# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Building capability to support the Foundational Economy**  |
| **DATE**  | **09 March 2023**  |
| **BY** | **Vaughan Gething, Minster for Economy**  |

The Foundational Economy (FE) in Wales provides those everyday goods and services on which we all rely to ensure our health and wellbeing. Care and health services, food, housing, energy, construction, tourism and retailers on the high street are all examples of the FE. The industries and firms that are there because people are there, with estimates suggesting they account for four in ten jobs and £1 in every three that we spend. The FE is an integral thread through our Programme for Government and Economic Resilience and Reconstruction Mission.

Building the necessary capability and skills to embed FE objectives across the Welsh public sector is crucial. By doing this we can maximise opportunities for our indigenous suppliers and build resilient, highly skilled supply chains. This enables businesses to grow, attract and retain new talent and recycle the Welsh pound in our communities. The importance of fair pay and working conditions for staff undertaking invaluable roles in FE sectors will be recognised and promoted. It will help prompt a shift in mindsets and cultures to focus on value creation through procurement and move beyond short term cost savings, which increase longer term financial pressures and undermine wellbeing. While we face enormous economic uncertainty and the damaging impacts of recession, it is right that we support innovative action that prevents hardship and lowers the long-term pressure on our public services.

To do this, we recognise the need to provide the necessary toolsets and support for our public sector partners and practitioners. I am pleased to announce publication of the report ‘[A Scoping and Feasibility Study for a new Foundational Economy Academy in Wales](https://www.gov.wales/new-foundational-economy-academy-wales-scoping-and-feasibility-study)’ by Cardiff Metropolitan University / Swansea University. This research and dialogue with our stakeholders has enabled us to start exploring the kind of support and interventions that they want and which will add value. It has also provided us with a better understanding of current FE capability across the public sector and attitudes towards FE adoption. This is helping to shape our FE capability programme to ensure we provide the right tools and support to practitioners so that strong and vibrant FE sectors can be nurtured and accessed, improving wellbeing for the citizens of Wales.