



# **A FLOURISHING WELLBEING ECONOMY FOR WALES**

**Economic Priorities for the Next  
Welsh Government**

*Executive Summary*



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## ACKNOWLEDGEMENTS

This discussion paper was written by **Joe Rossiter**, Co-Director of the Institute of Welsh Affairs (IWA), and informed by research led by him. It was reviewed by **Sarah Rees** (Head of Oxfam Cymru), **Hade Turkmen** (Policy and Advocacy Adviser, Oxfam Cymru), and **Maria Drave** (Co-Director of IWA).

We would like to thank all contributors who shared their time, insights, and expertise in shaping this work.

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## ABOUT THE IWA

We are a think tank and charity, independent of government and political parties. By bringing together experts from all backgrounds, we conceive ambitious and informed ideas which secure political commitments to improve our democracy and economy. We provide platforms for debate, opportunities for people to make their voices heard and agenda-setting research. We are funded by our members, our events and training sessions, and supported by trusts, foundations and other funding bodies.


## ABOUT OXFAM CYMRU

Oxfam Cymru believes in a radically better world, free from the injustice of poverty. As part of the global Oxfam family, Oxfam Cymru works with partners across Wales and around the world to tackle poverty and drive change in and from Wales. Oxfam Cymru believes that when people come together, change comes about. We're striving for a world where all of us are empowered with exactly what we need to thrive.




## EXECUTIVE SUMMARY

Wales is facing a defining moment. With the climate emergency deepening, inequality widening, and public services under sustained pressure, it is clear that the current economic model is no longer fit for purpose. This manifesto, developed by Institute of Welsh Affairs (IWA) in partnership with Oxfam Cymru, sets out a bold yet practical roadmap for building a **Wellbeing Economy** in Wales—an economy designed to serve the needs of people and the planet, now and for generations to come.



## WHAT IS A WELLBEING ECONOMY?

A **Wellbeing Economy** is one where the goal of economic policy is not simply growth for its own sake, but the wellbeing of all people within planetary boundaries. It challenges the idea that Gross Domestic Product (GDP) is the sole or best measure of success. Instead, it prioritises social justice, environmental sustainability, health, equality, and meaningful livelihoods. It recognises that a thriving economy depends on a healthy environment and a society where no one is left behind.



## A WELLBEING ECONOMY VALUES:

**Equity and social justice** over profit maximisation

**Long-term resilience** over short-term gains

**Collective wellbeing** over individual wealth accumulation

## A UNIQUE WELSH CONTEXT

Wales is well-placed to lead this shift. It already has pioneering legislation – the Well-being of Future Generations (Wales) Act 2015 – which requires public bodies to act in ways that improve the economic, social, environmental, and cultural wellbeing of Wales. It is also a member of the Wellbeing Economy Governments (WEGo) partnership, alongside nations such as Scotland and New Zealand.


Despite these foundations, Wales still grapples with systemic challenges:

- Stagnant wages and regional inequalities
- Insecure and undervalued work in foundational sectors like care
- Overreliance on extractive industries and carbon-intensive infrastructure
- A fiscal and economic model that does not fully reflect the needs or potential of its communities

While the Welsh Government operates within a constrained devolution settlement, it has significant levers at its disposal—particularly through its powers over health, education, transport, planning, procurement, and economic development. Yet progress remains slow and fragmented.

# TOWARDS A FLOURISHING WELLBEING ECONOMY

This manifesto presents a compelling case for Wales to reorient its economy around wellbeing, care, and sustainability. It is grounded in years of research and advocacy across economic, climate, and gender justice, and builds on wide-ranging policy discussions, including Oxfam Cymru's work on a *Feminist Green New Deal* and the IWA's long-standing focus on foundational economic transformation..



The vision is underpinned by five strategic priorities:


1. **Setting a clear economic direction** – with wellbeing as its core purpose, backed by delivery plans, reformed budgeting, and wellbeing-centred metrics.
2. **Fixing the foundations** – including long-term investment in prevention, fair work, and ethical public procurement.
3. **Supporting socially responsible businesses** – especially co-operatives, social enterprises, and community-led initiatives.
4. **Managing a just transition to net zero** – ensuring climate action tackles, rather than reinforces, existing inequalities.
5. **Accelerating purpose-driven innovation** – by creating the conditions for transformative solutions to flourish.

This is not a theoretical vision. Across Wales, there are already examples of community-led energy projects, care co-operatives, socially responsible businesses, and innovative procurement approaches delivering social and environmental value. What's needed now is scale, ambition, and coordination.



## A CALL TO ACTION

As we look ahead to the 2026 Senedd elections, this is a crucial moment for Wales to demonstrate leadership and embed wellbeing at the heart of its economic policy. This manifesto offers a practical and progressive pathway forward—a Wales where people and communities thrive, where inequality is tackled at its roots, and where the economy helps secure a just, sustainable future for all.



## OUR ASKS OF THE NEXT WELSH GOVERNMENT



### 1. Setting economic direction

- a. An economic strategy with delivery plan
- b. Establish a wellbeing-aligned annual budget which:
  - I. Takes a long-term, total-cost approach to spending
  - II. Provides multi-year spending agreements with public bodies
  - III. Includes wellbeing-to-cost ratio assessment
  - IV. Maps spending onto the National Wellbeing Goals
- c. Enhance the role of the *Wellbeing of Wales* report to include:
  - I. A Wellbeing Wheel to communicate progress
  - II. Senedd scrutiny debate on publication
  - III. Key metrics to provide long-term focus and set priorities
- d. Using devolved tax levers as wellbeing-aligned behaviour change mechanisms
- e. Appoint an Independent Wellbeing Economy Advisory Group
- f. Create an economy strategy-aligned Investment Framework to provide funding priorities for the Development Bank of Wales and others
- g. Prioritise investments which take long-term public equity stakes in Welsh-based businesses



## OUR ASKS OF THE NEXT WELSH GOVERNMENT

### 2. Fixing the foundations

- a. **Establish a preventative ringfenced funding budget line in Welsh Government's budget**
  - I. With the intention for this to represent an increasing portion of Welsh Government's departmental budgets over time
- b. **Unleash the power of public procurement**
  - I. Welsh Government must ensure that all public bodies uphold key principles of fair work, including Real Living Wage accreditation
  - II. Stronger enforcement of standards in conditionality of public procurement processes - following Scotland Fair Work First framework
  - III. Set a number of meaningful targets for public procurement teams to work towards, e.g. percentage of local procurement
  - IV. With the Future Generations Commissioner for Wales, convene a Wellbeing in Procurement Forum to provide learning, upskilling and best practice guidance for public sector procurement professionals

## OUR ASKS OF THE NEXT WELSH GOVERNMENT



### 3. A Wales of thriving, socially responsible businesses

- a. Establish a Social Business Accelerator Fund with specialist, wrap-around support
- b. Set explicit targets for growing cooperatives, social businesses and Real Living Wage accredited businesses
  - i. Whilst also considering further measures to examine the wider social and environmental impact of businesses
- c. Create a Community Empowerment Bill
  - i. With wrap-around support to enable long-term sustainability, including a Community Empowerment Fund

## OUR ASKS OF THE NEXT WELSH GOVERNMENT

### **4. Managing a just transition to net zero**

- a. Retaining economic benefit from renewable energy**
  - I. Compel all new renewable energy projects in Wales above 5MW to have between 5% and 35% community and local ownership
  - II. Community Benefit Funding reform, including: a Community Benefit register, mandated base level of provision (£8,000 per MW) and establishing best practice guidelines
- b. Commission the creation of a Future Skills Map overseen by Medr**
- c. Establish a National Wealth Fund to drive forward green energy investment. Funding should be derived from:**
  - I. Capturing 'wealth fund payments' of at least 15% of net revenues made from future large scale onshore and offshore wind projects with an installed capacity over 50 MW in Wales
  - II. Pooling profits from Trydan Gwyrdd Cymru
  - III. Pooling investment funding from Local Authority pension schemes
  - IV. Prioritising taking meaningful stakes in businesses in alignment with wellbeing principles as long-term revenue drivers
  - V. Devolving the Crown Estate to enable Welsh Government to capture the wealth from its natural resources
- d. Develop a Just Transition strategy that places social justice and equality mainstreaming at its core, ensuring no one is left behind in the transition to a net zero economy**

## OUR ASKS OF THE NEXT WELSH GOVERNMENT



### 5. Accelerating purpose driven innovation

- a. Create a new independent innovation agency, a Future Generations Lab
  - b. Set a number of innovation socio-economic challenges
  - c. Establish a Challenge Fund, associated with the above challenges
  - d. Appoint an independent, arms-length innovation group to manage the Challenge Fund
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