularly women and other marginalised groups. Persistent structural gender inequalities and societal expectations often confine women to traditional gender roles, resulting in a disproportionate burden of caring responsibilities. Consequently, women are more likely to occupy low-income, precarious, and part-time positions. Statistics reveal a stark contrast in employment patterns: 38% of women work part-time compared to 13% of men, while 26% of women not seeking employment cite caring responsibilities as the reason, in contrast to only 7% of men in similar circumstances.⁸

Childcare remains one of the main barriers to women's participation in the workforce. A lack of affordable and funded childcare can force parents and guardians to leave the labour market, depriving the economy of a skilled workforce. Oxfam Cymru's research into childcare in Wales¹⁰ provides critical evidence on the impact of childcare on family finances and parents/guardians' participation in the workforce:

⁸ Annual Population Survey, Oct 2022-September 2023 release. Retrieved via NOMIS.

- 92% stated that childcare costs are undeniably high relative to their income levels.
- 53% stated that paid employment becomes financially impractical once childcare expenses are considered.
- 75% agreed that lack of funded childcare had a negative impact on their work and career.
- 67% said they reduced their working hours due to a lack of childcare.
- 72% mentioned they would have returned to work or increased their work hours quicker if more funded childcare had been available.
- 85% stated that need for childcare has impacted their ability to accept new work or additional hours.

Investing in care services not only generates additional employment opportunities but also facilitates greater workforce participation, thereby addressing the skill gap prevalent in the Welsh economy. By enhancing access to affordable and high-quality care, individuals, particularly women who often bear the brunt of caregiving responsibilities, are empowered to engage in the workforce fully. This not only bolsters the labour pool but also contributes to economic growth by tapping into the talents and potential of a previously underutilised segment of the population.

As research shows, investing in care also creates jobs. Unlike investment in construction, a care-led approach reduces the gender employment gap while still creating job opportunities for men.⁹ Importantly, this approach also aligns with broader sustainability goals, helping to create a greener, more resilient, and more caring economy that benefits both people and the planet.

5.2. Investing in training and apprenticeships

The Welsh Government, businesses, and educational institutions can effectively address the skill gap and build a resilient workforce equipped to lead the transition towards a greener, more sustainable future by prioritizing investments in training and apprenticeships. It is important to investigate the barriers that prevent people, especially underrepresented groups in the workforce, from accessing training and apprenticeship opportunities. Those who wish to take up training, upskilling, reskilling, and apprenticeship should be provided with support such as childcare, financial aid, or advisory services.

5.3. Building up carbon literacy

The evidence panel on mainstreaming equality and just transition in Wales considered that all jobs could become 'green', if everyone is supported to apply new knowledge on sustainability in their communities and in work, across all sectors and occupations.¹⁰ The panel concluded that an inclusive "carbon literacy strategy for all" is necessary to facilitate equitable inclusive approaches to learning and upskilling opportunities. We echo this

⁹ De Henau, J. and Himmerweit, S. (2020). Op cit.

¹⁰ Parken A., MacBride-Stewart S. (2022). Op cit.

recommendation and call the Welsh Government to roll out a “carbon literacy strategy for all”.

Question 6:

How will the Welsh Government need to work in partnership with others to realise the potential of the green economy and deliver a just transition? To what extent is the partnership working that is needed being undertaken?

Achieving a just transition to a green economy requires collaboration and partnership among various stakeholders. The Welsh Government should engage with a diverse range of actors, including businesses, sector representatives, public bodies like the Future Generation Commissioner, third-sector organisations and communities.

The absence of a centralised forum or platform in Wales to bring together diverse stakeholders from various sectors poses a significant challenge to coordinated action on climate change and sustainability. While third-sector organisations often establish coalitions with their limited resources, their influence on shaping broader policy and action areas remains constrained. To address this gap and facilitate more effective collaboration and engagement, there is a pressing need for a unifying body supported by the Welsh Government. This could take different forms providing an inclusive forum for citizens and organisations to deliberate on climate-related issues and inform policy-making processes. Moreover, fostering a wider alliance of stakeholders, including government agencies, businesses, academia, and civil society, could further enhance collective action and mobilise resources towards achieving climate resilience and sustainability goals in Wales. By supporting the establishment of such initiatives, the Welsh Government can facilitate greater collaboration, coordination, and impact in addressing the urgent challenges of climate change.

Furthermore, cross-departmental cooperation within the Welsh Government is essential to align efforts and ensure that climate emergency policies are integrated across all sectors and departments. This holistic approach helps to mainstream sustainability considerations into decision-making processes and advance progress towards net-zero targets. A green economy is not only about economic development but also social and environmental justice, considering both national and global populations. It is critical to mainstream climate emergency policies and develop a holistic approach that will be implemented across government departments.

Addressing the climate emergency requires collaboration and cooperation at the global level, and the Welsh Government has a role to play in contributing to international efforts to mitigate its impacts. The Welsh Government can play a global role by taking advocacy and diplomacy actions, building partnerships and collaborations participating in global initiatives,

such as “Wellbeing Economy Governments”¹¹, and supporting and advocating climate finance and climate justice globally.

Question 7:

The Welsh Government says it will face considerable budgetary constraints in the short term. How should it prioritise investment to support development of the green economy over the shorter and longer-term? What innovative approaches to financing could be considered to maximise potential investment and benefits?

A radical transformation of economic structures is needed to achieve a fair, green, and caring economy. This will address the deeply rooted causes of the climate emergency and inequality and ensure the well-being of future generations and the planet.

Addressing poverty and inequalities is paramount for achieving a just transition and fostering inclusive and sustainable development in Wales. The Welsh Government must prioritise tackling these issues to mitigate their adverse impacts on society and ensure that no one is left behind. Urgently developing a comprehensive and far-reaching anti-poverty strategy and action plan is crucial to address the root causes of poverty and inequality, improve access to opportunities, and promote social inclusion. This strategy should include targeted measures to support marginalised and vulnerable populations, such as investing in education, healthcare, affordable housing, and job training programs. By prioritising poverty reduction and social equity, the Welsh Government can create a more resilient and fair society and sustainable economic development and economy, where everyone has the opportunity to thrive, thereby laying the foundation for a just transition to a sustainable future.

In the long term, the Welsh Government should consider taking bold actions to redefine the economic metrics and move beyond GDP. A recent discussion paper by Oxfam, *Radical Pathways Beyond GDP*,¹² presents a rich discussion on how to move our economies beyond GDP and growth-centred economies to caring, green economies. The paradigm shift towards a caring economy would require us to measure and value success not solely based on GDP, but on indicators that reflect the quality of life for all. Investments in social safety nets, affordable social care and childcare, quality education, fair work and sustainable livelihoods can play a pivotal role in a caring economy that puts the wellbeing of future generations and the planet at its heart.

Public investment is necessary in the process of decarbonisation of the economy and a just transition to net-zero. However, while Public finance is a critical lifeline for communities on the frontlines of the climate crisis, yet we are increasingly looking to dwindling aid budgets

¹¹ Wellbeing Economy Governments, <https://weall.org/wego>

¹² Parvez Butt, A. Berkhout, E. et al. (2023) *Radical Pathways Beyond GDP: Why and how we need to pursue feminist and decolonial alternatives urgently*. <https://policy-practice.oxfam.org/resources/radical-pathways-beyond-gdp-621532/>

to meet escalating needs. Meanwhile, billionaires amass yet more wealth and fossil fuel producers post record profits. These polluters have caused – and continue to cause – irreversible damage to our planet. Fairer taxes on the largest polluters would not only generate additional finance but could also create financial incentives for them to reduce their emissions.

Oxfam’s recent research *Payment Overdue*¹³ found out that if fair taxation is in place for the excess profits tax on fossil fuel producers, redirecting fossil fuel producer subsidies, a Frequent Flyer Levy, and taxing high-emitting luxury travel, the UK could have raised £12.62bn in much-needed new finance for climate justice. A system that fairly taxes extreme wealth could have contributed up to a further £10.48 bn for climate action last year. Altogether we estimate that in 2022, the UK may have missed out on £23.1bn for climate action by not making polluters and the wealthiest in our society pay. That is double the amount that the UK government has committed to spending on crucial international climate finance in the five years up to 2026. If the UK government were to spend £2bn of these additional revenues on insulating housing in England, this would mean an additional £93.62m coming to Wales through the Barnett Formula.

Further action and increased pressure are needed to secure greater tax powers for Wales. The current limitations on taxation authority not only hinder the financing of just economic transformations toward a green and caring economy but also impede the necessary behavioural change towards achieving a net-zero Wales. Enhanced tax powers would enable Wales to implement targeted fiscal policies that incentivise sustainable practices, promote renewable energy initiatives, and support the expansion of care services.

Another crucial avenue for Wales to generate revenue and invest in the green economy is through the devolution of Crown Estate management, as is the case in Scotland. This power would enable Wales to invest in offshore wind farm development and bolster Welsh Government revenue from estate management. A recent YouGov poll underscores public support for devolving the Crown Estates to Wales, with 58% in favour and 19% opposed.¹⁴

¹³ Blom E. and Walsh L. (2023). *Payment Overdue: Fair ways to make polluters across the UK pay for climate justice*. <https://policy-practice.oxfam.org/resources/payment-overdue-fair-ways-to-make-polluters-across-the-uk-pay-for-climate-justi-621539/>

¹⁴ Wales Online, 5 may 2023. *Most Welsh people believe the Crown Estate should be devolved to Wales - including Conservative voters*. <https://www.walesonline.co.uk/news/wales-news/most-welsh-people-believe-crown-26854998>