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www.theundercard.co.uk

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# Strange Death of Labour Britain

Present day parallels with political events a century ago are so compelling they bear some examination. In his *Strange Death of Liberal England* the journalist and literary editor of Vanity Fair George Dangerfield surveyed the political landscape of the early 1900s, and from today's Labour perspective, highlighted some alarming coincidences. He observed that the collapse of the Liberal Party came within a few short years of its greatest electoral triumph – the landslide victory of 1906 – and happened at the end of its longest period of government. Some of the reasons for the collapse are also uncannily contemporary. The Liberals split over a misjudged and costly war, in their case against the Boers in South Africa. They picked a fight with progressive causes such as votes for women. They alienated their working class supporters. They reformed the House of Lords, but left hereditary peers in place. Their senior leaders – Lloyd George and Asquith – fell out. And they left office, for at least a century if not for ever, mired in a cash for peerages scandal.

Of course, historical precedents are not necessarily transferable and the Liberal collapse a century ago was partly attributable to the First World War. Nonetheless, present times do have an Edwardian air of being the end of an era. In this issue we review a new IWA book by Conservative AM David Melding. It has the title *Will Britain Survive Beyond 2020?* Many will think this an extraordinary question, coming from a Conservative, a member of what used to be the most unionist of parties in Wales. This is no longer the case. Indeed, the book reveals that some of the most challenging thinking on constitutional issues is now coming from the Welsh Conservative camp, albeit from a relatively rarefied part of it. David Melding's case is that if Britain is to survive then it must be as a federal construct, with the Home Nations each given their sovereign identities and dues.

Another strand is the public's disengagement with the political parties and electoral politics, exacerbated by the expenses saga in the House of Commons, a theme a range of authors explore in our Outlook section. The party most affected is Labour. Part of its problem in Wales is that because it is still such a dominant force, it has the most to lose. The London media made great play of the Conservatives coming first in the recent Euro elections, the first all-Wales electoral contest that Labour has not won since 1918. In reality, the Conservatives and Labour were neck and neck, with Plaid Cymru not far behind. But this still meant that the Labour vote fell by 12 per cent, a larger fall than in Scotland or any region of England. A most generous reading of their performance will see them losing at least half-a-dozen of their Welsh seats at the forthcoming general election.

If all this is so and we are indeed living through the 'Strange Death of Labour Britain' does this mean that, inevitably, Labour Wales will also be included? Devolution could be part of the answer to Welsh Labour's woes. In a valedictory message to his party, in his contribution to the IWA's *Politics in 20<sup>th</sup> Century Wales* last year, Rhodri Morgan offered some good advice. In short he suggested that the party should advocate proportional representation for local government elections and work hard "to counteract the charge that Labour stands for some diluted or half-hearted form of Welshness". The party could also take a leaf out of David Melding's book in the form of pressing for more autonomy within the framework of what is presently a highly centralised British organisation. If Welsh Labour had, say, a federal relationship with other Labour parties in Scotland and England it would be forced to strengthen its organisation and policy making capacity. Unless some initiative along these lines occurs then it is difficult to foresee anything but a continuing hollowing out and decline of what, not so long ago, seemed an invincible political force.

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4 August 2009

*Cymru yn 2050: Golwg o'r Dyfodol*  
(*Wales in 2050: A view from the future*)

Morgan Parry, Chair, Cynnal Cymru  
12.30 pm, National Eisteddfod, The Pagoda,  
Llanfor, Bala – Simultaneous translation

#### ▪ Reclaiming King Arthur

Gwent Branch – 23 September 2009  
6.00pm University of Wales Newport, Caerleon

**Presentations by** Adrian Gilbert, author *The Holy Kingdom: Arthur in South Wales* and Catherine Fisher, Newport novelist

#### ▪ Life Change for a One Planet Wales

Conference in association with Cynnal Cymru  
25 - 26 September 2009

National Botanic Garden of Wales

**Keynote speakers:** Professor Gareth Wyn Jones, Dr Adam Corner and Professor Ken Peattie, Cardiff University, Rhiannon Rowley, Co-ordinator Wales Transition Towns

#### ▪ Cardiff and the Valleys: One Place or Two?

Launch of Cardiff and the Valleys Branch

6.00pm 7 October 2009

University of Glamorgan Business Conference Centre, Treforest

**Speakers:** Cllr Russell Goodway, Tyrone O'Sullivan, Professor Kevin Morgan. Followed by wine reception

#### ▪ Science, Industry and Heritage

Swansea Bay Branch seminar in association with History Research Wales

6.00pm 15 October 2009 – National Water Front Museum

**Keynote Speaker:** Professor Huw Bowen, Swansea University

#### ▪ A NEET Solution for Wales

Gwent Branch conference

23 October 2009

9.30am Coleg Gwent Pontypool campus

**Keynote speakers:** Skills Minister John Griffiths AM, Howard Williamson, Professor of European Youth Policy, University of Glamorgan, Frank Callus, Strategic Manager, Education, Training and Skills, Heads of the Valleys Programme.

#### ▪ The New Mutualism

Day conference – 30 October 2009

9.30am, Glamorgan Building, Cardiff University

**Keynote speakers:** Professor Stephen Yeo, Chair, Co-operative Board, Duncan Forbes, Bron Afon Community Mutual Housing Association, Torfaen, Simon Harris, Wales Co-operative Centre, Andrew Davies, Minister of Finance, Welsh Assembly Government.

## Just Published

#### ▪ Will Britain Survive Beyond 2020?

David Melding – £11.99

#### ▪ Regional Economies in a Globalising World

Edited by John Osmond – £10.00

**More information: [www.iwa.org.uk](http://www.iwa.org.uk)**

# Time to Talk About Women Again

Laura McAllister says women should dare to be different in tackling the more subtle discriminations in Welsh public life



**I'm weary of hearing that the 21<sup>st</sup> Century is proving Wales to be a special place for women's equality. In a peculiar way, we have been disadvantaged by some of the significant sectoral breakthroughs we have made. No one would argue, for example, that we haven't made some massive strides forward in politics. We now have the first female party leader in the Assembly, Liberal Democrat Kirsty Williams. And with 28 women out of 60 AMs we have 47 per cent of the total, a healthy proportion. Yet, this didn't happen by accident or osmosis, nor is it permanent.**

There was nothing organic about the achievement of numerical gender equality in the Assembly. It was the outcome of some rather bloody (and unfinished) party political business. Basically, two parties - Welsh Labour and Plaid Cymru - were courageous enough, not only to use positive action to select candidates, but also to take the consequences from within their own memberships. Labour's use of 'twinning' - that is, pairing neighbouring constituencies with one man and one woman selected for each pair- was augmented by Plaid's less

expansive, but nonetheless significant 'zipping', with women candidates gaining pole positions across the regional lists.

That such positive actions can bring merely temporary and often vulnerable gains is underlined by the fact that women still make up only 20 per cent of MPs at Westminster. This is despite experiments with all-women shortlists. There have only been twelve women MPs elected in Wales since women won the right to vote in 1918. Of our 40 MPs today, only eight are women and half of those were selected via all-women shortlists.

We have also done well at the European level with, until this June's election, three out of our four MEPs being women. We can see how fragile such a position is, however, when following the election at which two of the female MEPs stood down, the number of women was reduced to just one.

Outside of frontline politics, women are generally faring extremely badly in occupying leading positions in Welsh public life. There are fewer women now on the boards of Assembly Sponsored Bodies, despite the use of a comprehensive equality framework in the appointments process, and only one female chief executive. Just a quarter of our local councillors are women, while 80 per cent of local authority chief executives are male.

There are no women Vice-Chancellors in Wales's universities, one deputy Vice Chancellor (at the University of Glamorgan) and only three Pro Vice-Chancellors. Only 17.5

per cent of professors are women (and this is much lower in areas like Science and Engineering), despite broad parity in the overall number of male and female lecturers. For a while, I assumed this was a specific academic problem but it is oddly reassuring that this seems to be across the board.

In sport it's a similar story. Of all the national governing bodies of sport (including those that represent predominantly women's sports, like netball and hockey), there is only one female chief executive. Men comprise 80 per cent of their board members, while 12 sports (including swimming, badminton and cycling) have no female board members at all. And we wonder why female athletes are marginalised, ignored or sexualised?

Wales has no female chief executives in its top 100 private firms and under 5 per cent of all FTSE 100 company chief executives are women. It begs the question as to whether recent financial crises might have been handled differently had there be more women on boards. Norway has driven real fractures in its private sector glass ceiling by requiring that 40 per cent of boardroom posts are occupied by women. Moreover, it was a Conservative Industry Minister, Ansgar Gabrielsen, who instigated this change, saying: "From my time in the business world I saw how board members were picked. They come from the same small circle of people. They go hunting and fishing together. They're buddies." In Wales, we could easily substitute golf and rugby clubs.



Kirsty Williams, first female party leader in the National Assembly, seen on her farm near Brecon – a breakthrough in political visibility for women that has been rarely followed in other walks of Welsh life.

What's more, none of the foregoing touches upon some serious inequalities in pay - 12 per cent and higher for part-time female workers. 'It's Time to Talk about Women Again' was the title of Professor Margaret Wilson's inaugural lecture at New Zealand's Waikato University in June. It's relevant because Margaret was the first woman Speaker in New Zealand and used her lecture to show how much work remains to be done.

The reality is that the character and parameters of the problems have altered. Of course, we have made substantial gains in terms of a clearer and more proactive legal framework for outlawing discrimination, especially following statutory equalities duties. However, it is noteworthy that all of these were the products of women's sustained efforts, not bureaucrats' interventions.

To effect real change, there needs to be a seismic shift in culture, generally

acknowledged to be the hardest area in which to effect change. And, to solve a problem, we must first identify it. My professional experiences have convinced me that the problem is two-fold. First, the higher one progresses towards that notional glass ceiling, the more subtle the discrimination becomes. Secondly, inequalities are better concealed at senior levels. Together, these conspire to form a new, more subtle type of discrimination, one that is social, cultural and informal, less easy to identify and quantify, but equally pernicious and unpleasant.

Personal experiences are problematic because when recounted they sound unscientific, anecdotal, and often churlish. Thus, they are usually unspoken. Yet it is these experiences that can be most enlightening. Take the culture of meetings. First, one has to penetrate the subtleties of emphasis in agenda, the informal chat (sometimes

in the toilets even), before timing and managing one's interventions in terms of both quality and tone. Much of this is initially unfathomable for women and also for younger men, and when it *is* grasped, it's often too late. A woman will make what seems an entirely relevant point only to hear it repeated almost verbatim by a subsequent (usually male) speaker, with the chair congratulating him for his wise intervention.

What about the informality of recruitment and succession in professional life, especially at the top? It took me a while to grasp that most of this is *ultra* procedural and almost entirely conservative. In all but the most gender aware organisations, there is almost always an informal 'pre-sift' stage where names – invariably male – for key vacancies are thrown into the pot. There's no great surprise in that because a triple whammy applies. There

are more senior men from which to choose. Men usually know more professional men than women. Finally, most older men prefer working with people in their own image. This informality is, at best, conservative in terms of succession and renewal and, at worst, hideously discriminatory other than for middle aged, white males.

There are also widely accepted definitions of professional experience which seem to ignore the fact that less may very well often be more. Interview panels are often impressed by lengthy lists of activities on CVs - a case of 'never mind the quality, feel the quantity'. However, very little attention

as professional women makes it (and ourselves) sound weak and just a bit pathetic. And there's no room for that in the upper echelons of any organisation these days. The bottom line is that the more subtle the form of partiality, the more difficult it is to articulate and the harder it is to prove. And on this edifice of silence, inequality is sustained.

So if the glass ceiling is only showing disappointingly minor cracks, what can be done? The following suggestions - for myself, as much as other women - are only partly tongue in cheek. First, we should stop conforming so readily. By tempering

adding formality and organisation to what most of us have pursued informally throughout our careers.

More controversially, I'd make a plea for embracing tokenism. I have some positive personal experiences, especially from sport - on the Welsh Football Trust Board and the National Assembly Football Taskforce, in particular - where I have been the only, and clearly 'token' woman. Of course, it can be uncomfortable and infuriating at times, but the pragmatist in me sees these as opportunities for a foothold of influence which can be used to good effect. After all, the alternative is often *no* representation. From a Trotskyite position, what's wrong with infiltrating and manipulating from within?

The simplest and strongest rationale for equality lies in maximising human resources in a small nation such as ours, providing fresh blood with different views and utilising our wealth of subtly different talents. Superficially, there have been some great strides forward but only a fool would argue we have shattered the glass ceiling. It is in everyone's interests that we do not create a conspiracy of silence around this.

Despite some valiant initiatives, public life in Wales has a soft underbelly of inequality. This is sometimes uncomfortable and disorienting and, at other times, alienating and discriminatory. We owe it to ourselves and each other to ensure that this 'battle is won'. The rhetoric around gender equality needs to be properly unpicked and challenged or Wales's glass ceiling will remain as durable as ever ■

**Laura McAllister** is Professor of Governance at the University of Liverpool and was a member of the Richard Commission. She is Vice Chair of the Sports Council for Wales and a Director of the Welsh Football Trust. She is Chair of *IWA Women*, an action group being launched in October to influence gender balance in the political parties and the media.

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## “...would you really recruit a woman described as formidable, opinionated, pushy, impatient and emotional?”

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is paid to what was actually achieved by way of tangible, useful outputs. It is often said that the more financially rewarding the post, the more men are likely to value it; the more worthwhile, the more it is valued by women. Interpretation of CVs needs to bear this in mind.

There is also the gendered language of politics or, in professional life, the terminology of job references. It's interesting to look at the different adjectives that are used for job applicants. Words matter. Gillian Wilmot expressed it perfectly in last December's Financial Times: "While you may well recruit a man described as impressive, clear thinking, ambitious, incisive and passionate, would you really recruit a woman described as formidable, opinionated, pushy, impatient and emotional?"

There is no question that these subtle but cumulative experiences can seriously damage women's confidence and put them off scaling the professional ladder. Yet to rehearse our experiences

our behaviour, conversation and dress, we are perpetuating the imbalance and legitimising the behaviour of those who haven't quite got the equality message. Even worse, some of the more damaging compromises will have reverberations for the generation behind us and similarly limit their horizons. We need to dare to be different and trail blaze by not always imitating approach, style, dress, voice or behaviour. We should speak out at subtly unfair, informal processes in promotion, workload allocation and profile and, in doing so, accept that commenting will not always be to our personal benefit.

We need to roll out more comprehensive, better mentoring and networking schemes for women. And these need not only be for women. Many younger men are as appalled at the conservatism of public life as we are. The Women's Universities Mentoring Scheme, launched as a collaboration between the Welsh higher education institutions, is an excellent example of

## IWA launches new Branch for Cardiff and the Valleys

The IWA will launch a new Cardiff and Valleys Branch at the University of Glamorgan's Treforest campus on 7 October with a debate about whether the region is, in fact, two places rather than one. Speakers include former Cardiff Lord Mayor Russell Goodway, leader of the Tower Colliery miner's buy-out Tyrone O'Sullivan, and Cardiff University professor Kevin Morgan who was brought up in Rhigos.

The new Branch joins the existing North Wales, West Wales, Swansea Bay and Gwent Branches which together now cover most of Wales. The Chair of the

Cardiff Branch is Huw Roberts, who has been Director of Welsh Affairs with the Royal Mail group since 2007. Before that he was the Board member responsible for public policy, press relations and promotional work at BBC Wales.

Huw Roberts's career has spanned Westminster, Whitehall and public and private companies, as well as running his own consultancy providing political insights and advice to a wide range of clients. During the 1990s he was Senior Special Adviser to the Secretary of State for Wales Ron Davies who oversaw the devolution campaign before his spectacular cabinet resignation



Russell Goodway – a view from the capital



Tyrone O'Sullivan – a view from Tower colliery

- the first of the Blair administration.

“One of our main concerns will be finding ways of linking the Valleys with Cardiff and our inaugural meeting reflects that aspiration,” Huw Roberts said. “The Valleys are a highly distinctive region within Wales but at the same time they are intimately connected with the capital, historically of course by the coal industry, but also in terms of contemporary commuter flows and Cardiff's role as a cultural centre.”

“Cardiff's relationship with Wales as a whole will be another of our themes and we are planning to raise the profile of debates on topics such as transport links within the region, the economic and social impact of the projected Severn barrage, and how local authorities across the region can collaborate more effectively.”■

## Golwg o'r Dyfodol

The IWA's annual National Eisteddfod lecture *Wales in 2050: A view from the future* will be delivered at Bala by Morgan Parry, on Tuesday 4

August at 12.30pm in the Pagoda on the Maes. Morgan Parry is chair of Cynnal Cymru: Sustain Wales which is an Assembly Government backed



Father and son: Morgan Parry and millennium child, nine-year-old Math. What will he make of the 50 years that separates them half-way through the century?

forum promoting climate change awareness. In the lecture he will look back at events in Wales from the perspective of 2050 through the eyes of his son, Math who will be 50 half way through the century.

Until recently Morgan was Director of WWF Cymru in which capacity he calculated his own ecological footprint at 1.84 compared with the Wales average of 3.14. His home, three miles from Caernarfon, has a electric consumption meter which shows when too many lights and electrical appliances are on.

Morgan who has also got rid of his car to reduce carbon emissions, said, "Undoubtedly

making sacrifices like this can cause inconveniences. Getting about by bus and train can take a lot of planning. However, the positives massively out way the negatives. Driving the kids to school would take three minutes where as walking them to school takes 20. That is 20 minutes more time that I get to spend with them, which is great.

“Also camping in Scotland for example instead of a package holiday abroad tends to give us more quality time with our children. I am also a much fitter man now that I walk and cycle. I find that leading a low impact lifestyle only enhances your quality of life.”■

# Improving Standards in NHS Wales

NHS Wales faces major challenges in tackling the biggest disease killers in cancer, heart disease and healthcare associated infections. This was made clear by new research into differences in policy and practice between the devolved nations that was unveiled at an Academy Health Wales conference in Cardiff in 7 May 2009.

Following the conference the IWA published a report with contributions by the main speakers Malcolm Mason, Cancer Research Wales Professor of Clinical Oncology at Cardiff University, Dr Phil Thomas, Director of Cardiac Services Wales, and Dr Eleri Davies, Director of the Welsh Healthcare Associated Infection Programme.

In the report the clinicians respond to research carried

out for the pharmaceutical company Pfizer by the international consultancy IMS, comparing treatment outcomes in Wales, Scotland, Northern Ireland and England. This lays out the scale of the health challenge in each country.

The message for Wales was that its healthcare system generally fared worse, despite major increases in spending. The IMS report, Access to Innovation in Healthcare: Lessons from Devolution for Wales, found:

- Wales has the lowest five year survival rate for two of the most prevalent cancers, colorectal and lung, and among the lowest for breast and prostate. “Given the magnitude of the problem, it has invested comparatively less in both oncology medicines and technology – two areas

which are commonly considered to be crucial for gold standard care.”

- Wales has the highest mortality rate for both coronary heart disease and stroke in the UK, despite higher prescribing rates for these diseases. In general Wales prescribes more, and older medicines than elsewhere.
- There are declining rates of some healthcare-associated infections, in particular MRSA. However, there has been a sharp increase in the incidence of C. difficile in the past four years.

The IWA conference also heard from Gwyn Bevan, Professor of Management Science at the London School of Economics, who said, “The IMS study conclusions are sobering and reflect a cosy Welsh parochialism in which poor performance is tolerated.

“Research into systems of performance measurement and experience in the NHS in England and elsewhere in the world has demonstrated publishing performance ranking has had a major impact on raising standards.”

Professor Bevan said Wales should establish an independent NHS Analytical Unit whose role would be to benchmark progress on key service and clinical indicators in relation to achievements in the rest of the UK and overseas. These should be published as much to put pressure on those inside the NHS as to inform the public ■

*The IWA’s report Challenges facing the Welsh NHS in tackling cancer, heart disease and healthcare associated infections is available at £5.*

## IWA to undertake study of pupil performance between 11 and 16

A key policy challenge facing Wales is the low educational performance of a large proportion of our young people aged 11 to 16 compared with relatively higher levels of attainment elsewhere in the UK. Over the next six months the IWA will carry out a statistical survey to investigate educational performance in Wales’s 227

## Regional Economies in a Globalising World

This book, just published by the IWA, asks eight economists and economic geographers working in contrasting regional economies around the world to reflect on their experience of analysing new approaches to economic development in the context of globalisation.

What has worked in their context and what has disappointed? What policy exchange can be realistically attempted? How best can regional economies engage with the forces of globalisation? The objective is to study what lessons Wales can learn from the experiences of regional



Dr Eleri Davies, Director of the Welsh Healthcare Associated Infection Programme, addresses the IWA’s Academy health Wales conference

secondary schools. This is a major challenge facing Wales can be gauged from the following statistics:

- 46 per cent fail to achieve adequate qualifications at 16 (five GCSEs at Grade A\* to C or NVQ Level 2).
- 60 per cent lack five GCSEs including English or Welsh, mathematics and a science.
- Around 10 per cent leave school without any qualification at all.

The research will:

- Use Assembly Government and local government data on the performance of a cohort of pupils at ages 11, 14 and 16 relative to their socio-economic background.

- Rank the performance of the cohort.
- Map the relative performance of schools against the socio-economic background of their intakes.

A Steering Group to oversee the study is being chaired by former University of Glamorgan Vice Chancellor Sir Adrian Webb, an IWA trustee. This study will aim to draw lessons from the experiences of the top and bottom performing secondary schools at Key Stage 3 (11 to 14). In particular, the research will compare schools that share similar socio-economic characteristics but which are currently performing in a way that could reasonably be

judged as counterintuitive.

The main focus in each case will be to explore factors that explain the relatively low performance of the low-ranking schools, and the relatively good performance of the high-ranking schools. The objective will be to assess whether there are patterns of teaching, curriculum, and pupil support that could be transferred from the better performing to the less well performing schools.

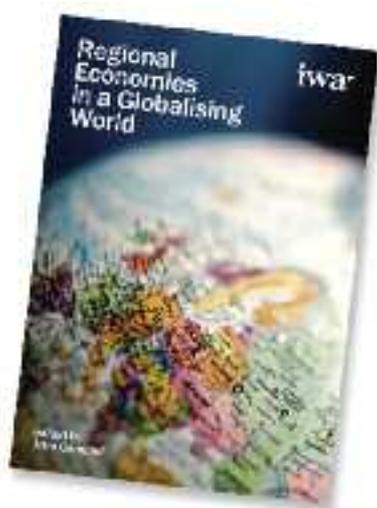
In addition, by exploring the experiences of a selected number of contrasting schools it will assess how far the schools themselves make a difference. There is a widespread belief that one reason for falling attainment

amongst young people during Key Stage 3 can be found in the educational experience of young people during the transition from primary to secondary school.

It is envisaged that the study will be undertaken in two phases. Phase 1, which will be carried out during the Autumn of 2009, will comprise mainly of a statistical analysis, with the production of an interim report to be presented at a conference in Cardiff in February 2010. A second phase during 2010 will involve detailed research in six selected schools across Wales in an effort to provide policy recommendations for addressing under-performance at Key Stage 3 ■

economies as far apart as Europe, the Middle East, the Far East and North America.

The project builds on *Competing with the World*, a report published by the Institute in 2004. Again, this surveyed



regional economies throughout the world to see what initiatives

might be transferable to Wales. The most important lessons that emerged were:

- High quality independent research and analysis should underpin a 'communal' effort in which business plays an active part alongside government.
- Entrepreneurial universities dedicated to the region's economy should be promoted. Support for the indigenous fabric, especially networks of small businesses, should be given top priority.
- There are no quick fixes or magic formulae. Successful economic regeneration policies must be tailored to local conditions, and then pursued consistently over decades.

However, it was striking that in this study climate change was hardly taken into account.

Moreover, while globalisation was taken as a given, its impact was not considered in detail. Yet, within a space of five years, globalisation, climate change and the need to promote sustainable development have come to dominate economic development thinking across the world.

Each of the economists and economic geographers featured in the IWA's new book study have published widely in their fields of regional economic development, globalisation, and intellectual capacity building. In November 2008 they attended a two-day event organised by the IWA and British Council Wales at Cardiff University in which they participated in debate and discussion around the following question: how far can global policy transfer enhance regional economic development, social cohesion, and the engagement of civil society?

The first day was spent with their discovering a little about the experiences of the Welsh economy. This included visiting Cardiff Bay and the National Assembly where they met with Leighton Andrews AM, Minister for Economic Regeneration in the Welsh Assembly Government. Following this they toured the south Wales Valleys which included a visit to the Big Pit Mining Museum in Blaenafon, a World Heritage Site. The second day was given over to a more formal seminar in which each of the participants presented papers on which the chapters in this publication are based ■

*Regional Economies in a Globalising World* is available from the IWA at £10. More details can be found on our website [www.iwa.org.uk](http://www.iwa.org.uk)

# Opting Out

In the wake of the Euro elections how can we promote political engagement?



Geraint Talfan Davies

## A Perfect Storm

**O**n Thursday, 18 June 2009 members of the Salford Labour Party met at the city's civic centre to decide whether to de-select their sitting MP, Hazel Blears. She won the vote comfortably by nearly three-to-one. But the most striking fact was that, despite a multiple charge sheet relating both to her expenses and to a self-indulgent resignation from the Cabinet on the eve of the European elections, and despite widespread public anger and local campaigns for her removal, only 45 people voted at the meeting. What are we to make of that, not forgetting that the row over MPs expenses is just one part of a perfect storm for Britain's economy and politics? There are three elements:

- **First**, the total collapse of the British banking system is averted only by putting future generations in hock to a degree never before seen in peacetime, even after the near total nationalisation of major banking institutions.
- **Second**, a scandal about MPs expenses

engulfs both sides of the House of Commons, resulting in an unprecedented forced resignation by the Speaker, and the hasty repayment of money by dozens of members, including the Chancellor of the Exchequer and Leader of the Opposition.

- **Third**, public anger and revulsion at the tawdriness of the exposed systems in banking and Parliament results in a major party, Labour - one of the pillars of what was two-party politics for the best part of the last century - sinking to its lowest vote in a nationwide election since 1918. In the same election the main opposition party does not make the gains in votes it might have expected and, as a consequence two deeply negative parties, BNP and UKIP, gain a foothold in the political scene that will give them the money to distort debate for at least another five years.

It was against this background that Ms Blears' fate was decided by only 45 Salford people out of an electorate (in 2005) of 53,126. Both the attendance at that meeting and the result - 33-12 in her favour - speak volumes about how far political parties have lost touch with the public.

The nagging fear remains that a deeply flawed political system and a hollowed-out democracy will, by definition, be unable to respond adequately either to the financial or to the constitutional crisis; that Government and Parliament will not be shaken out of its historical complacency about our system of government; that the banks will resume their wilful deafness to Government and society; and that somehow a combination of fatigue and boredom will at some early

point move us all on to other issues.

At present the British public is well ahead of the politicians and the world of finance. It does make a connection between the banking crisis and MPs expenses: the abandonment of value systems that guide people to right and proper decisions whether or not the law or a regulatory system exists to constrain them. The popular judgment on the worst excesses of remuneration in the financial world is far from naïve, it is a well-judged cry for some brake on rampant inequality. The public does sense the powerlessness of local government. It certainly does not share the misplaced belief in the superiority of the workings of the Mother of Parliaments - a belief that has been so prevalent at Westminster. It also knows it is ill-informed about Europe.

You do not have to be a student of the constitution to be aware of the gross imbalance between the power of the executive and the legislature, or of the decades of failure to reform the House of Lords. If Parliament cannot deal rationally and rigorously with the simple matter of its own house-keeping, it is no wonder that it cannot grapple with even more fundamental issues about its own operation.

It has long been fashionable to dismiss constitutional debate as a matter for the chattering classes. That was always a short-sighted and self-interested argument. Just how short-sighted has now become clear.

Movements like Charter 88, or the more recent Power Commission under Helena Kennedy QC, have only ever been allowed limited purchase. Governments have usually seen constitutional change as a distraction, to be avoided if at all possible, but if not, then to be minimised and boxed in, with wider linkages ignored

or denied. Even devolution has conformed to some of this pattern, witness the way the Richard Commission's report was sidelined. The European Union has been a more effective driver of reform on human rights than Parliament. In England, proponents of more local democracy, for at least three decades accorded the same respect as train-spotters, even now are to be indulged before elections but probably ignored after them.

The lesson of the Salford 45 is that revitalising our democracy will not be achieved solely by Parliamentary reform. The constitution and political practice has to be rethought at every level, from the Royal Prerogative to the most local ward meeting, with connections made all along the way.

This poses a number of challenges for us in Wales: first, to look to our own party political structures and the adequacy of political engagement with the Welsh public but also, just as importantly, not to allow our natural concentration on the shape and output of our own constitutional dispensation to divorce us from the wider debate about future economic and financial policy and constitutional change across the UK.

Where it can the Assembly Government has acted quite expeditiously in response to the recession, even winning some measured plaudits from the CBI in Wales, but it knows that it does not have its hands on the main economic levers. That fact should not prevent the National Assembly and civil society in Wales from debating what overall economic and financial policies we would like to see pursued within the UK and internationally. There is surely scope for an alliance of manufacturing regions committed to some re-balancing of economic interest within the UK away from the City of London-obsessed policies of recent decades.

Alistair Darling has been urging banks to take a longer-term view of returns on investment, but can he make it stick? Isn't that something on which Wales, with its higher than average stake

in manufacturing, should be debating and supporting loudly? Assembly Ministers have expressed great interest in the notion of more local banking institutions. In that context do we not also have cause to be concerned that the Lloyds/HBOS merger is an unwarranted concentration of financial power, or that

in the UK and reform in Wales is already evident in the field of the salaries and expenses of elected members. Sir Roger Jones's examination of the system that obtains at the National Assembly came months before Sir Christopher Kelly presents his report on the Westminster system. Perhaps the UK can learn from

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“Would not a reformed House of Lords be a potential mechanism whereby the interests and standing of the nations and regions of the UK could be democratically entrenched in the UK constitution, much as the states are in the US Senate or the Länder in the German Bundesrat?”

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our centralised systems and assumptions place too many barriers in the way of the development of more local institutions? Wales has every reason to encourage and to engage with the debate on a more socially aware capitalism.

On the political front there is now a revived discussion about the reform of the House of Lords. Is that not an issue on which the National Assembly might have a view? What should be the linkage between the devolved administrations and Parliament? Would not a reformed House of Lords be a potential mechanism whereby the interests and standing of the nations and regions of the UK could be democratically entrenched in the UK constitution, much as the states are in the US Senate or the Länder in the German Bundesrat?

If that were the case, might there not be some benefit in retaining the possibility of dual (elected) membership of a devolved Parliament and a UK upper house? Alternatively, could the current wrangling between Cardiff Bay and Westminster be mitigated through joint debates embracing members of the Assembly, and Welsh members of both houses of Parliament and the European Parliament, on the lines of the non-confrontational Westminster Hall debates.

An early connection between reform

Welsh experience at the sharp end.

Both are being tasked with bringing some semblance of principle into play and creating conditions that are demonstrably fair to our elected representatives, that can connect all of them to the Nolan principles that they seek to impose on many others, and that might even encourage more people to think of politics as a calling rather than a mere career option.

In recent weeks we have heard a lot about the deficiencies of our Members of Parliament, not just as individuals but as a group. For those in Cardiff Bay used to hearing gripes about the calibre of Assembly Members, it must have been a vicarious pleasure to hear similar complaints about MPs.

Care needs to be taken with the language. To argue about the *calibre* of elected members seems to be an act of personal denigration, in the vast majority of cases undeserved. The real issue is about the increasing narrowness of the gene pool from which elected members are drawn, and that is certain to be a much bigger issue for a body of 60 members in Cardiff Bay than for the 646 in the House of Commons.

The answer does not lie only in pay and rations, it also lies with individual parties who urgently need to review their

organisation and selection procedures, as well as the extent to which they have failed to open themselves to dialogue with and participation by the public. It is too tempting for party leaderships, once elected, to maintain a mirage of mass followership that does not stand forensic examination – something that a system of democratic primaries might address. Party funding below the UK level is also an issue that has not been much debated.

The task of reforming democracy in the UK is multi-faceted and, despite the election of John Bercow MP as Speaker, it will not be easy to hold the hand of this or a future government to the flame for long enough to accomplish it.

However, the weaknesses in the British constitution are now more clearly manifest than they were. It is also clearer than ever that the other side of the coin of Britain's fabled pragmatism and willingness to compromise, has been a preference for fudge and muddle.

Our unwritten constitution is an accumulation of anomalies and, with expenses as an instructive example, we have now seen where that gets you. There is a danger that even in our arrangements for devolved government we could be repeating the mistake. Witness the contrast between the Richard Commission's principled clarity and the convoluted legislative procedures enacted in the 2006 Government of Wales Act.

As far back as 1828, even before the first Reform Act of 1832 – a measure, let's remember, designed to head off democracy rather than to create it – the German poet, Heinrich Heine, on a stay in London, observed that "It is rarely possible for the English, in their Parliamentary debates, to give utterance to a principle. They discuss only the utility or disutility of a thing, and produce facts, for and against." One hundred and eighty years later it is time for some adherence to principle in constructing our democracy across the UK and here in Wales ■

**Geraint Talfan Davies**  
is Chair of the IWA



Nick Davies

## Put Aside Tribalism

**Turn-outs of 30.53 per cent for this year's Euro-election in Wales, 43.7 per cent for the National Assembly election in 2007, and 62.6 per cent for the general election in 2005, suggest widespread disengagement, not just with the main parties, but with the process itself. By contrast, the turnout for Wales in the 1950 general election was 84.8 per cent.**

We should not assume that this represents an irreversible secular decline in political participation. Evidence from around the world suggests that people will vote if they think the outcome will make a difference to their lives. There was an increased turnout in the last two US presidential elections, for example, after decades of decline. Suggested solutions, such as compulsory voting and placing polling booths in supermarkets are therefore attempts to find administrative solutions to a political problem.

Voters' common complaint that 'all politicians are the same' has an element of truth in the UK. There is consensus among the three main Westminster parties across a range of issues, including the desirability of the free market and of its application to the provision of public services. New Labour assumed, wrongly, that the party's core vote would stay loyal, while it continued the Thatcher-Major project of marketising and privatising public services.

Yet, security from the perils of the market economy was an important reason why people used to vote for 'Old' Labour. Traditional Labour voters are

abandoning the party because, in this respect, New Labour has abandoned them. This process began early in the Blair-Brown period. As early as the 'victory' of 2001, Labour was winning fewer votes than in the defeat of 1992. Even so, many commentators, dazzled by Blair's electoral 'successes', have only recently noticed that something is amiss.

*Welsh* Labour is not party bound to the Westminster consensus. Under Rhodri Morgan, its programme has had a strong public service ethos, underpinned by a commitment to equality of outcome and a rejection of New Labour's consumerist 'choice' agenda. Yet the collapse in Labour's vote in Wales has, been as bad as, or even worse than, in England.

However, contrary to the claims of some commentators, there is no evidence that the 'clear red water' between Wales and Westminster is to blame for Welsh Labour's poor record in recent elections. It is more likely that voters who get most of their news from a London media with little interest in Wales or Welsh Labour's agenda are unaware that, for example, unpopular English policies such as SATs and school league tables do not operate here. As a result they are even more disaffected by what they see emanating from Westminster than voters in England. Welsh Labour needs to shout more loudly about its break from New Labour orthodoxy, rather than be pressured to move closer towards it.

Its failure to do this thus far is due, firstly, to the etiquette of devolution. While tending your own garden, you don't complain about your neighbour's, especially when the neighbour also owns your land and pays for your tools. Secondly, Welsh Labour has always been rather a top-down organisation, with the professional politicians, party officials and union fixers calling the shots. Meanwhile the wider membership is cast as something of a stage army, exhorted to campaign for party policy because it *is* party policy, rather than enthused by a vision of a more just and equitable society.

Sadly, the progressive ambitions of the 'clear red water' project do not extend to a revitalisation of the Labour movement's democratic culture. Yet, without the active, informed participation of members, progressive Assembly Ministers and policymakers committed to an agenda of social justice and greater equality of outcome are in danger of becoming generals without an army.

Welsh Labour can rescue itself, and re-engage the people of Wales, by opening up politics to genuine, popular participation in decision-making. In health, education and transport, users, patients or students' bodies could work with those who provide the services so that they become truly accountable and responsive to the needs of those who depend on them.

Experts and administrators could be accountable for their decisions. Environmental and planning decisions could be opened up to unions and community and environmental groups. There could be popular participation in the setting of budgets and the determination of economic priorities. Such 'participative budgets' are now an established fact of life in the Brazilian city of Porto Alegre, and have brought improvements to the city's infrastructure and considerable redistribution of public investment towards where it is most needed. In the 1980s the Greater London Council briefly experimented with popular participation, involving communities in planning decisions within guidelines negotiated by the GLC.

Such political renewal sounds ambitious. However, if politics is to be rescued from the grip of cynicism and consumerism, or even worse, the extreme right, it is the right ambition. It is also probably beyond the capacity of a single party. The destructive tribalism of those who see electoral success as an end in itself must be put aside. Socialists, environmentalists and other progressives, from all parties and none, should learn to work together with the aim of building a new Wales, based on equality and sustainability ■

**Nick Davies** is Chair of Welsh Labour Grassroots



David Taylor

## Political Authenticity in the Internet Age

**Britain is no Iran. In that country the internet took the regime to the brink of revolution because it represented the only chance for free expression. In the UK, the papers denounce the government in the most vitriolic of tones and yet we tweet about Katie Price's latest tattoos. Twitter has quickly melted into British pop-net culture. Like MySpace, Facebook and Bebo it is used to share insignificant whisperings on the mundanities of everyday life.**

Of course, I'd rather live in Britain than under the theocracy of Iran, but the trivial way we treat our freedom does sometimes depress me. A few months ago star Tory blogger Iain Dale claimed the *Aneurin Glyndwr* blog ([www.aneuringlyndwr.com](http://www.aneuringlyndwr.com)), which I helped establish, was the Welsh equivalent of Damian McBride's proposed "Red Rag" smear website.

Even for Mr Dale, this was extraordinary hyperbole. First of all, *Aneurin Glyndwr* was anything but anonymous. It was launched by senior Welsh Labour figures and its content is far from the kind of puerile behind-the-bike-sheds garbage that titillated McBride. Strangely it took only a few weeks for Mr Dale to do a handbrake turn in the information superhighway

and declare that *Aneurin Glyndwr* was in fact one of the 12 best blogs in Wales. Yet his initial reaction captures what, not without good reason, the vast majority, politicians and general public alike, believe all blogging and internet campaigning to be about: scoring cheap points off the opposition.

*Aneurin Glyndwr* was an attempt to establish a left of centre presence for Welsh blogging, as other political voices have perhaps been quicker to take up the opportunities of the internet for campaigning. In that sense it was always going to face a baptism of fire as opponents tried to decry its content.

The one thing the McBride affair did do, or at least ought to have done, is get us to recognise that just going negative is ultimately self-destructive. Times have to change if we are serious about changing politics. Refusing to change means we risk deepening the disdain with which people view our political process. This doesn't mean that criticism of the opposition, their politics and their character, should be stopped. But it does mean that it ought to be based on real issues, not drivel.

The many sceptics will ask, is it even worth it? After all, although every polling day from 1997 onwards has been proclaimed as the climax of the "first ever internet (latterly 'real internet') election", we are still waiting for a decisive breakthrough.

And 2010 will be no different. All the parties, in Wales as elsewhere, are piling resources into field organisers and press officers, rather than electronic warfare. After all, let's remember that even the McBride story only mattered when it was splashed all over what bloggers love to sneer at as the dead tree press.

The frequent citing of Barack Obama's use of the web to raise money and harness volunteers misses the point. Last November's American election was far more like our 1997 election, with an energetic left and an electorate yearning for change. The prospect at next year's general election is very different. The left is in trouble

and yet the voters are unenthused by the right, no matter how slick David Cameron's PR machine has been.

So does this mean that internet campaigning is all hot air and hype? Of course not. But for the web to play its full part in the UK political arena, the first thing all of us must do is recognise that the era of snide attacks and smear has to end. For the sake of our democracy we need to develop new ways to use the internet.

The traditional shop-window party and candidate website will always be with us. When a voter types a political party name into a search engine they expect an accessible site with basic information about the party and its policies. But the political party that gets the most from the internet will be the one that makes the break with the 'talk-at' model of communication and instead opts to listen and interact.

This does not merely mean finding ever more elaborate ways of sucking up email addresses in order to deliver more of the same old boring mass communications. Certainly, there is no more sure-fire way of alienating an already disenchanted voter base than by using their email addresses to fire millions of dull, irrelevant and poorly written communications at them. By engaging in this practice, political parties are no better than online Viagra vendors.

Rather, I mean using the internet as a means of tailoring a political product for individuals. Let's use the web as a genuine means for people to put politicians on the spot on the difficult issues, obtain answers and directly input into policy deliberations.

Today it can feel like we have an electorate that demands the moon and expects it for free, while politicians – who plainly cannot deliver that – can only speak in phrases designed to obscure as much as enlighten. In future we need much more co-development and co-decision. The public want control, so let us bring them inside the tent where the really difficult decisions are being made.

And this does not mean lowering the tone of debate to that of the cyber cranks, with settled and extreme views. Wales has not developed the vicious internet subculture that devolution seems to have unleashed in Scotland, although the public will have to be told that with power will come responsibility. Equally, political parties must fight the urge to influence online discussions with the use of party stooges. This means taking a harder road, but, ultimately, a more fruitful one.

For Labour in particular, none of this will be easy. Undoubtedly part of the New Labour's success was to impose order on the previous anarchy of the left. Programmes were kept minimal to ensure we could under-promise and over-deliver. The alternative – of sharing the burden with the electorate – seemed too risky for a party conditioned by successive defeats into fearing any risk.

Today New Labour must appeal to millions of modern consumers, worried about their jobs, yes, but also proud that their kids may be the first in their families to attend university. They may be concerned at the standard of treatment a relative is receiving at their local hospital, but glad there is a publicly funded health service available at all.

They are voters who would appreciate the opportunity to engage in a new form of civic debate but whose work and family commitments render them too time-poor to hang around a local hall to see their AM, MP or councillor.

It is the job of political parties – like large corporations – to stay one step ahead of consumer expectations.

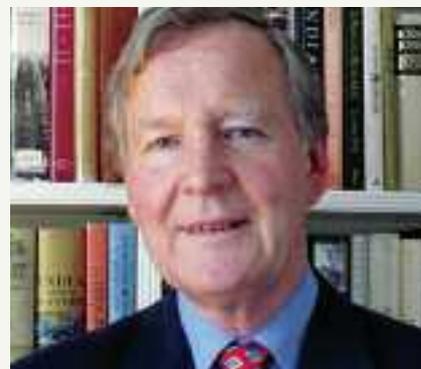
Consumers rightly demand ever higher standards from political parties and that, just like Tesco, Mazda and Google, is precisely what they must supply. The difference between these successful companies and political parties is that the former realised this years ago, while the latter is stuck in the past.

The days of the passive, post-war consumer, happy to accept an undifferentiated product of inferior

quality – because of a lack of choice and competition – are long gone. And thank goodness for that. That is why a blog or a Facebook page are just not enough any more, even if they are still necessary.

Welsh Labour will soon elect its new leader. I hope that person will grasp the opportunity to drive the online political innovation, currently so neglected, yet which offers so much. There is no substitute for a two way process of iterative dialogue and the internet offers an amazing opportunity to do this. But it will only work if people approach the medium with an honest desire to speak in their own voice, and listen with their own ears. Because when marketing is king, it is authenticity that matters ■

**David Taylor is an online activist and an aide to Regeneration Minister Leighton Andrews.**



Trevor Fishlock

## Value of the Vote

**T**he IWA's Devolution Decade conference, held in April, was a hard day's listening. I learnt a lot. The critiques were rigorous and some of them had a painfully high Ouch factor. They underlined the verdict, that while much has been achieved there's still a long way to go, that the best equipment for the journey is a hard head and a long view.

Political change is usually best when it takes time. A devonaut friend of mine admirably refused to be dismayed by the 1979 referendum. “Business as usual,” he said.

As a side effect of the conference I was prompted to revisit that other country, the Wales I reported in my twenties. The first story I wrote for *The Times* described the Queen's opening of the Royal Mint at Llantrisant at the end of 1968. As Jim Callaghan's gift the mint is a monument to an age when politicians bandaged suffering regional economies with factories. I chronicled the saga of the dwindling coalfield, the aftermath of Aberfan, language protests, local government scandals, angry farmers, angry miners, angry steelworkers, down to the coalface, up to the mountains: hundreds of stories and essays from the infinite variety of Wales.

In 1969 the government staged the investiture of the Prince of Wales at Caernarfon castle, a pageant it saw as a swinging-60s opportunity to showcase modern Wales. But it also reflected tensions in Wales. Ahead of the investiture I described the prince's university term at Aberystwyth. The plan was that he should emerge as super-prince, knowing more Welsh and more Welsh history than any prince for centuries.

One of his tutors, Edward Millward, a former vice-president of Plaid Cymru, spoke of an awakening and said he looked forward to the time when Wales would enjoy full status as a self-governing country within the British Commonwealth. “I am convinced,” he said, “that Wales will win this status before the Prince ascends to the throne.” George Thomas, Secretary of State for Wales, feared that Aberystwyth made the prince dangerously knowledgeable about Welsh history and politics, even sympathetic, and wrote to Harold Wilson asking him to have a word with the Queen.

My experience in Wales was invaluable, standing me in good stead when I left to work for 20 years as a foreign correspondent. It showed me how geography and history, culture and

tradition shaped lives. It emphasised the importance of detail and human interest in bringing people to life on the page. A lot of reporting, after all, is about going, seeing, listening and describing how people live.

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“Change needs time  
to put down roots.”

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Much of what I wrote was rooted in changing political fortunes and crises, and the hopes and disappointments of democracy. In India Mrs Gandhi's centralising of power and the reduction of public access to the leadership contributed to her downfall. Indians had campaigned and waited for many years for independence. They were proud of their democracy and I soon learnt the importance men and women attached to their part in it. At elections it was always moving to see them walking for miles to vote, each a dot in the multitude, each a voice. When India reached the 50th anniversary of its independence I asked an editor to consider his country's achievements. “We defeated famine. It took us 25 years, but we learnt to feed the people. That was progress. And we remain a democracy. These are things to be proud of.” In my many journeys to Pakistan I found people proud of their country, but disappointed by its withered and troubled democracy.

In the United States in 1984 I followed Jesse Jackson in his long campaign to persuade African Americans to embrace the dignity of democracy and register to vote. His was a battle against their own apathy as well as against prejudice. He was inspirational, planting in people a sense of their own worth. He fired them with what seemed an impossible dream, the audacious notion that a black man could become president.

In three years in Moscow, during

Mikhail Gorbachev's rule, much of the story was about the unravelling of the Soviet Union 74 years after Lenin's revolution. I went often to the Baltic countries to report on the growth of the movements calling for the restoration of independence calling when the Soviet Union annexed them in 1940. I was impressed by the people's courage and patience. Their only weapon was firm and polite argument. They paid a price. I was in Vilnius during the night in 1991 when Soviet troops attacked a peaceful crowd with guns and tanks and killed 14 people.

In South Africa, I wrote about the end of more than 40 years of apartheid. There was the remarkable spectacle of crowds queuing patiently to vote in the first multiracial elections. After all these years, they said, waiting a few hours is nothing. The moment when Nelson Mandela, 27 years in prison, was at last declared president was unforgettable. Such scenes, in many parts of the world, inoculated me against electoral apathy. Many humble people have shown me the value of a vote.

Change needs time to put down roots. In 1969 the Prince of Wales could read his tutor's forecast that Wales would be self-governing before he became king; and 30 years later he and the Queen opened the Welsh Assembly. In the Devolution Decade conference we heard the verdict on its performance: “Could do better.” And we heard something of the reality of serious problems.

Still, a measure of power and responsibility has come home, the political focus is in Wales, and one of the benefits of the Assembly's existence is a greater confidence and self-respect among people. These qualities, too, need time to grow. I left the conference wishing that more people, more often, could hear and read informed and astringent comment. Newspapers improve democracy and the pity is that the press is in decline at a time when we need more arguments and facts and skilled reporting ■

**Trevor Fishlock is a writer and journalist.**

# Rhodri's Reign

Peter Stead reflects on the First Minister's contribution to the birth of the new Wales

**A quintessentially Rhodri moment came in the aftermath of Labour's defeat in the 2006 Blaenau Gwent by-election. On *Wales Today* the First Minister was invited to respond to accusations that he had not spent sufficient time in the constituency supporting the Party's candidate Owen Smith. "That's not true. I made several visits," he replied.**

Rhodri then proceeded to name the actual villages and communities within the constituency that he had visited. That was a fair-enough answer that must have satisfied most viewers. But there was more to come, something along the lines of, "The only villages in the constituency that I did not visit were Cwm Celyn, Llandafal, Penrhiwgarreg' and so on for a few seconds. All the good had been undone. Labour agents sighed in despair.

Those agents would have seen this totally unnecessary verbal mistake as evidence of electoral naivety on the part of the First Minister. However, for experienced Rhodri watchers there was far more to this Penrhiwgarreg moment. Of course, everyone knows that he loves lists and will slip into them at the slightest opportunity. The tactic can often be nothing more than a defence mechanism, a treading of water that fills in someone else's time. Nevertheless, he is hoping that the list will work in his favour. On this occasion he has made the calculation that the citizens of Blaenau Gwent will be truly impressed by his local knowledge, for surely it is more important to know about the existence of these communities and to bring them to the attention of the wider world rather than to have walked every street.

And for Rhodri there is even more to be gained from what many will have taken

to be a mistaken display of pedantry. The First Minister would have taken enormous personal pleasure in his ability to spontaneously reel off the name of every hamlet in Blaenau Gwent. To start with he would have known that his young BBC interviewer will only have made two or three visits to the constituency and none before that month. And surely the subtext of the exchange was Rhodri's implication that he could go on to name all the small communities that make up every other constituency in Wales. That kind of knowledge and the pleasure it brings is in the very marrow of his being.

What marks Rhodri out from most people active in public life in Wales is that he does not have any attitude or affectation at all about being either Welsh or Welsh speaking. His Welshness is not rooted in any anger. Moreover, it is not something that has to be continuously worked out in any sense of antagonism with Englishness, Britishness or indeed any region or sub-culture within Wales itself. He was born into a natural state of Welshness that allowed him to study at Oxford and Harvard and to be a Westminster MP without ever having to concern himself with questions of identity or loyalty.

To appreciate this fully one needs to recall his family background. His mother Huana, who later became an Honorary Fellow of Swansea University, had, in 1927, been one of that college's first women graduates. His father, T.J. Morgan was an academic and administrator as well as one of the finest and most elegant essayists in the Welsh language. His brother Prys remains the leading authority on every aspect of Welsh cultural history. When his parents were alive, to share an evening or a meal with this family was to be immersed in a totally comforting and

enriching celebration of everything Welsh. If the subject of the Ebbw Valleys had come up then the names of every local farm, of every landowner, minister and bard would have been explained and relished. The topic would not have been dropped until every cultural and genealogical nuance had been milked. For Rhodri the Penrhiwgarreg moment was a flashback to a delightful childhood that all Welsh people should envy. The Morgan household was one that would never need the Welsh Academi's 2008 *Encyclopaedia of Wales*. Their own version would have been a trifle more definitive.

Rhodri was never to break the links with his parental home, but nevertheless he opted to spend his working life in a different environment. In the Cardiff of the 1960s the Rhodri who had returned from Harvard had seemingly and naturally assumed much of the lifestyle and appearance of an American postgraduate student. There was something very MITish about his colourless and sometimes shapeless casual clothes, his untidy flat, his pioneering jogging around Roath Park, his weekend motoring into the hinterland and his love of statistics.

His spiritual home had become the back bar of the City's Old Arcade pub where a remarkable group of Labour supporters seemed poised not only to run Cardiff but the country as a whole. After the 1964 Election the Chancellor of the Exchequer and local MP Jim Callaghan would call in to pick up some tips but more especially to hear the now Lord Brooks strum his guitar and a choir led by the now Lord Kinnock and the election maestro Paddy Kitson sing songs denouncing Polaris and all racism. The Labour Party has never seemed so informed, relaxed, relevant and rooted in genuine comradeship. Rhodri was a cherished member of that group, always joshed for his academic eccentricities of dress and punctuality. It was in that world for which so many of us feel a deep nostalgia that Rhodri first met his wife-to-be Julie. An English graduate and an offspring of parents totally committed



Rhodri Morgan, Welsh Labour's "only natural communicator".

to special educational skills, Julie like Rhodri was naturally and unaffectedly a democrat in every thought and deed.

In the early Sixties Rhodri had returned to the city where he had grown up. From the outset we could see that Cardiff was a glove into which he fitted perfectly. Perhaps he knew then that he would never leave it. The remarkable fact was that the man who could hold informed conversations in every pub and school in Wales has always been first and foremost a Cardiffian, educated and reared in its northern suburbs, more recently resident in a beautifully hidden western hamlet, and always a man of the city's inner wards.

On international days countless red shirted youths travel into their capital city to join the tribal celebration of our national game. For over half a century their First Minister has patronised those very same pubs reminiscing about the heroes of his adolescence, Billy Boston, Bleddyn Williams, Rex Willis and Sid Judd. We should contemplate the pride that the First Minister takes in having seen his city so transformed in his lifetime. Of course, he would have done it rather differently for far too much of his beloved waterfront has disappeared. But, make no mistake, it has been his and others confidence and pride in Cardiff as a place in its own right that has served to make the new Wales possible. Do not dismiss Cardiff's beating the All Blacks in 1953 as a factor in helping shape what was to become Rhodri's Wales.

Ultimately it was Ron Davies's vision that made possible the Assembly that Jack Brooks and friends had begun to

talk about in the Old Arcade. Tony Blair became the godfather of Devolution but then had thought to establish it on Blairite lines by turning to a Cardiff MP Alun Michael. The fraught early days of an Assembly elected by proportional representation needed sensitive handling with Welsh Labour activists themselves needing reassuring. Rhodri came into to steady the boat and that, of course, has been his greatest achievement.

The new voting dispensation made coalition government inevitable whilst the decline of industry and community, taken in conjunction with Labour's Westminster policies, ensured that in Wales Labour would have to fall back on its heartland. Above all, Wales has needed a leader who could transcend the party dogfight by conveying some sense of national coherence. Labour would not have stayed in power in Wales without Rhodri. His Grangetown credentials make him effortlessly Old Labour whilst at the same time his background allows him to work with other parties who seek to represent other Welsh issues and constituencies.

Rhodri has been a successful First Minister. He has given Wales good stable government and has utilised coalition politics to defend vulnerable groups in Wales at a time of great difficulty. He has established the normalcy of devolved politics and set up the possibility of further developments in that respect.

Of course, he has made mistakes. Yet to analyse those mistakes is to confront the enormous difficulties facing a de-industrialised Wales in an era of

continuing recession. He can be an infuriating orator given to rambling and using his lists as a substitute for argument. Yet he remains Labour's only natural communicator. The sad truth is that in recent years Labour has lazily relied on Rhodri's personal charm and humour to disguise its own failure to develop any strategy of communication. The recent European Election leaflet with its photo of Rhodri as a gardener, seemingly pausing for a cup of tea, summed up the bankruptcy of Welsh Labour's ability to connect with floating voters.

Rhodri should have established a far more effective Labour machine in Wales and one capable not only of dominating what media we do have but also one set on drawing business, academic and administrative leaders in Wales into a debate on where we go from this point. Rhodri has spent hours talking to these groups at home and abroad and at the same time his administrations have developed coherent and distinct economic and social policies. But this has not been enough and now Rhodri threatens to leave us just as the unthinkable has to be thought.

The three radical parties in Wales now seem all set to take up the old shibboleths. Perhaps it was the case that Rhodri was just too comfortable in his Old Labour and Old Wales guises. Perhaps it was not the time to rock the boat. But is there any other Welsh leader with the sufficient authority that Rhodri has had to thinking about alternative strategies and to start asking searching questions about not only local government (as he has done) but also the NHS and our schools?

The old Harvard jogger is 70 this coming September and justly deserves a break. But as I look around and take stock I am tempted to ask the First Minister whether he doesn't fancy what would be the greatest challenge of his lifetime. I remind him that Gladstone went on until he was 85 ■

**Peter Stead** is an historian and cultural commentator.

# Devolution's Next Step

Peter Hain urges caution in pressing ahead with a referendum on more power for the Assembly

The Government of Wales Act 2006 which I delivered as Secretary of State settled the question of Wales' constitutional status, if not forever, then for generations to come. There may be amendments to the Act - for instance on numbers of Assembly Members or the electoral system - but there will never be another Act because it provides for full law making powers of the kind pointed to by the IWA's *Putting Wales in the Driving Seat*.

Meanwhile the IWA report underestimates the potential of Legislative Competence Orders (LCOs) and is far too negative, both about what they have already achieved, and what the process will deliver in future.

The Act established a mechanism that has freed the Assembly from the Westminster logjam restricting Welsh legislation in the past, by transferring legislative responsibility to Cardiff in relation to defined matters, approved on a case-by-case basis by Parliament.

It is enabling the Assembly to deliver tailor-made policies for the people of Wales more quickly and more

easily than was possible before. The streamlined mechanism takes the form of a new Order in Council procedure, enabling Parliament to grant the Assembly the power to make its own laws over specific matters put before Parliament on a case-by-case basis.

The Orders do not set out the detail of the policy that the Assembly wishes to implement. Under the Act that is a matter for the Assembly to determine. LCOs simply define the scope of the powers being conferred on the Assembly, with Parliament voting on the principle of the Assembly acquiring those powers.

The truth is that, despite being in its infancy, the LCO mechanism has already been successful. Although there have been teething problems at both ends of the M4, that is hardly surprising given the novelty of the mechanism. But it has already devolved far more powers to the Assembly than was ever possible under the old 1998 Act. As time goes on, that will be even more the case.

The ingenious substitution of Orders in Council in place of primary legislation has unquestionably given an immediate boost to the Assembly's powers and

enormously widened the scope for the Assembly to make its own 'mini-laws' - but without compromising the principle of ultimate Parliamentary control and Parliamentary sovereignty which remains in place until a successful referendum.

The new procedures have meant a steep learning process for AMs and not just for officials in Cardiff and Whitehall. At last the Assembly is beginning to act as a fully-fledged legislature, targeting issues for legislative priority, and scrutinising the new Assembly Measures.

The pre-legislative scrutiny in Committees in both Westminster and Cardiff Bay has also started to bed down well, with good cooperation that has already been improving the draft LCOs. Consequently I reject the idea that there is a 'fog of misunderstanding' (as stated by the Chairman of the All-Wales Convention, Sir Emyr Jones-Parry) surrounding LCOs or that they have been a failure.

However, there should be no argument in principle against the IWA report's call for primary powers by moving to the 2006 Act's Part 4. Instead, the issue is one of timing.

The 2006 Government of Wales Act



facilitated the evolution of devolution – in step with people’s opinions, rejecting the separatism of Plaid Cymru and taking devolution forward, not rolling it back, as Cameron’s Tories would do. The remaining question is when it would be best to trigger the Act’s provision for a referendum to deliver the primary powers already in statute within it?

I support primary powers for the Assembly - otherwise I would not have ensured that such powers were contained in the Act - and I hope to see them enacted within the current political generation. My pro-devolution record is very evident to all, and well known in Wales. I spoke accordingly at a Parliament for Wales conference in March 1994; I conceived of and helped set up the YES for Wales campaign in 1996; in the 1997 referendum campaign I worked endlessly to deliver the Yes vote; and as Secretary of State I was proud to deliver radically increased powers for the Assembly.

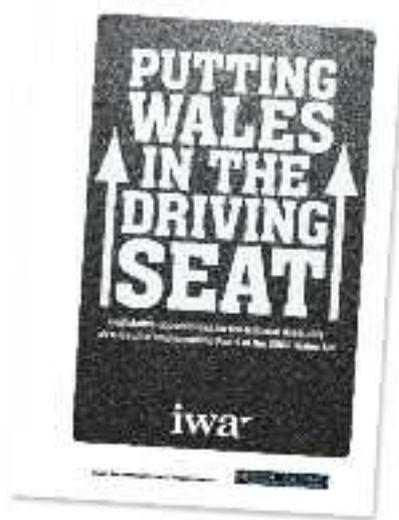
My argument is about the conditions necessary to win a referendum. The success of the 1997 referendum and my experience of helping to lead that campaign demonstrated the necessity of achieving the widest possible cross party consensus. The 1997 Yes vote was won with internal Labour Party consensus, a reasonable cross-party consensus with Plaid, Liberal Democrats and Greens, and from there a broader national consensus.

Even then, the vote was won with the narrowest of majorities. Remember what happened in 1979. The defeat then set back the cause of devolution for a generation. In 1997, when all the parties except the Tories were united, we only just squeaked home. I have no doubt that if a referendum were held today, it would be lost. Indeed, I cannot see a successful one happening until well into the next decade.

Some recent opinion polls may have shown that the people of Wales favour primary powers, though others have not. But I recall opinion polls showed

consistently throughout the 1997 campaign that the Yes vote was about 2:1 ahead. What happened on the day? It was a narrow, hair’s breadth victory for the Yes side, albeit one that spectacularly overturned a 4:1 defeat in 1979.

The timing was right in 1997, and everything came together. We cannot risk rushing into a premature referendum



and repeating 1979. I remain a passionate devolutionist. But it would be tragic if a defeat was triggered either through impatience by devolutionists, or by those who wish to contrive political ambushes for partisan purposes against Welsh Labour - and there has been evidence of such manoeuvres from Plaid and Tory politicians alike, albeit doubtless for different motives.

I will support a referendum when we are confident that we can win it. Without a significant shift in public opinion, it is very clear to me that a premature referendum would be lost, taking primary powers off the table for a generation.

To call a referendum before the current legislation has had time to bed down, and the Order in Council process to be tested, would only serve to undermine the process, and to breach assurances I gave to the Commons in winning broad support for the 2006 Act with only the Tories voting against.

The Assembly has hardly begun to use its existing new powers and has enacted only a very few new Measures on the back of the LCOs passed. The experience of doing so needs to be carefully assessed. Moreover, its legislative capacity, as Dafydd Elis Thomas has argued, is still limited. My view is that within a short time there will be surprise at the sheer depth and extent of the additional law making powers under the new process that will have been devolved to the Assembly. Let us reflect on the success or limitations of this process at the very earliest into the new Assembly term in 2011. To do otherwise would, I believe, backfire amongst voters.

The blunt truth is that the loudest voices for an early referendum could not deliver the vote. Welsh Labour members - and even more Welsh Labour voters - are currently overwhelmingly against an early referendum, and I do not see that changing for some years to come. Liberal Democrat leaders could not deliver their own voters, indeed they hardly did so in the favourable environment of 1997. Whatever the signals from the Welsh Conservative Assembly leadership, their Party at Westminster remains hostile to full law making powers and my current reading of Welsh Conservative voters is that they are even more bitterly hostile.

There is moreover an ‘anti-politicians’ culture in Wales directed at all parties both in the Assembly and at Westminster which could easily be exploited by a No campaign. Indeed the signs are that this is already happening on the back of the parliamentary expenses scandal.

When a referendum is called I want to be part of a successful Yes campaign. For what it is worth, I won’t join one I consider would be unsuccessful - IWA reports or not ■

**Rt Hon Peter Hain** is MP for Neath and was Secretary of State for Wales 2002-08 and Welsh Minister 1997-99.

# Assembly's Legal Dividend



Carwyn Jones says a debate is needed on creating a separate jurisdiction for Wales

**The next ten years in the life of Legal Wales will be the most exciting and the most significant certainly since the abolition of the Court of Great Sessions in 1830 and possibly since the year 1536.**

Once the National Assembly is able to exercise primary legislative powers, following a referendum, I think it is inevitable that we will have to consider creating a distinctive legal jurisdiction for Wales. It is a question which neither the Welsh Assembly Government, nor the legal community in Wales can shy away from.

It's worth noting that a separate jurisdiction need not be bound up with future powers. The *One Wales* agreement between the two parties in the Welsh Assembly Government includes a commitment to consider devolution of the criminal justice system and moves towards the establishment of a single administration of justice in Wales.

However, to my mind it is not necessary to first have the devolution of criminal justice before we consider creating a Welsh jurisdiction. In Scotland, for example, employment law and aspects of criminal law are not devolved, yet the jurisdiction is different. So a jurisdiction does not require that the legislature it oversees has control over all areas of law.

The increasing divergence of the law in relation to England and to Wales, and the bilingual character of the legislation produced by both the Welsh Assembly Government and the National Assembly for Wales, has also given

impetus to the need for institutions of justice to be managed locally. When Lord Bingham, then Lord Chief Justice of England and Wales spoke at the opening of the Mercantile Court in Cardiff in 2000, he said:

“This court represents the long overdue recognition of the need for the Principality of Wales to have its own indigenous institutions operating locally and meeting the needs of its citizens here. This court is another step towards recognising Wales as a very proud, distinctive and successful nation.”

Although there has been an Administrative Court in Wales since 2000, in reality the Administrative Court office has served as little more than a ‘post box’ for the filing of claims. Although claims could be filed at the Administrative Court in Wales, generally management of cases was transferred to the Royal Courts of Justice in London which would, thereafter, administer them until their completion.

However, since 2000 there has been a growing expectation that administrative cases relating to Wales should also be heard in Wales. In that respect it has for some time been the practice of the Assembly Government in response to judicial review applications to apply for a direction that the case be heard in Wales.

In the 2006 case of *National Assembly for Wales v Condrion and Miller Argent*, the Court of Appeal called for practitioners and listing officers to seek to get such cases listed

in Wales more frequently.

In 2007, His Honour Judge Hickinbottom referred back to those comments from the Court of Appeal, when he rejected an application for the judicial review case of *Deepdock v the Welsh Ministers* to be transferred from Cardiff to London. His Honour's view was that, with the increased impetus given to devolved government by the Government of Wales Act 2006, and with increasing powers actually being devolved to the National Assembly and the Assembly Government, there was a deepening imperative that challenges to any devolved decisions should be (like the decisions themselves) dealt with in Wales.

The Deepdock case involved a legal challenge by mussel fishermen to the development of a marina at Beaumaris on the Isle of Anglesey. The case makes clear that the hearing of cases in Wales does not necessarily mean a hearing in Cardiff. In fact it was heard in Caernarfon, enabling the Judge to undertake a site inspection during the hearing from a dredging vessel! An appeal against the judgement handed down in that case was the subject of the hearing before the Court of Appeal in Cardiff in November 2008.

Formal recognition that devolved decisions should be dealt with in Wales was given by the recommendations of the Judicial Working Group on Justice outside London chaired by Lord Justice May. Following on from that report, the Administrative Court Regional Centre for Wales was opened in Cardiff in April 2009 and provides a fully

functioning office for the Administrative Court in Wales.

The Welsh Assembly Government hopes that the opening of the new Administrative Court will speed up the judicial process and enable matters to be heard more locally. Although the Administrative Court has been set up in Cardiff, it is worth stressing the point that facilities will be made available for cases to be heard across Wales.

There are clear benefits of having these cases dealt with in local accessible courts capable of dealing with Welsh

Wales and other public bodies to ask themselves why they are instructing counsel from outside Wales. If they are getting a better service elsewhere then we need to know so that the situation in Wales can be improved. Over the next ten years advocates from Wales should be getting the lion's share of the work. The challenge for the Bar is to structure itself to compete for that work.

I was pleased to recently announce the appointment of Panels of Counsel. Clive Lewis QC continues to undertake the role of First Counsel to the Welsh

Meanwhile, we need a reviewing process. The universities will have a role in the process, and over the next ten years, law departments might want to consider how they can play a role in law reform at a level in Wales that simply wasn't possible before.

The Welsh Assembly Government is committed to offering opportunities for students to gain legal training and experience by offering opportunities in its Legal Services Department. This is the largest public sector legal department in Wales with over 100 lawyers providing legal advice and legislative drafting services across all Ministerial portfolios.

The Trainee Solicitor Scheme is a formal part of the departmental structure. Presently there are seven trainees in the department undertaking constitutional and commercial work as well participating in the legal teams supporting policy-making in fields such as education and health, agriculture, local government, social care and the environment. Trainee recruitment is done two years in advance and this autumn adverts will appear for trainees to join the department in 2011 and 2012. We plan to take two trainees annually. The scheme also provides an opportunity to undertake litigation work with a Welsh local authority and offers a rounded public sector and public law experience.

All these developments mean that we are on the cusp of substantial change in the way the law in Wales is administered and enacted. The first ten years of devolution have brought about great changes in the history and politics of Wales but left relatively little mark on the legal world. We can expect this to change in the forthcoming decade. Legal Wales needs to be ready for the challenges to make the most of this part of the devolution dividend ■

*Carwyn Jones is Counsel General in the Welsh Assembly Government. This article is based on a lecture delivered at Cardiff Law School in May 2009.*



Flanked by Claire Clancy, Chief Executive and Clerk to the National Assembly, Presiding Officer Dafydd Elis-Thomas, places the seal (see opposite page) on the Assembly's first Measure. The NHS Redress Measure, which relates to liability in connection with services provided by NHS Wales, was passed by the Assembly on 6 May 2008 and approved by the Queen in Council on 9 July 2008. The first piece of primary legislation enacted in Wales, it was arguably a first step on the road to a Welsh jurisdiction.

bilingual legislation, including Measures. It will also encourage the development of public law practices in Wales.

The enhancement of the Administrative Court in Wales together with the growing body of law particular to Wales create the need for a greater span of lawyers who understand the law as it applies in Wales. They should also have the knowledge and experience to take on the most complex and sensitive of cases, such as the Skanda Vale case, which the Court of Appeal heard in Cardiff.

What this means is great opportunities for lawyers in Wales, a devolution dividend for the legal professions. We are now seeing the establishment of specialist criminal and civil chambers in Cardiff. However, we need more advocates who are prepared to branch out into areas such as administrative and employment law.

We also need local authorities in

Assembly Government. In addition, there are two separate panels, one consisting of Queen's Counsel and a second panel, consisting of Junior Counsel or Solicitor Advocates. Those appointments will be for a period of three years, with the possibility of renewal.

What are the challenges for the universities? I have to say first of all that I would not want to see a situation arise where a law degree from any of the Welsh universities is seen as being inappropriate for practice outside Wales. Our universities must continue to be seen as centres of expertise for all of the UK.

Nonetheless, there are opportunities for academic lawyers. As the Welsh statute book grows, so the case builds for a body to review those laws. This has been performed in the past by the Law Commission for England and Wales. Over the next ten years, thought will have to be given to creating a Law Commission or similar body for Wales.

# Wales and the Matter of Britain

Cynog Dafis admires the way a Welsh Conservative is seizing the constitutional Initiative

This remarkable piece of work is testimony to its author's conviction that "the study of history is the basis of all political wisdom". In six scintillating chapters he takes us on an intellectual journey through the history of Wales-in-Britain, from its emergence as *Cymru* ('this wonderful fact') in the eighth century, right through to its reinvention as a 'political nation' in our time. As his narrative proceeds, David Melding brings his extensive knowledge of political science and constitutional theory to bear on his theme, leading us to his conclusion that, in order to remain intact, Britain too must reinvent herself – as a multinational federal state.

The Preface tells how the mind of this highly unusual Tory began to run along these lines. He 'became addicted to reading Welsh history' when he was asked to write a pamphlet on the Conservative Party and the Welsh nation for his party's Research Department. The resultant 'grappling with my own national identity', together with the influence of some Czech friends and the ideas of Thomas Masaryk, sparked off his 'development as a nationalist' who nevertheless voted No in the 1997 referendum.

The author describes his book as 'a series of essays', but his argument is in fact seamless. In his opening two chapters, he traces the close but complex relationship between Wales and Britain (first the 'Idea', then the 'Practice') over a thousand years and more. First, drawing particularly on the poetry of David Jones, he discusses the *Matter of Britain*, an idea that continued to permeate Welsh consciousness long

after the period of Saxon expansion.

Then we find the Normans kidnapping that idea for their own politico-dynastic purposes, the consolidation of England as their kingdom and the ruthless suppression of the Welsh attempt to achieve statehood. Under the Tudors the Welsh are both integrated and accommodated within the emerging British state, their language given recognition in the process of nation-building in which Protestantism plays a key role, and their land recognised as an administrative entity.

With the discovery of the Americas the *Matter of Britain* was now 'not to be found at the edge of Europe but at the centre of the World', and with the entry of Scotland into the Union (Ireland is a case apart) the stage was set for Empire. In that project the Welsh are willing participants, subordinate and yet, through industrialisation, crucial for British expansionism. The story reaches its climax with Lloyd George, the "Welshman who had seized the 'Crown of Britain'" and who "symbolised the fulfilment of Welsh nationhood within the British state".

Lloyd George also provides the link to the next phase of the Wales-in-Britain narrative, the rise of Celtic nationalism, made possible both by the growth of democracy and the fact that the British state had refrained from implementing a policy of total assimilation of the Welsh and Scots, as had been within its power.

David Melding is generous and balanced in his assessment of Plaid Cymru's leaders. Saunders Lewis, though "wild and uncompromising at times" nevertheless through his thinking "changed the nature of political

discourse in Britain". Gwynfor Evans he sees as both "courageous and naïve" and his nationalism as "raw and primordial", but through his "slow, grinding work" and, crucially, because he led Plaid to "accept the reality and permanence of the Anglo-Welsh and acknowledge the need to meet the demands of an industrial society", he "changed the face of Wales".

Labour's mission to establish socialism in Britain by becoming the "champion of centralism" (Kenneth O. Morgan) brought leaders like Aneurin Bevan into inevitable conflict with the demand for self-government launched by the Plaid-inspired Parliament for Wales campaign in the early 1950s. However, David Melding sees the age-old pattern reasserting itself. "If Labour's state socialism was as centralising as Edward I's regnal practices, like the Plantagenet Labour also recognised the integrity of Wales in a symbolic way. In 1949 the government established the Council for Wales, and although largely toothless, it has been described as 'a landmark in its way'."

Enter the Conservatives, who between 1951 and 1964 "treated the Welsh question with sympathy but little skill". Recognising Wales as a nation with a rich and distinct cultural identity, they serve the cause of devolution in two other ways. First, they laid the foundations of administrative devolution by creating the post of Minister for Welsh Affairs, ready for Labour to take the process further. Second, by gaining eighteen unbroken years of government at Westminster and insisting on the blanket application of Thatcherism throughout the UK, they raised the issue of the democratic deficit in Wales and Scotland, thus inadvertently sowing the seeds of the referendum victories of 1997 and the death of the British unitary state. Chapter 3, *Devolution, the Battle Lost and Won* gives an excellent exposition of this series of developments.

Chapters 4 and 5, *Have we Been*

*Anti-Welsh?* and *The Strange Death of Unionist Britain* provide a masterly analysis of the Conservative Party's fraught and tortuous relationship with the question of the Union and the status of its constituent nations.

By rejecting both federalism and home rule as solutions to the Irish question, partly as a party-political tactic and partly through ideological inflexibility, the Conservative leaders were responsible for the loss of Ireland to the Union. As a result the Party "entered its darkest and most destructive period", with the threat of violence and the call for a UK-wide referendum as a means of blocking Irish self-government. What the uninitiated may not know is that there were significant voices within the party offering wiser counsel. Lord Carnarvon for example met with Parnell and found sufficient common ground for "an imaginative Conservative policy that would attract the support of Irish Nationalists".

Meanwhile in Wales, Conservatives alienated themselves from mainstream opinion by adopting anti-disestablishmentarianism as a central policy plank. One example among many of David Melding's delicious use of metaphor will serve to illustrate the disastrous effect of decisions of this kind. "The Party became the music hall villain of Welsh politics, always destined to have its base amorous advances spurned by the virtuous heroine to the thrill and delight of the audience." The scene was set for the Conservatives' marginalisation in Welsh politics for the rest of the 20<sup>th</sup> Century, culminating in the rout of 1997, the year in which it also chose ('lightly disguised') to lead the referendum No Campaign.

However, the debate within the Party was far more substantial and intelligent than conventional wisdom would have it. For example, in 1976 it "reaffirmed its acceptance of devolution in principle but rejected the proposals of

the Labour Party" – a not unreasonable position, bearing in mind the convoluted nature of those proposals.

At this point Francis Pym and Leon Brittan argued that if a legislative Scottish Assembly were to be established, "it should be based on the principles and practices of federalism" as a prelude to introducing such a system throughout the UK. Moreover, Lord Hailsham "connected a call for federalism to a wider programme of constitutional reform". It is to this tradition in Conservative (and Unionist) thinking that David Melding appeals in his advocacy of a federated Britain. He is impatient of the idea that federalism is somehow alien to the British constitutional tradition, pointing out that it is, in its application to the former colonies, largely a British invention.

In his final chapter, *Will Britain Survive beyond 2020?* he sets out his case for a full-blown British Federation, with sovereignty in 'domestic issues' allocated to three national parliaments, while macro-economic policy, most taxation, immigration and citizenship, defence, and foreign affairs remain the responsibility of a federal (probably bicameral) parliament. He presents his case by assessing, coolly and thoughtfully, the arguments against both federalism and independence. Devolution he regards as inherently unstable, though he makes it abundantly clear that its reversal cannot be an option.



David Melding has produced a fine piece of work: erudite, stylish, lucid and elegant, logical, passionate yet suffused with a gentle and tolerant irony. In so doing he has seized the initiative on constitutional policy and thrown down the gauntlet to the political parties, challenging them to bring forward convincing alternatives to his compelling vision.

First the Conservatives, now presenting themselves as reconstructed agents for radical change. Will they have the vision to embrace a constitutional framework that can preserve the Union while allowing its component nations to pursue their distinctive policy programmes? What an opportunity David Melding has opened up for them.

Second Labour, obsessive about the Union and pulled every which by questions of nationality, cultural diversity and decentralisation.

Third, and perhaps most important, Plaid Cymru, which currently offer nothing like the quality of analysis, argument and proposals that the Conservative David Melding has presented. The 'Independence Initiative', launched with cogent flamboyance by Adam Price, has so far generated little debate of substance, while a modest but credible policy document produced by an internal working-group seems to have disappeared without trace. At the same time the party's evidence on Barnett to the Holtham Commission has a decidedly federalist tenor.

There remain the Liberal Democrats. Given their commitment to federalism, they could simply adopt David Melding's programme wholesale. On the other hand, if the Conservatives have the gumption to grasp the opportunity now opening before them, they could simply adopt the Liberal Democrats ■

*Cynog Dafis* is a former Plaid Cymru MP and AM for Ceredigion. *Will Britain Survive Beyond 2020?* is available from the IWA at £11.99 (25% discount to IWA members).

# Adventures in Democracy

Geraint Talfan Davies examines an account of a reconstruction underway behind the facade of the British state

Welsh art lovers are much addicted to landscapes, hence the late Kyffin William's remarkable iconic status. *A Useful Fiction*, *Adventures in British Democracy*, too, is a work of landscape, although a very long way from Kyffin's brooding palette. The canvass is wide, taking in the whole of Britain and Ireland, but Patrick Hannan is not one for the broad swish of a palette knife, but rather the steady accumulation of intimate detail, acute observation, sardonic wit and jaunty asides – a cross between Beryl Cook and Breughel.

There has been no shortage of writers to tell us that Britain is changing. They usually fall into two categories: those who lament the passing of a Britain they thought they knew, and would like preserved in aspic, and those who would like to bring down the whole edifice. This book is different.

As befits the son of an emigrant Irish doctor, brought up in Aberdare, and the holder of both British and Irish passports, Hannan views Britain's democracy from outside the English and British metropolis, both geographically and mentally. It is also a book that seems to delight in the fluidity of our current situation, and the sheer unpredictability of things. But it is definitely not a book to be lodged in the local interest sections of our large bookstores, rather a wide-ranging and mature reflection that draws on a lifetime's reading and observation, and a depth of quirky knowledge that has made him one of the stars of the BBC's *Round Britain* quiz.

It is also prescient. In a chapter entitled *Where have all the voters gone?* he is ahead of the game on MPs

expenses: "The system of allowances (a word with neat overtones of legitimacy) was in many ways a sham devised to keep the public in the dark about the money MPs received and why they received it." He does not, however, join the lynch mob on this issue.

The expenses row rather illustrates one of his main theses that in the British constitution nothing is quite what it seems. Things happen "in fact, if not in theory", like MPs allowances – or were they expenses? – or the transfer of sovereignty in different directions from our supposedly still omni-competent Parliament.



Patrick Hannan – "a cross between Beryl Cook and Breughel".

It is prescient in other ways too. He rightly surmises that Peter Hain's rehabilitation is only a reshuffle away. It happened only a week after the book was launched at the Hay Festival. Then again, his excoriation of the Prince of Wales for wishing "to put Britain back the way it once was, or the way he thinks it once was, which is not the same thing", has been swiftly followed by yet another architectural row between the prince and Richard Rogers. Neatly, he describes Charles as "a one-man Britain walking (or, more often, being driven) among us."

Unlike most works on constitutional

matters *A Useful Fiction* is entirely jargon free and immensely readable, as anyone who knows Hannan's work might expect.

Countless committees are presently beaver away at the intricacies of the Barnett formula, and at its possible substitution by a needs-based alternative, something Hannan describes as a "poverty contest". His account of the current block grant for Scottish and Welsh governments is both funny and sobering – "leaving [the devolved governments] little more than pensioners drawing their allowances at the Westminster Post Office. They have to allocate a large part of their income to the fundamentals of everyday life – food, power, accommodation – and with what's left over they can choose between cat food or a couple of pints of beer." Why do I see Rhodri Morgan in that picture?

Hannan's journey takes him through all three nations of Great Britain and both parts the Irish island, tracing the elusiveness of Britishness, and concluding that Britain "is not actually a country, but a state of mind", and that English people are the group least alert to the governmental revolution that is taking place. He also takes in Scotland as it toys with the notion of independence and the prospect of becoming to England "what Canada has long been to the US". He also takes in the rise and fall of the Irish 'tiger economy' and its relevance or irrelevance for Welsh circumstances.

Hannan is not an evangelist for any cause – either conservative or radical. He is always resolutely sceptical of the certainties of the faithful. But as Britain faces yet more constitutional change – if we are to believe the politicians – this book is an incisive and accessible guide to, as he puts it, "the rebuilding work that's taking place behind the scaffolding and tarpaulins of Britishness" ■

Geraint Talfan Davies is Chair of the IWA. *A Useful Fiction: Adventures in British Democracy*, by Patrick Hannan, is published by Seren. [www.seren-books.com](http://www.seren-books.com)

# Winning in Scotland

Isobel Lindsay assesses the record of the SNP minority government

**Halfway through the Scottish Parliamentary term is a fair point at which to assess what the SNP has achieved. Tom Nairn described nationalism as Janus-headed, looking at the same time to the past and the future. It might be more relevant now to apply the metaphor to the left/right spectrum. Does the Scottish Government face both left and right?**

As well as examining what the evidence suggests about its ideological complexion, there is also an important question about how effective it has been in its administrative role. For any government, having its heart in the right or wrong place is one important issue. Another is whether it has the ability and nerve to turn values into successful outcomes.

One of the most important contributions the SNP has made to good governance in Scotland was simply to win. That in itself has greatly improved Scottish politics. All governments eventually get stale and arrogant as they come to take power for granted and a third Labour/Lib Dem coalition would have conveyed the message that things can't be changed. To believe that things can be changed was important for the parties and important for the public. It was also important for all those networks that relate to the public sector and had come to take for granted Labour's Scottish dominance with all the patronage powers that went with it.

More than a few people found that they didn't have any of the right names in their contact books.

A second achievement, unrelated to particular policy agendas, was to show that minority government can work and is an option for any future Parliament. This has opened up choices that were envisioned by many of those involved in work on proposals for the Parliament's constitution in the 1990s but were viewed by most commentators as not viable. Using administrative powers to the full - as the Welsh Assembly Government has shown - gave considerable scope for action without having to jump through the legislative hurdle.

Moreover, opposition parties will struggle to unite on many issues. While the SNP has had to select its programme with a view to minimising the chances of defeat, it has been able to promote its own agenda more effectively than had it gone into coalition with the Liberal Democrats.

In comparison with what has been done by governments at Westminster, the dominant ideological position has been weighted to the left, although there has been something of a dual track. On most of the devolved powers there has been a fairly clear social democratic, centre/left position. That was also broadly true of the previous administrations but it has been more consistent with the SNP.

The rejection of PFI has been

important not just because of the cost but because it ends the transfer of significant aspects of management to private companies. While the absence of borrowing powers has not made alternatives easy, during this Parliament, Scotland should not be saddled with more costly, rigid, privately-controlled management of core public amenities.

In health services, there has been a rejection of market mechanisms and private outsourcing on the English model, coupled with a commitment to welfare state principles as with the phasing-out of prescription charges (following the Welsh example). In school education there has been firm support for the comprehensive principle and no flirtation with city academies and other opt-outs from the local authority. The abolition of the remaining fee element for university students has been in the tradition of the post-war settlement.

On housing, there has been some support for new council housing and more restrictions on the sale of social housing. Justice policy has taken a much more 'progressive' agenda than the tabloid-driven approach of the previous administration. Energy policy has been fairly green although the same can't be said of transport. The reduction in attempts to micro-manage local authorities is rather closer to practice in the rest of the world. On the reserved

issues of defence and foreign policy, the SNP Government has firmly positioned itself on the left in relation to nuclear weapons and opposition to the Iraq war (although it has been more ambivalent on Afghanistan).

From a European perspective, the SNP Government would be seen as mainstream social democratic across its areas of responsibility. From a Westminster perspective, it would be seen as far left.

Alongside this centre-left profile, there is another face. It is a smaller face and is complicated by the fact that much of the more right-wing positioning of the SNP relates to reserved powers and there is no evidence of what it might have done in practice.



Health Minister Nicola Sturgeon has “handled a complex brief with great competence and openness”.

But we can look at policy positions and at some choices made in Scotland. Support for very low corporate taxation and light touch finance and business regulation has been part of SNP policy for over a decade. Where there have been Holyrood powers, they have been used to reduce business rates without any solid evidence of the employment outcomes. The SNP Euro MPs did not support implementing the 48 hour maximum working week in the UK. Business pressure for the M74 extension and other transport issues have had a positive response.

Whether the SNP leadership's engagement with aspects of the neo-liberal agenda arose from expediency or conviction is not clear. There is (or was) an obvious expediency argument. A party seeking radical change needs to cultivate allies and, equally important, to try to neutralise powerful opponents by offering them what they want to hear. The business ‘voice’ (not always the same as actual business) was strongly against devolution in both referendum campaigns. Any independence referendum could expect the same opposition so one can see the attraction in not frightening the boardrooms.

However, there is a distinction between the business ‘politicians’ who make a lot of noise and many serious business people who have experience in operating in varying political environments. Also there will always be the business mavericks - Sir Hugh Fraser in the 1970s and Brian Souter today - who will break with the consensus irrespective of the CBI voice.

But expediency appears not to be the only reason for cultivating the bankers and promising a low post-independence corporate tax regime. Some in the SNP leadership were swept along with the

need to be effective in fulfilling their aspirations. Overall the SNP as an administration has been more impressive than its predecessors but the picture is mixed. Nicola Sturgeon has taken a



Education Minister Fiona Hyslop “went into denial mode” accepting “questionable figures given to her by her civil servants”.

complex brief at Health and handled it with great competence and openness. She has entrenched core values and addressed problems by openly admitting where there have been failures.

This is in contrast to Education where Fiona Hyslop, despite being intelligent and articulate, has not been an effective minister. It is an interesting

### Some in the SNP leadership were swept along with the dominant economic ideology, getting too close to the Edinburgh bankers.

dominant economic ideology. They became true believers, more attracted to the Irish model despite the evidence of its sharp increase in inequality and an unsustainable property boom, rather than the Finnish or Norwegian models. They became much too close to the Edinburgh bankers and avoided criticising business. The Council of Economic Advisers lacked any members with a trade union background. In the UK context this was, of course, in no way unusual.

In government having the right aspirations is not enough. Ministers

comparison and it is not about different ideological perspectives. Both are more left than centre. A good minister needs to keep in touch with what is happening on the ground and needs the edge to cut through the defensive departmental cultures that pervade many areas of government.

In school education, we have had almost five years of the Curriculum for Excellence. The aspirations have been good but the implementation has been abysmal, caricatured by jargon-ridden generalisations that have cost substantial

amounts to produce and left most teachers struggling to understand what it means in practice. This was inherited by the present minister but she failed to get an early grip.

Postponing implementation and throwing more money at the problem may work but confidence in the change has been seriously undermined by bad administration. Her Department has also been poor at manpower planning. Instead of recognising that there was a problem with unemployed, post-probation teachers, the Education Secretary went into denial mode and accepted the questionable figures given to her by her civil servants. Similarly with class sizes and education cuts. The Department's approach to universities, one of Scotland's success stories, has been one of pacification without vision.

Linda Fabiani had similar problems with the Arts portfolio. There was nothing wrong with the values she brought to the job but she has been ineffective at cutting through the bureaucracy. In contrast Kenny McAskill at Justice has been an



Justice Minister Kenny McAskill "bravely taking on a difficult reforming agenda."

admirable minister, bravely taking on a difficult reforming agenda with confidence and nerve. The contrast could not be greater to the cynical, tabloid-driven previous Labour ministers and their current spokesman. One hopes he continues to get the support he

deserves from the rest of the Cabinet.

Finance has been handled very competently by John Swinney and, given the minority status of the Government, it is not entirely clear what budget choices are the outcome of horse-trading and what are the Government's priorities. From a left perspective, the freeze on Council Tax is not a simple issue. Were it a fair tax, this would be seen as a move to the right but it is a seriously flawed tax which is very low for the wealthy and disproportionately high for many low-earners and retired. The SNP's local income tax proposal would have been a much more progressive tax. However, Holyrood does not have a sufficient range of powers to implement it properly irrespective of whether there was a majority for the legislation.

In neither Transport nor the Environment has there been an effective programme. Here the lack of coherence is not primarily about the ability of ministers but rather about the SNP's lack of a clear philosophical base on these issues. Ministers take issue-by-issue decisions. Some may be good some bad, but they do not add up to an environmental vision. So we get some good decisions on energy bolted onto a very traditional range of policies on transport and development.

Going back to Janus, the god who can look in opposite directions at the same time, does the evidence of the past two years suggest that the SNP is looking both left and right? It would be fair to say that rather than two equal heads, the gaze is mainly to the left with the other head opening its eyes only from time to time ■

**Isobel Lindsay** is a former sociology lecturer at the University of Strathclyde and was a leading figure in the SNP in the 1960s and 1970s. This article appears in the current issue of *Scottish Left Review*.

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# Ministerial Logjam Frustrates Economic Dynamism

Brian Morgan argues that if the economy is not improving by 2012 we will need to bring back the WDA

Economic development should be about raising the level of gross value added (GVA) in Wales. This does not mean that other objectives such as reducing child poverty are not important, but simply that they would be much easier to achieve if GVA were higher. The main problem facing Wales is that our GVA per head has now fallen to 74.5 per cent of the UK average – the lowest in the UK. The minimal objective for the Welsh government over the next decade should be to take GVA back to 80 per cent per head, the level it was at when the Assembly was created.

Devolution was supposed to lead to greater prioritisation of public expenditure which would produce a significant economic dividend. The fact that this has not happened is an indictment of the government’s policy of creating ‘Clear Red Water’ between Wales and the rest of the UK. It promised much, but has delivered very little.

Because of our low level of GVA we now need to prioritise actions to raise prosperity levels across Wales. This means focusing expenditure on measures that will directly contribute to increasing ‘value added’ and improving the competitiveness of indigenous firms. We need to improve our transport infrastructure, increase business innovation, raise education levels and skills, and close key funding gaps such as spending on Higher Education compared with England.

Our economic position will only

improve when we create the right conditions for private sector companies to generate wealth and employment. For this to happen the decision making process inside the Assembly Government needs to improve and become more focused on competitiveness which depends on:

- Public and private investment in human capital.
- Improving physical infrastructure.
- Accessibility to markets.
- Productivity of the workforce.
- Institutional capacity - including effective support systems for SMEs.
- Innovation and research facilities.

The lack of economic performance is surprising given the huge growth in public spending in Wales which has doubled from around £7 billion in 1999 to £15 billion today. (Similarly in

*Table 1: Public and private sector wage differentials*

Weekly pay 2006 – Differential between the top 10% public sector jobs and top 10% in the private sector

United Kingdom	-7.60%
South East	-19.20%
Scotland	-5.80%
West Midlands	-0.10%
South West	2.00%
North West	3.30%
North East	4.40%
<b>Wales</b>	<b>9.30%</b>

Source: Annual Survey of Hours and Earnings 2006

Scotland it has gone from around £13 billion to £30 billion.) These figures refer to ‘devolved public expenditure’. In addition there is ‘non-devolved public expenditure’, for example social security, and ‘non-identifiable public expenditure’ for example, defence. Taking into account all these elements the ratio of public spending to GDP in Wales has increased to around 55 per cent (it’s 50 per cent in Scotland and as low as 30 per cent in the South East of England).

High and rising levels of public spending can ‘crowd-out’ private sector investment and there are many mechanisms whereby this occurs, including high wage differentials in favour of the public sector. Table 1 indicates why ‘crowding out’ may well have occurred in Wales. The top 10 per cent of earners in Wales earn more in the public sector than in the private sector which puts pressure on SMEs wishing to expand and attract qualified staff.

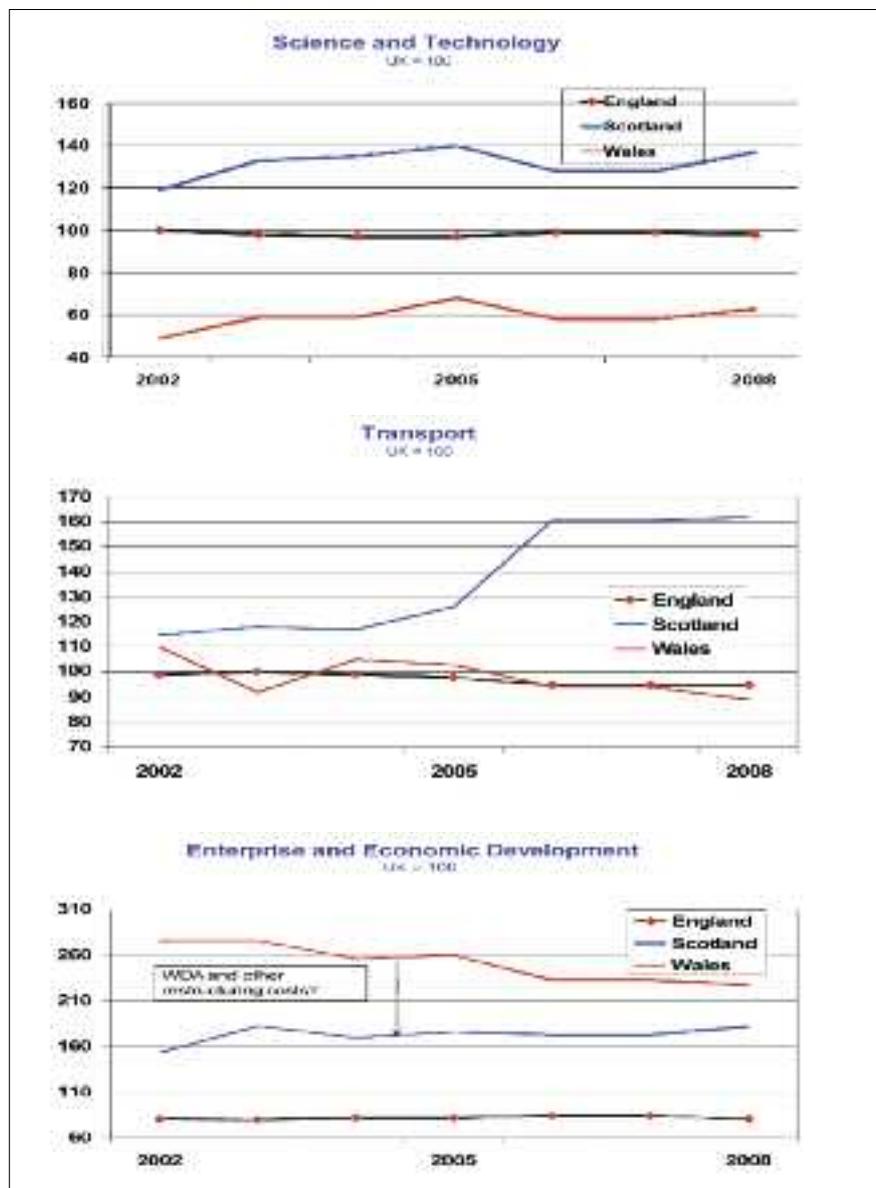
To address these important issues the Assembly Government needs to focus on developing consistent long-term policies to achieve long-term economic goals. It must eschew popular short term initiatives that detract from these goals, such as free prescriptions and free car-parking at hospitals.

Moreover, in addition to the headline grabbing ‘free lunch’ initiatives, there have also been some strange public expenditure patterns in Wales over the past decade compared with England and Scotland, as the Charts on the following page, showing public spending per head in key policy areas, illustrate.

The Treasury figures shown in the Charts indicate that the Assembly Government seems to have under spent in areas such as Science, Technology and Transport compared with Scotland and England, but overspent in Economic Development. However, this latter expenditure - amounting to over £800 million a year - seems to have achieved few measurable outputs in terms of GVA. Hence the implication is that most of this huge outlay on economic development has been largely wasted on poorly structured projects like Fibrespeed (see Box 1) and absorbed by restructuring and administration costs.

In particular, the enterprise support sector seems to have been reinvented in Wales every few years. We first had Business Connect, then the Business Gateway, then Business Eye and now Flexible Support for Business (FS4B). These were initially sub-brands within the Department of Enterprise, Innovation and Networks, now renamed the Department of Economy and Transport. In the meantime we managed to abolish the only business development 'brand' anyone had ever heard of, the Welsh Development Agency. This is especially the case so far as marketing Welsh business abroad is concerned (see Box 2 on page 32). Is there any wonder the public are confused?

The sheer size of the new Department of Economy and Transport, together with the large number of initiatives being introduced, means that decision making is becoming long and drawn out. They are slowed down by a control culture inside the government which focuses on compliance and risk aversion above everything else. This is the exact opposite of the entrepreneurial economy - the 'value adding' economy - that Wales needs to create. Instead we have created a process driven system rather than one focused on outcomes. The Department of Economy and Transport is hardly the streamlined, flexible department we were promised when the



Source: Treasury Public Expenditure Statistics

#### Box 1: Fibrespeed data communications network

Typical of many Assembly Government projects, this has taken so long to come to fruition that improvements in technology have simply overtaken it. It was originally developed by the WDA and based in Cardiff with a critical connection to a large data security centre. When the Assembly Government took over the project it decided to base it in north Wales with no connection to a data centre. So the project - now years overdue - has simply provided high speed network connections in north Wales at huge cost. These connections can now be bought off the shelf for a tenth of the price.

WDA was absorbed into it. Indeed, the civil service in Wales has expanded from 2,500 employees to 6,500 in the last 10 years.

With so little to show for expenditure on economic development it is timely to ask whether the merger of the WDA and Wales Tourist Board (WTB) into the Assembly Government has succeeded. It is well known that private sector mergers rarely produce real business benefits. Witness for example the merger between RBS and ABN Amro that brought down RBS.

It is now clear that the cost/benefit ratio of the merger of the WDA and

WTB into the government has been excessive. A huge amount of managerial time was exhausted and the merger simply introduced yet another tier of bureaucracy – with internal government staff ‘overseeing’ the process of economic development. What happened was that civil servants took over the top managerial posts and ‘oversaw’ better qualified specialists. And en route to all these changes Wales lost the WDA brand.

As the scale of bureaucracy has increased, the problems of delivery and decision making have increased in tandem. Large, centrally controlled organisations tend to lose their flexibility and inevitably become

**Box 2: IBW**

IBW (International Business Wales) sounds almost like a cricketering term and is hardly a well known brand. Indeed IBW is a sub brand within the Department of Economic Development and Transport. The WDA in contrast was an umbrella brand which covered every aspect of enterprise development. The Assembly Government’s current strategy of promoting the sub brands without the strength of the umbrella is not working. Branding is a major problem area within the government. Their brand strategy is confusing and the constant name changes makes it increasingly difficult for users to identify with their services.

detached from the local community they are trying to serve. The WDA and the WTB at least allowed formal responsibilities for economic development and tourism to be assigned more clearly. They also had incentives in place for timely decision making and their executives were accountable if things went wrong.

Even more important, these organisations had a better relationship with the private sector and actually saw private sector companies as their customers. Contrast this with the new

training regime introduced for WDA and WTB business managers when they were absorbed into the civil service: they were ‘re-educated’ to get them to understand that the Minister was now their main customer.

The current Assembly Government structure is flawed because it labours under the fiction that the Minister is always responsible for making every decision. Consequently, the centralised Department of Economic Development and Transport has created a logjam of decisions. Each business support initiative has taken at least twice as long as planned, while officials appear to have no conception of the importance of making timely decisions. Until we address this Ministerial logjam, and devolve decision making to the right level of competency, then the dynamism of our economy will continue to suffer. In the process Welsh GVA will nose dive towards 70 per cent of the UK average.

An open debate is needed on the best way forward. The first priority should be to set performance targets in terms of specific outputs for the Welsh economy over the next three years, concentrating expenditure on areas that will raise value added. Why three years? Because in three years time, by 2012, we will be at the beginning of the fourth term of the Assembly Government and the final tranche of European aid money will have been spent.

Current EU aid must not be used to support the large and expanding bureaucracy in the Assembly Government. Instead, it should be targeted on creating a better partnership with the private sector. Similarly, the Government’s Strategic Capital Investment Fund should be urgently focused on improving our infrastructure and should be tasked with leveraging in additional money through public private partnerships. This is particularly important given the 2009 UK Budget which sees capital investment falling by 17 per cent per year over the next Spending Review. In

the case of Wales this means a decline from £1.7 billion to £1.0 billion by 2013-14.

If by 2012 the trend in Welsh GVA is still on a downward path then the WDA and the WTB will need to be reinvented. They need not necessarily be re-installed as public sector funded quangos. They could be relaunched as independent public private partnerships with strict targets for raising GVA and identifying economic priorities for the Block Grant.

It has to be accepted that by 2004 the old WDA had failed to move with the times and was not performing at full throttle especially in relation to the knowledge economy. However, what was needed was a change of personnel at the top not a merger into the civil service.

Economic development needs to be driven by an institution that is detached from the civil service structure. It should be funded by government but tasked with the objective of raising private finance. It needs to be managed by a public sector/private sector board, but has to have a strong private sector culture.

Raising economic prosperity levels in Wales will not solve all our problems but our aspirations for improving the health service, achieving educational excellence and other social objectives will be much easier to achieve on the back of a competitive economy. That is why ensuring that devolution does eventually deliver an economic dividend is so important ■

**Professor Brian Morgan** is Director of the Creative Leadership and Enterprise Centre at the Cardiff School of Management, UWIC. He was Chief Economist at the Welsh Development Agency from 1991 to 1997.



# An ethical Alternative to the Casino Economy

'We're all part of the Mutual' – tenants with Bron Afon Community Housing Association at Thornhill in Cwmbran.

Kevin Morgan and Jenny O'Hara Jakeway say mutualism is an idea whose time has come once more

**“Over the last 18 months, and with increasing intensity over the last six, the world’s financial system has gone through its greatest crisis for at least half a century, indeed arguably the greatest crisis in the history of finance capitalism”.**

Were these the apocalyptic words of a Marxist sect? No, they were opening sentence of the Turner Review, published in March 2009, the official response to the global banking crisis.

Although Lord Turner’s review was interpreted as a radical report – because of its rejection of ‘light touch’ regulation and the theory of efficient and rational markets on which it was based – this was radicalism of the conservative variety. For example, Turner recoiled from drawing a line between low-risk retail banking and

high-risk investment banking – that is between *utility* banks, which deserve to be protected by the public purse, and *casino* banks, which do not.

Without such a safeguard there is nothing to stop banks becoming ‘too big to fail’ in the future, threatening a repeat of the most morally repugnant part of the financial crisis, which saw profits privatised and losses socialised.

Another radical option that was canvassed – but never seriously considered – was *mutualism*, which could have transformed the banks into servants of their communities rather than masters of the universe. While some mutuals were damaged by the crisis – witness the Dunfermline and West Bromwich Building Societies for example – the mutual sector weathered the storm much better than the banks, not least because their constitutions fostered prudence and tempered profligacy.

The crisis actually witnessed a supermutual, when Co-operative Financial Services merged with Britannia, the second largest building society, to form a new business with £70 billion of assets, 9 million customers and over 300 branches.

The new supermutual aims to provide an ethical alternative to conventional banks, capitalising on the Co-op’s very successful strategy of offering value with values.

The supermutual story highlights the fact that mutualism, far from being a cultural residue of a bygone age, is as relevant today as it was in the 1840s, when the Rochdale Pioneers laid the basis for the Co-op. Indeed, we would argue that mutualism chimes with the modern zeitgeist, which favours products and services that have value, integrity and provenance.

Mutualism assumes many forms and it constitutes a much bigger share of social and economic activity than we may think – see Box 1.

The ideals of mutualism resonate deeply in Welsh politics, especially among Labour and Plaid politicians, who make much of the fact that Robert Owen, the father of the co-operative movement, was born in Montgomeryshire. However, there is a great disconnect between this political culture, which extols the co-operative values of mutualism, and the economic reality, where mutual enterprises are thin

on the ground.

After a decade of devolution, one might have expected to see a stronger mutual sector in Wales, given the dominance of Labour and Plaid in the National Assembly. The sector which has the greatest potential to generate new mutuals is social housing. With some five million people on the waiting list for social housing in the UK, this sector constitutes the biggest failure of New Labour since 1997.

Since 2001 the housing debate in Wales has been dominated by the Welsh Quality Housing Standard, which aims to upgrade all social housing by 2012 as part of an investment programme worth some £3 billion. Where local authorities cannot meet this standard through their own efforts, they are transferring their housing stock to registered social landlords where tenants approve it.

Two of these transfer organisations – RCT Homes and Bron Afon in Torfaen – have adopted the Community Housing Mutual model, the central features of which are:

- All tenants can be members, thereby collectively owning the assets of the organisation for the benefit of the community.
- The Mutual has an obligation to ensure that tenants are empowered to be closely involved with the regeneration of their own communities.
- The Mutual is designed to evolve and adapt to the needs of tenants and communities, for example by supporting the development of community based tenant management organisations to manage homes at local level and possibly act as a vehicle for regeneration.
- The organisation’s management is based on the democratic principles of the mutual/cooperative sector.

Although RCT Homes and Bron Afon are called registered social landlords, they are engaged in something much larger, and more ambitious than the

provision of housing. Indeed, if they deliver on their promise, these mutuals will become de facto community regeneration agencies. In that event, they will help to integrate the hitherto separate silos of regeneration policy,

namely public procurement, training, employment creation, social justice, environmental management and tenant empowerment.

When their mission is understood in these broader, more ambitious terms, it is not too much to say that RCT Homes and Bron Afon are engaged in as significant a social experiment as anything going on in the UK today. Securing the active involvement of professional people in mutual enterprises is one thing, to do so with members that are among the most socially deprived, and who can lack self-esteem, is a far more challenging task.

As laboratories of mutualism, RCT Homes and Bron Afon are flying the flag for the mutual model in social housing and community development. Although less than two years old, they have made an impressive start.

Over and above the bread and butter issues, like improving the physical fabric of their housing stock, the mutuals have spearheaded procurement contracts that help contractors invest in local labour and local materials wherever possible. Equally, important social innovations have been introduced as well. For example, the active involvement of members in the hiring of contractors, after scrutinising the latter’s sites in other parts of the country, must rank as one of the most innovative examples of tenant empowerment because it opens the procurement process up to popular participation.

However, of all the challenges facing the new mutuals the most difficult will be to convert more tenants into active members. This might be more of a problem for RCT Homes because of a combination of geography, scale and management culture. Covering three valleys and nearly 11,000 properties, the sheer size of RCT Homes might intimidate potential members, underlining the need for local neighbourhood structures to encourage higher tenant involvement.

Currently, RCT Homes has just

### Box 1: Mutualism Defined

Mutual organisations come in many shapes and sizes, exhibiting degrees of mutuality. Some are mutually owned by their members. Others exhibit a mutual ethos although they may not be owned by members. Let’s start with ownership.

A mutual organisation is owned by its members, who also have a say – usually a vote – in the corporate governance of the organisation, for example, by voting in elections for a board of directors. But this does not define a mutual: many shareholder owned companies would fit that description. The distinguishing feature of a mutual is that the member-owners are more than investors. They usually have another relationship with the mutual either as consumers, producers or suppliers. The members create and own the organisation either to consume its services or to come together as joint-producers. A consumer-mutual, for example, is owned by members who are also consumers of the services the organisation provides. Mutually owned building societies and insurance companies fit into this category. A producer-mutual, for example, is owned by its members who are also its employees or suppliers. An employee-owned company fits this description, as do many farm co-operatives, which pool and market the output of their member farms.

In practice, however, ownership is just one, albeit critical, aspect of mutuality. Many organisations adhere to mutual principles in the way they are run, without being mutually owned. Charities, trusts and clubs, for example, which have no owners, can adhere to mutual principles by allowing volunteers or members a vote in elections for office holders and by involving volunteers in production.

Charles Leadbeater and Ian Christie: *To Our Mutual Advantage* (Demos, 1999)



A tenant being surveyed at the Thornhill estate in Cwmbran by a Bron Afon Community Housing Association representative.



A Bron Afon kitchen refurbishment scheme underway.

1,100 members, so it has a big conversion challenge ahead of it. But management culture sets the overall tone of the organisation, and this is far more important than either geography or scale. The biggest management controversy within RCT Homes has revolved around executive salaries, and the handling of this issue left much to be desired. RCT Homes operates in one of the poorest areas of the European Union and its senior management needs to be more sensitive to its social context,

otherwise it will alienate the very people whose trust it needs if it is to succeed as a community mutual.

Although it has a smaller housing stock than RCT Homes, Bron Afon has a larger membership base, which currently stands at 1,300 members. Bron Afon's higher membership reflects the emphasis its management team has placed on engaging the community through face-to-face communication, a strategy that has already embraced 96 per cent of all tenants. The most recent

Bron Afon survey found that 83 per cent of tenants were satisfied with their home and 89 per cent said that the attitude of staff was very good. Having inherited large swathes of land, Bron Afon now plans to create community allotments and gardens, proving that poor areas can be part of the renaissance of urban agriculture.

As for the management culture, the most encouraging sign comes from a tenant board member, Wendy Hughes, who said "You can't tell who are tenants and who are staff". This suggests that Bron Afon is more embedded in and attuned to its local community than RCT Homes. But these are early days and one hopes that the mutuals will learn from each other's mistakes and achievements.

Social housing has the greatest potential for spawning new community mutuals because of the unique combination of human need on the one hand and large scale investment on the other. But many other sectors could and should be identified for a more concerted programme of mutualisation, a programme that could generate new models of business and community development in Wales.

Think of the sectors that resonate most deeply in our everyday lives – care, food, housing and transport for example. These are the sectors where mutuals could draw on intangible assets that elude the biggest multinational companies, assets like local knowledge and community trust. However, they will need more concerted political help to get started. At the same time, nothing succeeds like success. In Rhondda Cynon Taf and Torfaen, two small enterprises are carrying big burdens which is why all eyes are on their newly formed mutuals ■

*Kevin Morgan is Professor of Governance and Development in the School of City and Regional Planning, Cardiff University. Jenny O'Hara Jakeway is a Communities First Co-ordinator in Glyncoch.*

# Welsh Tax Powers under the Microscope

Gerald Holtham sets out the debate over funding the National Assembly and the Scottish Parliament

Lord Barnett, the man credited with developing the system of block grants that funds Wales, Scotland and Northern Ireland, once admitted that it was not intended to last “a year, or even twenty minutes.” It has in fact been in place in Wales for almost 30 years. However, after a decade of political devolution, extensive changes to the system of financing the devolved administrations are now under serious examination.

The Assembly Government has established an Independent Commission on Funding and Finance. In Scotland, the Calman Commission has recently published a set of recommendations that would greatly strengthen the fiscal powers of the Scottish Parliament. Meanwhile, the Scottish Government is pursuing a ‘National Conversation’ with its citizens and has set out a series of options for reform, with full fiscal autonomy for an independent Scotland its preferred approach. In addition, a House of Lords Select Committee is examining the Barnett formula and is due to report in the near future.

At present, funding for the Welsh Assembly Government comes from the UK Government in the form of an annual block grant, with changes to the grant determined by the Barnett Formula. The devolved administrations in Scotland and Northern Ireland are also reliant on a grant from the UK Government, though Scotland also has (as yet unused) powers to vary income tax and the Northern Ireland Executive has some enhanced borrowing powers. The terms of reference for the Independent Commission that I chair are to:

- Look at the pros and cons of the present formula-based approach to the distribution of public expenditure resources to the Welsh Assembly Government.
- Identify possible alternative funding mechanisms including the scope for the Welsh Assembly Government to have tax varying powers as well as greater powers to borrow.

We were asked to first consider the case for reforming the Barnett formula, before turning to the case for devolution of tax and borrowing powers in a later report. We have recently published our recommendations on the reform of Barnett, recommending a UK-wide

to our next report on fiscal powers this Autumn. Calman proposes a significant amount of additional devolution of powers over tax to Scotland. His key recommendation is that the current power to vary the basic rate of income tax by three pence in the pound should be replaced by a new Scottish rate of income tax, applying to both the basic and higher rates of income tax.

Under Calman’s proposals, the basic and higher income tax rates levied by the UK Government in Scotland would be reduced by 10 pence in the pound and the block grant from the UK to the Scottish Parliament would be reduced accordingly. It would then be a matter for Scotland to decide



**The Holtham Commission:** from left to right, Professor David Miles, a managing director and chief UK economist at Morgan Stanley and a member of the Bank of England’s Monetary Policy Committee; Gerald Holtham, a hedge fund manager, former Director of the Institute for Public Policy Research think tank, and an IWA trustee; and Paul Bernd Spahn, an Emeritus Professor at the Goethe University, Frankfurt am Main, who has advised the Treasury of Bosnia and Herzegovina.

process to reform the way that block grants are determined and suggesting shorter-term amendments to the Barnett formula and, in particular, the way it operates.

The work of the Calman Commission in Scotland will no doubt frame the debate about fiscal devolution in Wales and so provides an important backdrop

whether to set a ‘Scottish rate’ that would simply recreate the status quo, or alternatively to set a rate that was higher or lower than 10 pence, with its budget affected accordingly.

In addition, Calman recommends that powers over four smaller taxes (stamp duty land tax, the aggregates

levy, the landfill tax, and air passenger duty) should also be devolved to Scotland, with offsetting reductions in the size of the Scottish block grant. These tax powers, coupled with a recommendation that Scotland should be able to borrow from the Treasury to fund capital investment and a proposal that the size of the block grant element of funding for the devolved administrations should ultimately be determined by relative needs, would, if implemented, represent a radical shift in the fiscal arrangements of the UK.

For example, Calman's proposals would mean that over one third of devolved current Scottish spending would be funded by taxes decided and raised in Scotland (including council tax and non-domestic rates). If such measures were eventually adopted in Wales, it is likely that a similar proportion of devolved Welsh spending would be funded from Welsh taxes while the rest would still be from a block grant.

Of course, the political, constitutional,

economic and social circumstances of Wales and Scotland differ and what is appropriate for one country need not be appropriate for the other. On the other hand, different outcomes in different parts of the UK should be the result of considering their different circumstances in the light of a common set of principles. There is no reason to assume that Wales should always have less discretion or autonomy than Scotland. This is a matter ultimately for the Welsh public through the political process.

The Calman report has received a broadly favourable reception in Westminster, with the Prime Minister calling the recommendations on fiscal matters "imaginative and bold". The Secretary of State for Wales has suggested that there may be an opportunity for Wales to acquire some of the fiscal powers that Calman recommends passing to Scotland, should the Assembly Government request them.

It is clear therefore that, should the people of Wales want it, there is now

the possibility of change in the fiscal relationship between Wales and the UK. It is important that any proposals for change be considered carefully against principles such as efficiency, equity and accountability. Changes should not lead to displacement of economic activity simply to avoid tax and any system must be capable of efficient administration while maximising accountability to the taxpayers. This consideration is the next task facing the Independent Commission.

We earnestly welcome and invite input, responses and reactions from everyone in Wales, expert and non-expert alike, that will help us to clarify the judgments that Welsh politicians must soon make ■

**Gerald Holtham** is Chair of the Independent Commission for Funding and Finance for Wales. Information on the call for evidence can be found at: [www.walesfundingreview.org](http://www.walesfundingreview.org)

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# Welsh Budget Squeeze

Eurfyl ap Gwilym explains how Wales has lost out in public spending over the last decade

Growth in Welsh public spending over the last ten years has lagged behind England to such an extent that Wales has lost out by nearly 4.5 billion. Statistics published by the Treasury reveal that had spending per head in Wales grown at the same rate as in England since 1999 Wales would have received an additional £4,530 million over the last nine years. This was after allowing for the £763m of EU funding of Objective 1 which was over and above the Barnett-determined changes to the block grant between 2001-02 and 2007-08.

The Treasury's figures are summarised in Table 1. This shows that growth in identifiable public expenditure in Wales has lagged behind both England and Scotland since 1999-00. If growth in Wales had been the same as in England then it would have been £743 million higher in 2008-09. Identifiable public expenditure includes:

- Spending by the Welsh Assembly Government related to the block grant.
- Direct spending in Wales by UK Government departments - dominated by spending on social security.

- Spending by local authorities raised from council tax.
- Elements of annual managed expenditure - covering items which are not controlled by annual limits such as demand-led spending on social security.

During the period 1993-94 to 1997-8 the *real* growth per capita in Wales of 11.3 per cent was virtually identical to that in England of 11.2 per cent. The figures in Table 1, showing identifiable spending per head from 1999-09, coincide with the first decade of the National Assembly. What they reveal is

**Table 1:** Growth in identifiable public spending per head in England, Scotland and Wales 1999-00 to 2008-09

	England		Scotland		Wales		
	£	% Growth	£	% Growth	£	% Growth	£ Shortfall compared with England
1999-00	4391	-	5377	-	5184	-	-
2000-01	4649	5.9	5692	5.9	5513	6.4	-63m
2001-02	5080	15.6	6308	17.3	5900	13.8	351m
2002-03	5522	25.8	6696	24.5	6515	25.7	53m
2003-04	6018	37.1	7277	35.3	7040	35.8	303m
2004-05	6433	46.5	7567	40.7	7340	41.6	633m
2005-06	6795	54.7	8203	52.6	7800	50.5	756m
2006-07	7054	60.6	8575	59.5	8147	57.2	794m
2007-08	7426	69.1	9032	68.0	8493	63.8	960m
2008-09	7971	81.5	9538	77.4	9162	76.7	743m

**Note:** the percentage growth figures are compared with the base year of 1999-00.

**Source:** Treasury's annual Public Expenditure Statistical Analyses (PESA) published on 19 June 2009. The figures for 2008-09 are estimates and will not be finalised until May 2010.

## Panel 1: Possible reasons for lower spending per head in Wales compared with England

### Non-Barnett funding

1. Identifiable expenditure in Wales by UK government departments may have grown more slowly compared with England. Given that such expenditure, £9.157 million in 2007-08, is dominated by social protection and that this has decreased in relative terms from 118 per cent to 116 per cent of the England average this factor can account for approximately £150 million of the estimated shortfall of £960 million in 2007-08.

2. Annual Managed Expenditure (AME) covers items which are not controlled by annual limits. The biggest single item is demand led spending on social security. With the exception of social security (see 1) AME may have grown more slowly in Wales compared with England. This expenditure is approximately £560m per year and has remained fairly stable for the period under review. Changes in it are too small to account for the material difference in relative growth in expenditure noted in this analysis.

3. Expenditure by local authorities in Wales funded from their own sources (council tax) may have grown at a much lower rate than corresponding expenditure in England. The scale of local authority expenditure from its own sources – as distinct from

funding from the Assembly Government which in turn is dependent on the Barnett determined block grant - means that this cannot explain the material difference in growth in identifiable expenditure between England and Wales during the period under review.

### Funding determined by the Barnett formula

4. There has been disproportionate growth in identifiable expenditure on those spending programmes that have a comparability factor of 0 per cent and where the expenditure is clearly located in England. In this case spending is deemed by the Treasury to be for the benefit of the UK as a whole but takes place in England. Examples of such expenditure are the Channel Tunnel Rail Link (provision of £154 million in 2007-08), London and Continental Railways (£398 million in 2007-08) and the Olympic Games. As has been noted by the Calman Commission, which is reviewing the Scottish Parliament's fiscal process, allocation of comparability factors by the Treasury is often 'arbitrary'.

5. Wales has failed to gain its population share of UK expenditure that has a comparability factor of 0 per cent but is not geographically specific.

Examples here include spending by the UK research councils which has a combined provision of £4 billion in 2007-08. However, it would imply that the position of Wales has deteriorated severely in *relative terms* since 1999-00 and this cannot account for most of the difference noted in this analysis.

6. The convergence effect of the Barnett formula has indeed reduced relative expenditure in the case of Wales (but not apparently in Scotland). An estimate of the convergence effect may be made by noting that identifiable public expenditure on devolved services is approximately 108 per cent of the UK average. Given that for most of the period under review *nominal* annual growth in expenditure on devolved services in Wales was approximately 8.5 per cent, the Barnett squeeze would be approximately 0.6 per cent per year which would lead to a cumulative squeeze between 1999-00 and 2006-07 of 4.3 per cent and a loss of £560 million in 2006-07 and £800 million by 2008-09. This is a plausible explanation for the relative squeeze but does not account for the lack of convergence in Scotland (as shown in Table 1).

the new spending patterns that emerged following 1997-8 when the incoming UK Labour Government resolved to apply the Barnett Formula with rigour. Given that no needs assessment has been published by the Treasury since 1976-7 it is not possible to determine whether or not the relative levels of identifiable public expenditure per capita in England, Scotland and Wales in 1999-00 were appropriate. Indeed

even after the needs assessment in 1976-7 no adjustment was made to the prevailing spending levels to reflect the outcome of that study which indicated that relative to England, Wales was being under funded whilst Scotland was being over funded. The Treasury has not published the outcome of any subsequent needs assessment undertaken over the last thirty years.

The Barnett formula - first

established in 1978 to determine the way extra UK spending is allocated between England, Scotland, Northern Ireland and Wales - was designed to reduce differential levels of spending per head between each of the countries. Historically, spending per head has been higher in Wales, Scotland and Northern Ireland compared with England.

This levelling process is known as the 'Barnett Squeeze' and has the effect

of reducing relative public spending per head in Wales, bringing it closer to the UK average. In practice the squeeze was not applied during the first 20 years of the Formula's operation, to

## In practice the squeeze was not applied during the first 20 years of the Formula's operation.

1998-99. However, in the last ten years the squeeze has tightened its grip, especially in Wales.

There are six possible reasons for the smaller increases in identifiable expenditure per head in Wales compared with England listed in Panel 1 on the previous page. They are not mutually exclusive: the first three are not a function of the Barnett formula; the second three are.

Detailed analysis might quantify the effect of reasons 4 and 5 but these factors cannot account for most of the shortfall. The factor most probably having a material impact on the relatively slower growth of identifiable public expenditure in Wales is the convergence effect of the Barnett formula. The difficulty in confirming that this is indeed the case is a demonstration of the lack of transparency of the Barnett formula. It is to be hoped that the current reviews of the formula being undertaken by the House of Lords Select Committee and the Welsh Assembly Government's Holtham Commission will lead to its

replacement by a more transparent, needs related formula.

A clear conclusion to be drawn from the Treasury's expenditure reports is that growth in public expenditure in Wales has lagged materially behind comparable growth in England and in Scotland since the establishment of the National Assembly in 1999. It is not clear that any serious attempt has been made to redress this shortfall. Given that the Chancellor of the Exchequer has stated in the April 2009 UK Budget that there will be a strong squeeze on public expenditure across the whole of the UK from 2011-12 onwards, Wales is likely to experience a further squeeze on spending ■

**Eurfyl ap Gwilym** sits on the boards of a number of public companies and is a Plaid Cymru finance adviser.



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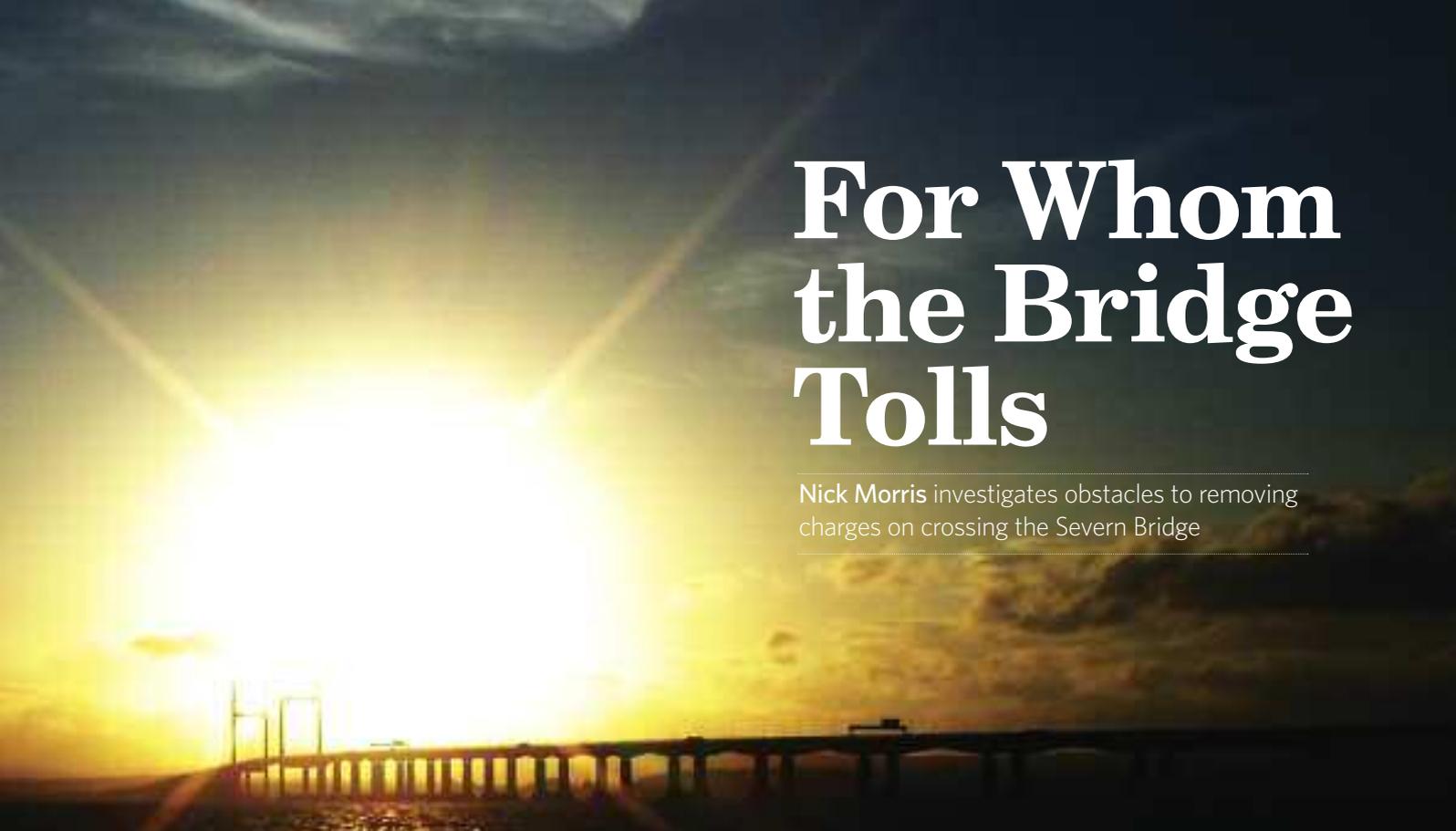
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# For Whom the Bridge Tolls

Nick Morris investigates obstacles to removing charges on crossing the Severn Bridge

**This year has already provided timely reminders of the importance of the Severn bridges to the economy of south Wales. In early February the second crossing was closed because of ice sheets falling on cars during a spell of cold weather. The closure caused disruption and drivers had to detour through Gloucestershire and Chepstow, exposing an important weakness in the road infrastructure around the River Severn.**

In January tolls for the bridge rose again, by 10p to £5.40. Although below the inflation rate the hike prompted renewed calls to remove the tolls altogether. The Federation of Small Businesses has commissioned Aberystwyth University's Business School to research the impact of the tolls on small businesses in key sectors along the M4 corridor, from south east to south west Wales and around the greater Bristol area. The research will assess the impact on a sample of small businesses in various sectors, including manufacturing, construction, motors, wholesale and retail.

The first Severn crossing was opened in September 1966. Under the Severn Bridge Tolls Act 1965 the Secretary of State for Transport was given powers to levy tolls for 40 years. Over subsequent decades a number of problems arose:

- Between 1980 and 1990 traffic flows increased by 63 per cent, calling into question the bridge's capacity.
- There were congestion problems in the summer and at peak times.
- High winds and traffic incidents also made the first bridge liable to delays and temporary closure.

In 1986 the UK Government decided to build a second bridge and carried out feasibility studies between 1987 and 1990. Following a tender process a consortium, called Severn River Crossing plc, was announced as the 'concessionaire' of the project in 1990.

The Severn Bridges Act 1992 repealed the 1965 Act. The new Act specified that the concessionaire would be responsible for the design, building and financing of the second bridge, and would also take-over the maintenance

and operation of the existing Severn bridge. The Act said the concession period would run for a maximum of 30 years from April 26, 1992, or until the concessionaire's cumulative revenue reached £976,837,740 (at July 1989 prices). This was later amended to £995,830,000 (also at 1989 prices). This followed a European Court of Justice ruling that from February 2003 Value Added Tax should be applied to tolls levied on the bridges. Following a UK Government move to take some £150m from the amount of VAT collected the projected end date for the agreement will have altered.

The National Audit Office estimates that the concession agreement will come to an end around 2016. However, the then UK Minister of State for Transport, Lord Adonis revealed that the UK Government's temporary VAT cut to 15 per cent would not apply to tolls claimed by Severn River Crossings. He said the company would keep the money, which was estimated at £128,000 for December 2008.

Toll charges on the Severn bridges have been long subject to debate. In November 2006 the former Welsh

Liberal Democrat leader, Mike German AM, declared:

“The Severn Bridges Act is an ass. Every year it forces the tolls up regardless of need, or whether people’s incomes have risen. The same act also stops us using credit cards to pay this ever rising tax on entering Wales.”

Devolution has not transferred responsibility over the levying of the tolls from the UK Department for Transport. The official UK Government position appears to be to wait for the end of the concession period before publicly considering the next move. In May 2008 in answer to a question about the effect of the toll charges on tourism in Wales Huw Irranca-Davies MP, the Parliamentary Under-Secretary at the Wales Office, announced that a review was under way into “toll charges on the Severn bridge” and would report later that year. A working group had previously established that, in principle, it would be feasible to accept credit and debit cards as a method of toll payment at the Severn crossings. However, it said that a number of detailed operational, technical, financial and contractual issues needed to be considered.

Meeting the costs of running and maintaining the Severn bridges could prove to be a considerable task for the UK Government when the bridges transfer into its ownership around 2016. Tolls on the Severn bridges currently go towards their maintenance. The Forth and Tay bridges provided more than £11.8m and £3.5m respectively in 2006, which the Scottish Government thought it could afford when making toll cessation proposals to the Scottish Parliament. As a comparison, in the same year the Severn bridges collected £72m in tolls.

Operational and technical issues have emerged more recently, particularly for the older bridge, which has been suffering from corrosion in its suspension cables. The installation of a

dehumidifier system on the suspension cables was completed in April 2008. Because the problems were classed as ‘latent defects’, according to the Severn Bridges Act 1992, this meant the Department for Transport had to meet the costs. As a result of this work budget expenditure for repairs and structural maintenance rose from £0.682m in 2005-2006 to £3.749m in 2006-2007. Heavy goods vehicles have been restricted to one lane on both sides of the motorway over the older bridge since November 2006, following discovery of the corrosion.

FSB Wales has made comparisons with bridge tolls in Scotland in its calls for the removal of the tolls. The Scottish Government removed tolls on the Skye and Erskine bridges in December 2004 and May 2006. In February 2008 tolls were removed from the Forth and Tay bridges, following a vote in the Scottish Parliament. The decision followed a study by transport infrastructure consultants Steer Davies Gleave which examined the impacts of retaining or removing tolls on traffic flows and how changes in traffic flows would affect the Scottish economy and the communities in Fife and Dundee, as well as the environment. The study also examined whether the financial cost of travelling over the bridges led to changes in route planning by cars and other vehicles and in traffic generation or suppression.

The study predicted an extension of peak congestion that would arise from a possible increase in leisure travel, bringing increased traffic emissions and noise pollution. In the case of the Forth Road Bridge the study concluded that the bridge tolls were not influencing travel decisions made by freight or business users.

Of course, comparisons should be made with care. The Severn bridge toll is more expensive than those that were in place in Scotland. However, journey times, the cost of fuel, maintaining vehicles and paying wages are also considerations for businesses using the

Severn bridges. The question is whether removal of the bridge tolls alone would have a significant economic impact.

Increased traffic that might result from the bridge toll removal could be a problem. In relation to Scotland Professor Alan McKinnon of Heriot-Watt University told the Scottish Parliament’s transport committee:

“On the benefit side freight operators would make a very small financial saving but on the disbenefit side they could be adversely affected by the traffic congestion that would be caused. I take a less sanguine view of the effects of the abolition of the tolls on the freight industry. Many freight operators these days want flexibility in their logistics—they want to be able to operate their trucks at any given time. Increasingly, they must make on-time deliveries at factories, warehouses and shops, so it is a bit complacent to say that most freight vehicles will travel in the inter-peak periods and therefore will not be adversely affected by the congestion.”

An important lesson from Scotland was the openness of the consideration of the options for tolling bridges. The Scottish Government commissioned an independent analysis into the implications of removing the tolls, as well as initiating a public consultation by a Scottish parliamentary committee.

In Wales we have yet to make such a detailed analysis but FSB Wales’s forthcoming study by Aberystwyth University will provide an insight of the effect of tolls on a number of small businesses. Unfortunately for Wales the ultimate decision will lie with the Secretary of State for Transport, who will be under no obligations to listen to the advice of the UK Parliament, let alone the National Assembly ■

Nick Morris is Research Officer of the IWA.



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# Making Wales a World Nation

Elin Royles explores the Assembly Government's approach to paradiplomacy

**The Welsh Assembly Government's international engagement beyond its role within the European Union is amongst its most under-reported activities. An exception was the presence of Wales at the Smithsonian exhibition in Washington at the end of June and the accompanying trade mission led by First Minister Rhodri Morgan. This was an indication that the government's 'paradiplomacy' outside the EU is potentially a significant form of international involvement.**

As shown in the accompanying table, the Welsh Assembly Government has extended the practice of forming bilateral relationships. Most of these were formed as a result of hundreds of visits and delegations to Wales since 1999 when regional-level and state-level governments alike rushed to approach the 'youngest democracy' in Europe.

Relations go beyond other regional governments to include nation-states such as Cuba and Latvia. This limited number of formalised relationships highlights how the Assembly Government has attempted to be selective. In 2006 it took a strategic approach in adopting seven priority countries to make partnerships with - Australia, India, Japan, China, France, Germany and the USA.

International Business Wales has established 17 overseas offices in addition to other European and External Affairs Division and Visit Wales representations

overseas. In total, the government has more than 200 staff located internationally. Activity covers a range of policy areas, including a number of departments, government agencies and external partners and stakeholders.

Wales' connections with Chongqing, a large municipality in the western region of China, is the most active and potentially the most significant relationship being developed. It initially

governance and culture.

Involved are the Government's Technology and Innovation Division, Planning Department, external agencies such as Countryside Council for Wales, Forestry Commission Wales, three Welsh universities, National Museum Wales and the Wales Millennium Centre. At a UK-level, the British Council manages an Assembly Government-funded schools project. In addition two Welsh



The Smithsonian exhibition in on the grounds in front of the White House in Washington that featured Wales at the end of June.

developed from Premier Wen Jiabao's visit to Wales (as Vice Premier responsible for the Western Provinces) in 2000. The relationship now spans economic and trade development, science and technology, education, the environment, agriculture / forestry management, tourism, urban planning, youth work exchange, health,

Affairs Officers were appointed to the British Consulate General in Chongqing during 2006-2007.

Investing in the 'Wales for Africa' framework, the government's first significant international development policy initiative, reflects genuine willingness to support international development. It was a result of political



First Minister Rhodri Morgan visits the Smithsonian

### Welsh Office and Welsh Assembly Government formal bilateral relationships

Welsh Office era	
March 1990	Memorandum of Understanding (MOU) signed with Baden-Wurttemberg, Germany
October 1991	MOU signed with Catalonia, Spain
1992	MOU signed with Ontario, Canada
1992	Informal agreement developed with Oita, Japan
February 1994	MOU signed with Lombardy, Italy
1995	MOU signed with New South Wales, Australia
Post-devolution	
2000	Reaffirm commitment to MOU signed with New South Wales, a particular emphasis on education, science, technology and the arts
April 2001	New MOU signed with Catalonia, by Rhodri Morgan and Jordi Pujol
June 2001	'Joint declaration of co-operation' signed between First Minister, Rhodri Morgan and the Governor of Chubut, Patagonia. Emphasis on collaboration to promote the Welsh language in the areas of tourism, heritage, economic development and export promotion
Early 2002	MOU with Cuba based on building cooperation between higher education institutions
October 2002	MOU signed with Silesia, Poland
January 2004	MOU signed with Brittany. Further development of an Action Plan in June 2006
May 2004	MOU signed with Latvia aimed at reinforcing economic, social and cultural co-operation between both countries
March 2006	MOU signed with Chongqing Municipal Government, China. Another three MOUs signed in 2007: economic development, trade and investment: IBW and COFTEC; Forestry Commission in Wales and in Chongqing, Environmental Agency Wales and in Chongqing counterpart
January 2007	Second MOU signed with Cuba emphasising 'continuing institutional and inter-departmental links between higher education institutions'
March 2008	Formal Co-operation Agreement signed with Chongqing, China replacing the Memorandum of Understanding. Committing to cooperation in science and technology, culture, health, education, agriculture, economic development, forestry management, environment, governance, tourism and land use planning

commitment combined with external pressure from international development non-governmental organisations to take on the agenda.

The framework is also a clear example of testing the boundaries of the Assembly's limited powers. As international development was a reserved matter, there was an initial sense of caution. There was a constitutional question of the Assembly's capacity to act within the limits of the Government of Wales Act 1998. As a result the concept of 'mutual benefit', initiatives being beneficial both to Wales and to the developing world, became crucial in justifying activities associated with the framework. Extensive discussions were held with the Department of International Development and Treasury lawyers in agreeing the legal basis for the Assembly Government's activity.

Constraints in both powers and resources mean that the Assembly Government has an interest in creating close and good working relations with UK government departments. For instance, International Business Wales's relations with UK Trade and Investment are central to the operational effectiveness of Welsh investment and trade promotion activities.

The three broad aims of international initiatives are promoting trade and investment, supporting cultural and language development, and locating Wales amongst the regions and nation-states of the world. Judging their overall impact is extremely difficult. There can be no doubt, however, that taken together they provide a crucial underpinning of Wales's image in the world and, in turn, having that image reflected back.

The next decade of devolution with its potential turbulence of different parties in government in the Assembly and in Westminster will provide a real test for the opportunities and constraints of establishing Wales as a world nation ■

**Elin Royles** is a lecturer in International Politics at Aberystwyth University.

# In Place of Fear

Richard Bowen argues we should think creatively about placing Wales at the heart of the international search for peace and security

**As Wales gradually gains greater autonomy, it becomes increasingly important to consider its international role and status. Small nations can be particularly effective as promoters of peace, for they can be seen as having no interest in international conflicts other than to contribute to a peaceful resolution.**

At the highest international levels it is recognised that the absence of conflict is a necessary but not sufficient condition for peace. Peace is additionally characterised by relationships between individuals, and social groupings of all sizes, based on honesty, fairness, openness and goodwill. This has led to the United Nations launching, through General Assembly resolutions in 1999 and 2006, a major initiative for the promotion of a *Culture of Peace*.

This identified eight action areas: fostering a culture of peace through education; promoting sustainable economic and social development; promoting respect for human rights; ensuring equality between men and women; fostering democratic participation; advancing understanding, tolerance and solidarity; supporting participatory communication and the free flow of information and knowledge; and promoting international peace and security.

UK government strategy on security was for the first time clarified in a single document in 2008, *The National*

*Security Strategy of the United Kingdom*. This recognises three factors as “the biggest potential drivers of the breakdown of the rules-based international system and the re-emergence of major inter-state conflict, as well as increasing regional tensions and instability.” They are (i) climate change, (ii) competition for energy and, (iii) water stress.

It is noteworthy that Wales has the intellectual and industrial resources to play a major role in resolving all of these root causes of threats to peace, for example:

- Development of renewable energy sources can reduce the impact of climate change.
- Improved extraction efficiency and recycling can reduce resource competition.
- Provision of essential needs such as clean water and pharmaceuticals can contribute to diminishing marginalisation.

All these require the types of engineering at which Wales is strong. In addition,

many of the UN action areas, even those that first appear purely societal, can benefit from technologies available in Wales. For example, provision for effective distribution of information can foster participatory democracy, and drilling convenient wells can promote gender equality as women are freed from the often onerous task of collecting water from a remote source.

Much of the basis of recent analyses of the origins and resolution of conflict was noted with great prescience by Aneurin Bevan in his 1952 political testament *In Place of Fear*. He was writing at the time when world military expenditure began its steep rise to the present enormous levels, estimated to be US \$1464 billion in 2008.

Bevan noted how the ease of framing military “solutions” can lead to precipitate action. He also noted the tendency and reasons for military experts always to advise a level of defence expenditure larger than they know their government is prepared to concede. However, in searching for a better approach, he observed that as “the peoples of the world are linked together

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**“Bevan noted how the ease of framing military “solutions” can lead to precipitate action.”**

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Vicky's portrait of Aneurin Bevan, first published in Michael Foot's 1973 biography (the second volume, 1945-1960). Victor Weisz (1913-1966) was a German British political cartoonist who worked for the *News Chronicle*, *Mirror* and *Evening Standard*. He signed his work 'Vicky'.

in an endless variety of reciprocal activities, then the condition of each one of us, becomes the concern of all of us". His proposals for promoting peace included social amelioration to remove capricious inequalities, UN led cooperation in world development to replace arms expenditure, and conservation of resources to help promote their equitable distribution.

In finding a Welsh response to these challenges a country such as Norway could serve as a model. Norway is home of the Nobel Peace Prize, a successful mediator in many armed conflicts, and the initiator of the campaign leading to international prohibition of cluster munitions.

Following the Norwegian path could also bring direct benefits to the people of Wales. Countries with low involvement in international militarisation and conflict tend to have high levels of societal safety and security. Thus, Norway ranks 3<sup>rd</sup> out

of 140 countries on the 2008 *Global Peace Index*, whereas the UK ranks 49<sup>th</sup> (and the USA 97<sup>th</sup>).

At first sight it might appear that the Welsh Assembly Government neither has nor needs a strategy to promote international security, the main responsibility for which lies with the London Government. However, a moment's reflection will show that many of the Assembly Government's policies and actions have security implications. Wales has the intellectual and industrial capabilities to promote peace by contributing to the resolution of the root causes of conflict in ways that provide new economic opportunities in a more stable and inclusive society ■

**Professor Richard Bowen** is a Fellow of the Royal Academy of Engineering. His book *Engineering ethics: outline of an aspirational approach* was recently published by Springer-Verlag London.

# Cuba's Green Food Revolution



View of an organoponico in the outskirts of Havana

Steve Garrett reports on Havana's experimentation with urban agriculture

**Concern about the rising price of food, as well as an increased awareness of the environmental impacts of conventional agriculture, have led to a new interest in the role urban agriculture can play in creating more sustainable food chains in Wales. In Middlesbrough, Bradford, London and other centres there are inspiring examples of urban-based food growing projects which have demonstrated that significant levels of production can be achieved, while at the same time delivering a range of social and environmental benefits.**

In Wales the Welsh Assembly Government is taking the first steps in looking at the potential role of localised food chains. In their 2007 Assembly election manifesto Plaid Cymru proposed that 10 per cent of all public land be made available for food growing.

Over the past 20 years an example

of what could be achieved has been set by Cuba. So it was noteworthy that in Spring 2008 Plaid's Carmarthen MP Adam Price led a delegation to Cuba in part to assess the impact it has made. Later in the year I made a separate visit to understand the Cuban 'green revolution' in urban farming which has largely taken place in the capital Havana.

With the collapse of the Soviet Union in 1989, Cuba suddenly lost its main trading partner, and in particular its main source of oil and oil-based products. This had a particular impact on agriculture, due to its use of oil-based fertilisers and insecticides, alongside fuel needs for tractors and transportation. Faced with the risk of widespread food shortages, especially in the cities, the Cuban government quickly instigated a programme of small-scale intensive food production in every kind of available urban space, with some astonishing results.

It could be argued that Cuba was in a unique position to achieve this kind of rapid transition, due to having a one-party state-controlled economy, significant amounts of vacant urban

spaces, a climate in which plants grow quickly and a population with an apparent resilience and determination to survive in the face of adversity. Food production developed quickly, and over the past fifteen years much knowledge and experience has been gained - to the extent that Cuba is now recognised as a world leader in urban agriculture.

An abiding impression of Havana is as a place of stark contradictions. This is something of a cliché, but in this case an inescapable one. In a country whose government expresses a fundamental commitment to public health, I was surprised how many parts of the old city were poorly maintained, with piles of festering rubbish and pools of noxious-smelling liquids, poorly insulated electrical wires easily within reach of children, and smoke belching out from ancient American cars, some of which sound as if they are powered by soviet tractor engines.

All of this would seem to present a significant threat to the health of the city's citizens (especially its children). However, it can be safely assumed that these conditions are not the result of

indifference on the part of the government, but rather are directly due to a desperate lack of financial resources resulting mainly from the continuing trade embargo with the United States.

Away from the older centre of Havana, the situation was much better. Housing conditions were still very basic and tended to be in the 'soviet block' model, but I was assured (and could see for myself) that residents and local committees took a high level of responsibility for cleanliness and safety in their communities. It is in these more peripheral areas of Havana that many of the food growing activities can be found. I visited three organoponicos in two such areas – two producing a range of vegetables and one producing medicinal herbs. I also visited several larger food producing areas closer to the centre of the city.

Two things quickly became clear to me from talking to people involved with the cultivation of food in Havana. Firstly, the level of pride they feel in the way they have managed to adapt to an extreme situation in such an effective way, and the contribution that they feel they make to creating a healthy affordable source of local food for city residents. Secondly, the degree of variety and flexibility, which seems to exist in terms of how urban agriculture is planned, managed and delivered in the city.

Only organic fertiliser is used in the organoponicos, as their name would suggest. It is mostly sourced from nearby meat-producing collectives, and in some cases is made up from composted green matter. It is illegal (in theory) for organoponicos within the city to use chemical fertiliser, and in fact it makes good economic sense not to do so because the cost of chemical fertiliser is high and sources of manure are readily available. I did see some evidence at one location that chemical fertiliser had been used, but as there is no form of organic certification, this can be done more or less without risk in a flexible way.

However, there is a strong public demand for fresh organically grown

vegetables and a constant flow of people in search of items to the small shops located adjacent to some organoponicos, even though their opening hours seem somewhat irregular and sales are dependant on the availability of produce each day.

Although the Cuban economy is characterised as highly centralised and state controlled, in connection with urban agriculture there has evolved a high level of flexibility in how it actually operates. There is a clear willingness on the part of the government to tolerate and support a relatively individualistic entrepreneurial approach in this area of activity. Perhaps this is because they have learned from their own experience and that of other countries (the recent history of China comes to mind) that unless individual effort is rewarded in some way, indifference can set in, even within the most ideologically committed societies.

In a country with an economy as constrained and weakened as that of Cuba, in the area of food production its citizens need to remain as motivated as possible. In any case, support for enterprise is particularly prevalent in the urban agriculture sector where the need for productivity is so great. The work is physically demanding, but has had the effect of creating a dedicated and hardworking cohort of 'urban farmers' who achieve impressive levels of productivity.

Among the organoponicos I visited, there were a range of operating methods. Some were entirely state owned and managed, with workers paid a monthly salary. Others operated more or less as private businesses managed either by cooperatives or, in some cases, by individuals. Sales took place either at a 'shop window' alongside the organoponico or at other nearby market outlets. Income from these sales was used to cover costs and pay workers with any surplus returning to the managers.

Other organoponicos were part of larger state-owned cooperatives. Some were required to provide a percentage of what they grow to local schools and hospitals at a fixed price. Others could

sell the majority of what they produce directly to the public, although there is a ceiling set by the government on what prices can be charged. As well as the organoponicos' own shops, there are a number of small markets in different parts of the city, and in these locations much of the food sold comes from nearby farms. Vendors at the markets are essentially 'middle-men' who buy directly from the primary producers. In such cases prices must remain within state determined ceilings.

Generally speaking, food growing is a popular form of employment in Havana, partly because more money could be made growing lettuce than by working, for example, as a qualified professional in the Health service. However, the demand for cultivation work was tempered by its relatively low status, and this is something that the proponents of urban agriculture are trying to change by involving more schools and children in growing activities at an early age and promoting food production as essential to the survival of 'the revolution' – a concept which still inspires a certain passion amongst many Cubans.

To encourage more people to take up urban agriculture, a process has been introduced by the government whereby anyone who wishes to become a food producer can submit an application, following which a piece of available city land will be identified and allocated to them in 'usufruct' – that is to say, provided the land is used productively, and until it may be required for other purposes. The government also provides some initial support in terms of seeds and compost to enable the new growers to establish a viable operation.

There was a consensus of opinion amongst the people I spoke to that urban agriculture is likely to remain, a key land planning commitment for the Cuban government and for the committees which runs the municipalities. It is still the case that Cuba imports around 60 per cent of the protein consumed in the country, but this can be

balanced against the impressive fact that about 80 per cent of the leafy vegetables consumed in Havana are produced within the city. The numbers of people directly involved in food production in the city is currently estimated as being more than 20,000. This is a smaller number than in previous years, partly because a certain degree of economic development in Cuba

benefits and contribute to the broader well being of the city, its environment and its residents by providing well-managed environmental areas that are free from vandalism and degradation. It was seen as encouraging that, although urban agriculture did not appear in the Havana city plan of 1990, by 2000 it was entrenched in the plans, although

are inclined to take a positive view of the urban agriculture situation, for reasons of pride in their country and possibly because in the near future they still cannot really imagine that there will be any other genuine alternative way to ensure affordable food for the population. However, there is a risk that people who have been denied the, albeit dubious, pleasures of consumerism for so long are likely to embrace them with great enthusiasm given the opportunity. A nightmare vision of MacDonald's and Tesco's appearing all over Havana could well come to pass.

One must hope that the government continues to recognise the tremendous tourist and trade potential of continuing to move towards becoming a truly sustainable country which has rejected crass commercialism, plus the health benefits of having a uniquely developed organic local food system.

Certainly, the example of Havana suggests that urban agriculture could be viable in Wales and could bring a very wide range of benefits to a city such as Cardiff. With the right kind of government support, especially in terms of access to vacant land and other support mechanisms of the kind provided in Cuba to help people get started in growing, urban agriculture could deliver levels of service provision, economic activity, employment and food production that would make it a cost-effective, popular and sustainable planning objective.

Undoubtedly, urban agriculture fits well within the criteria for Cardiff City Council's aim to become recognised internationally as a 'Healthy City'. It would also make an important contribution to a healthy urban planning process, enabling Cardiff to move closer towards becoming a 'sustainable city' ■

**Steve Garrett** is founder and Chair of Riverside Community Market Association, a social enterprise which runs three farmers' markets and a range of community food outreach projects in Cardiff.



An organoponico shop selling straight from the soil.

has led to the emergence of other opportunities for employment, and partly because the efficiency of local food production has consistently increased year on year as those who do still work 'in the field' develop their skills and production techniques.

A key challenge facing urban agriculture in Havana is the extent to which land in the city can be made permanently available for food growing. A certain level of economic development has resulted in increasing pressure for alternative uses for available land within the city, and in such locations urban agriculture is seen as temporary. This sense of impermanence places distinct limitations on the capacity of growers to attract investment of time and/or resources. Another key issue is the extent to which the broader and less tangible benefits of urban agriculture other than food production, employment and economic activity are recognised and taken into account in the city planning process.

For proponents, the productive green spaces created by organoponicos deliver a wide range of social and environmental

access to urban land was still seen as somewhat temporary, and the emphasis from the government perspective is still on food production and creation of employment, rather than broader social and environmental benefits.

It was recognised that there needs to be a more in depth study into the relative costs and benefits of urban agriculture, from economic, social and environmental perspectives, so as to secure its place in the future planning for the city. Only a greater recognition of the broader benefits of urban agriculture would ensure longer-term government support – especially if economic development in Cuba leads to a greater availability of imported food.

People I spoke to were confident that even if there should be a drastic change in the economy of Cuba, resulting in a much greater availability of imported oil and consumer goods, the public demand for locally produced food will remain strong, and government commitment to supporting it's development in the planning of Havana will continue.

I am more sceptical. It is understandable that people in Havana

Denis Murphy questions the Assembly Government's opposition to GM crops

# Luddite Approach to Farming

In February 2009, the Welsh Assembly Government announced a new set of draft regulations governing the cultivation of GM crops. The openly admitted aim was to create the most restrictive possible regulatory environment and thereby ensure that Wales remained to all intents and purposes 'GM-free'. The Assembly Government noted its concern that traditional farmers will suffer if their land is 'contaminated' by GM crops. Among the measures proposed were:

- The creation of GM-free zones.
- A ban on the crops in national parks and sites of special scientific interest.
- A compulsory GM crop register which could be accessed by the public.
- The enforcement of 'significant' isolation distances between GM and non-GM crops and buffer zones featuring 'pollen barriers' or traps.

To many scientists like myself, this seemed like a rather bizarre throwback to the anti-GM scare stories of a decade ago. At that time incomplete and subsequently discredited findings on the alleged toxicity of some GM materials resulted in a precipitated withdrawal of all GM foods from supermarkets. Meanwhile, the world has moved on and GM crops are now grown on millions of hectares by tens of millions of farmers. And the majority of imported soy-based animal feed used on Welsh farms is also GM.

The recent anti-GM announcement



Denis Murphy at work in his laboratory at the University of Glamorgan

was as if the Assembly had suddenly decided to ban the MMR vaccine in Wales by citing the now-withdrawn claims of links between MMR and autism published by Andrew Wakefield et al. These spurious claims appeared in the *Lancet* in 1998 and led to a serious decline in public uptake of MMR vaccination, with a resulting surge in measles that still bedevils the Health Service today. Wakefield is now under investigation by the General Medical Council for fraudulent use of results in his MMR study.

My point is that it can be very dangerous for policymakers to respond to a groundswell of public opinion in a complex and contentious science-related area, especially by giving preferential consideration to a few published studies that do not reflect mainstream scientific opinion. In the MMR case, the British media treated the issue as if the evidence for and against links with autism were equivalent. As a result many people were panicked into avoiding the vaccine.

Happily, at UK government level, wiser counsels prevailed and the vaccine was never withdrawn. However, there are instances where local administrations in other countries have abandoned vaccination programmes after media scares – with calamitous results for public health. Examples include renewed

fears of a measles epidemic in Ukraine after a measles/rubella vaccine was withdrawn in 2008, and an ongoing polio outbreak in Nigeria after three state governments stopped vaccinations in 2003 after false claims that the vaccine caused AIDS and sterility.

In the case of GM crops, which have been consumed by millions of people since 1996, we are still being told hoary old scare stories about superweeds and dead butterflies that have long since been discredited by most scientists. And yet, one of the things that has always puzzled me about the Assembly Government stance on GM crops is the sheer irrelevance of the issue to Welsh agriculture. Wales has an overwhelmingly pastoral economy – 90 per cent by area. Less than 0.4 per cent of its agricultural area has even the remotest chance of being planted with currently available GM crops.

So why is the Assembly Government so concerned about this particular issue? To a cynic, this kind of posturing might smack of playing to a populist anti-GM agenda, rather than having anything to do with serious evidence-based policy making. Indeed, I have spoken off the record with several AMs who privately said they have no problem with GM crops, but would never admit to this in public for fear of the potential consequences at the ballot box.

Some of the more organised anti-GM campaigning has come from the commercial organic lobby who unilaterally decided that all GM technology was bad, despite the fact that it can reduce the need for soil tilling and the use of chemical pesticides. In contrast to its treatment of GM farming, the Assembly Government has strongly promoted organic farming. For example, the Welsh Agri-Food Partnership set a target (unfulfilled) of making 10 per cent of the agricultural sector organic by 2005.

While many of the aims of the organic movement, such as promoting soil fertility and reducing expensive chemical inputs are laudable, it has become enmeshed in an inconsistent and often non-scientific set of regulations and beliefs that sometimes make it more akin to a religion than a serious set of agronomic practices. The organic sector will never be a mainstream provider of food in our crowded, climate-threatened world and it may become even more of a rich person's niche food as the economic downturn continues. The wisdom of continuing public support by Welsh taxpayers for this particular industry may therefore be open to question.

Meanwhile, what does the rest of the world think about GM crops? Within the UK, and in the same month as the recent Assembly Government policy announcement, Professor Robert Watson, chief scientific adviser at the UK Department of the Environment, Food and Rural Affairs, stated:

“People are asking how we will be able to feed the world's growing population during a time of dangerous climate change. While GM is clearly not the whole answer, it may contribute through improved crop traits such as temperature, drought, pest and salinity tolerance. Hence additional scientific studies will allow us to assess the risks and benefits.”



Arabidopsis plants used in genetic experimentation at the University of Glamorgan.



Cell culture using oil palm plants imported from Malaysia, a major source of vegetable oil.

Also in February I completed a report for the UN Food and Agriculture Organisation on the role of biotechnology in addressing the growing problem of food supplies in developing countries. The UN has increased its estimate of those living in food insecurity from 800 million to one billion. The reasons include population growth, the economic downturn, diversion of land for biofuels, and climate change. One of

the major conclusions of my report is that GM will have an important role in developing countries, although it is only one of several new advanced biotechnologies that we will need to deploy in order to increase food production over the coming decades.

The Assembly Government's preoccupation with GM and organic crops is strikingly at variance with the current priorities of farmers and the

general public. Public concern about GM appears to be on the wane. According to polling figures commissioned by the Food Standards Agency, those opposed to GM fell from 43 per cent in 2001 to just 26 per cent by March 2009.

In the case of farmers, a survey by the Home-Grown Cereals Authority found that GM crops and organic crops were joint bottom of their wish list of 27 research topics they wished to see funded. On the other hand, the widespread vilification of agbiotech because of the GM crops issue has driven many companies and researchers away from Wales and the wider UK. It has also frustrated the considerable amount of world class basic plant science research that is still being carried out in our universities and institutes. The result is that academic researchers are being increasingly isolated from the application of their discoveries for wealth creation and social progress, both locally and in developing countries, many of which urgently need such expertise.

We should remember that during the 20<sup>th</sup> Century researchers in universities and institutes made many significant scientific discoveries, such as antibiotics and Green Revolution crops. These became widely available as non-patented 'public goods'. In the plant science sector, this paradigm of publicly-funded research designed to be exploited both as public goods and for private profit, started to unravel in the 1980s, as the UK privatised or closed many of its leading crop-related research centres. Since then, the dwindling band of remaining research institutes have tended to focus more on basic aspects of plant science and, with a few notable exceptions, there is almost no practical plant breeding research in the UK public sector.

One of the consequences has been a loss in our capacity to exploit basic research for long-term use as public goods, especially in developing countries. Instead, new technologies like GM crops have been exclusively captured by the private sector and used for short-term

commercial gain, for example to produce herbicide-tolerant crops.

The remaining UK plant research centres tend to focus on model plants like *Arabidopsis*, rather than crops, and on short-term (1-3 year) government contracts. Such contracts often address current public concerns, such as GM crop segregation and basic field trials, rather than more considered longer term projects aimed at topics like crop improvement for the growing amount of saline or arid soils where public-good research could really make a difference.

Does any of this matter?

I think it does, for three reasons:

- Both Welsh and UK taxpayers might question why they are funding basic research in plant science if the country has lost the capacity, and seemingly the will, to exploit its future benefits.
- We will still have to feed ourselves in the coming uncertain decades of economic dislocation and possible climate change, but we have now largely lost our ability to breed new crops for this purpose.
- The public sector needs to 'recapture' technologies like genetic engineering for use in public-good programmes that are of relatively little interest to commercial companies. Such initiatives are now underway in the US and Australia, but no so far in the UK. Indeed, as with previous crop improvement technologies, such as hybrid creation, mutagenesis, or inter-specific crossing, the key to the future success of GM might lie in its application as a public good rather than exclusively for private profit.

Rather than simply vilifying agricultural biotechnologies and GM crops, we need to foster a greater understanding of the wider opportunities (and possible risks) that they might bring, especially in the context of public 'open-source' ownership of some of the newer aspects of such technologies.

We should also embark upon the renewal of the practical public-good

mission of plant science research that was responsible for most of the outstanding achievements of agriculture over the past century. This increased food production more than ten-fold, keeping pace with the expanding world population. With the likelihood of another three billion mouths to feed over the next four decades, we cannot afford the luxury of ignoring potentially useful new technologies. It is the responsibility of scientists to be more proactive in explaining their research and its implications, but we also need a greater sense of vision and leadership from politicians across the board.

GM crops may be a rather marginal issue in terms of their likely impact on Welsh agriculture. However, a GM-free Wales agenda sends out a highly negative message to the rest of the world where GM crops are, or soon will be, mainstream food sources. It may also establish a dangerous precedent of indulging in populist responses to ephemeral public pressure by setting up institutions and regulations that may be difficult to dismantle when circumstances change.

The anti-GM stance of the Welsh Assembly Governments does not affect my work in the slightest. I have long since abandoned attempts to carry out crop improvement in the UK using GM methods and my perspective is now focused more on helping developing countries. Nevertheless, it is still disappointing to see how Wales is seemingly turning its back on what could turn out to be a very useful set of future technologies, not because they are any less safe than other new technologies, but more because of a short term and arguably short sighted political agenda. Perhaps the biggest losers will be the next generation of talented Welsh plant scientists, some of whom I currently teach, and who will probably be obliged to seek employment abroad ■

**Professor Denis Murphy is Head of Biotechnology at the University of Glamorgan.**



# Applying the Precautionary Principle

Nic Lampkin says organic farming should not be evaluated in terms of the GM debate

Organic farming is often thought of as farming without chemicals, and more recently without GMOs, hence its prominence in this debate. However, this is only part of the story. David Bateman, for many years Professor of Agricultural Economics at Aberystwyth University, used to say that defining organic farming as farming without chemicals was like defining a Christian as a man who only had one wife. One can argue the merits of one wife or two, or one technology over another, but it doesn't get one any closer to the essence of what Christianity, or organic farming, is.

Central to organic farming is an ethical commitment to the health of soils, plants, animals, humans and ecosystems; to the quality of life and food; and to environmental, economic and social sustainability. Its central idea is the farm as a whole system, operating as far as possible within closed cycles, reliant on its own resources and minimizing waste,

reliant on management skills rather than external inputs, and utilizing the self-regulating properties of ecosystems to sustain productivity.

The rejection of specific technologies, including synthetic nitrogen fertilizers, most biocides and GM technology, makes sense only in the context of these perspectives. This may be seen by some as a superstitious ideology, but to others it represents a principled world view with a concern about our impact on the planet at its heart.

To illustrate how these concepts are applied in practice, take the example of nitrogen, a nutrient required by all organisms as a key component of proteins, and which exists freely as a gas in the atmosphere. At issue is whether nitrogen is captured by biological or industrial means.

Industrially, nitrogen can be fixed using significant quantities of energy in the Haber process. This is typically in the form of soluble nitrate compounds that are prone to leaching, representing a pollution risk, as well as a significant use of fossil energy and source of greenhouse gas emissions.

Alternatively, nitrogen can be fixed biologically, typically in a symbiotic relationship between certain plants (legumes like clover) and nitrogen fixing bacteria. The bacteria get their energy from the plants (captured from the sun via photosynthesis) and deliver

the nitrogen to the plant as an ecosystem service.

The system is self-regulating in that as the level of nitrogen fixed builds up, the plant has no advantage in sponsoring more nitrogen fixation and restricts energy availability to the bacteria, and they in turn slow down production. The form in which the nitrogen is made available to plants, as ammonium rather than nitrate compounds, reduces surplus uptake by plants. Ammonium compounds are less easily stored than nitrate compounds, which if stored provide a food source for pests and pathogens, increasing the need for pesticides.

In addition, the legumes and organic manures emphasised in organic farming provide a rich source of organic matter supplying the soil ecosystem with an energy source that is manifestly absent from synthetic fertilizers. In the absence of these energy sources, soil micro-organisms will break down existing soil organic matter so that they can utilise the nitrogen that has been made available to them, but at the same time degrading soils and releasing carbon dioxide into the atmosphere. Overall, leaching, greenhouse gas emissions and the negative nutritional impacts of surplus nitrate uptake are reduced through reliance on biological rather than industrial nitrogen fixation, while the potential for soil storage of carbon

can be increased.

This is but one example to illustrate that there is a logical, science-based coherence to the concept of organic farming that seldom surfaces in public debate. The problem is that this complexity of argument is very difficult to convey to the general public and in some cases to farmers and specialists in the field.

This was illustrated by Dafydd Huws' belief, in his article *Genetic Doublethink* in the Winter 2008 issue of Agenda, that "organic farming is based on the manifestly false principle that 'artificial' chemicals are bad and 'natural' chemicals are good, as if plants could tell and were interested in the difference". Well, in the case of nitrogen, it does make a difference. This is underpinned by the same science that underpins non-organic farming, as reference to any nitrogen cycle diagram in a soil science textbook will confirm. Where there is a difference is in the goals and values against which the merits or otherwise of specific technologies are assessed, and here there are clearly different perspectives and much scope for debate.

The opposition to GM technology within the organic movement has

evolved against this background and represents a consistent application of the precautionary principle. Are we merely developing new technological fixes to solve unexpected problems created by previous technological fixes? Why use GM herbicide-resistant varieties if the herbicides themselves are seen as detrimental to ecosystem functioning?

Reliance on cultural methods instead of herbicides, including alternating spring and autumn sown varieties, has been shown to contribute to higher numbers of farmland birds present on organic farms. Why use crops which have had the gene from *Bacillus thuringiensis* that creates a toxin to pests such as cabbage white caterpillars and corn borers engineered into them, if this increases the chances that the pests will become resistant to the toxin and that other active and passive biological control strategies will then fail to work?

Yes, risk reduction strategies can be implemented, but can we be confident about these continuing to be implemented effectively as GM varieties become widespread? Why focus on GM varieties incorporating terminator technologies, where farmers' potential to use home-saved seed – critical for many resource-poor farmers who cannot

afford to buy new seed stocks each year – is constrained? Breeding programmes which provide farmers the opportunity to develop plant populations that are adapted to their local circumstances are an alternative way forward. Organic researchers, including my research centre working in collaboration with IBERS at Aberystwyth University, are at the forefront of some of these innovative approaches.

In one sense, debating and communicating these concepts is made difficult by the existence of specialist markets for organic food. These are necessary to ensure the financial viability of farms that reject certain yield enhancing technologies because the yield penalties are often not compensated for by reduced costs. Organic food in the market place is defined by production process standards, not by the end product. In marketing (and legal) terms it is easier to work with black and white definitions where sometimes shades of grey might be more appropriate. In this context, the European legal definition of organic food makes it impossible to use certain inputs, including GM. In marketing terms, it is also much easier to focus on communicating the



Red clover being harvested to make silage at an organic farm near Talybont, Ceredigion (close-up on facing page). Photos: Jeremy Moore.

practices organic farming rejects, rather than the more complex world of principles, goals and best practice. Yet, as can be seen, this emphasis can seriously distort the debate.

Unfortunately, this can also sometimes be carried over into an excessive focus on just meeting the standards from a farming point of view, with a result that some organic systems fall short of the ideal. A neo-conventional approach, asking which alternative input can substitute for a prohibited input, may be encouraged.

Of course, this is not unique to organic farming. University graduates can do more than pass or fail their degrees. They can get a first class or a poor honours degree, reflecting not just their knowledge of a subject but their ability to demonstrate understanding and critical analysis. A similar variety of performance can be expected from organic producers as from any farmers, reflecting differences in education, skills, experience and commitment.

Acknowledging the differences in performance that may arise between farmers, as well as the wide range of organic farming, from intensive lowland horticulture to extensive hill and upland livestock systems, it is very difficult to generalise about the contribution that organic farming can make to some of the key issues currently facing society. These include climate change, food security, food quality, public health, animal welfare, biodiversity conservation and social justice. Yet in each of these areas, there is an increasing body of research evidence that organic farming can make a difference. The following are a few examples:

- Restrictions on synthetic nitrogen, herbicide and pesticide use make a real difference to levels of fossil energy consumption per hectare and the resultant greenhouse gas emissions, in particular nitrous oxides which are much more potent than carbon dioxide.

- Even taking account of lower yields, energy use and greenhouse gas emissions can be lower per kg food produced in organic farming.
- While more land may be required, soil degradation due to misuse and over-intensification of farming is a more important factor restricting potential for future food production, and there is evidence that organic farming contributes to soil conservation.
- There is also evidence that organic farming can contribute to biodiversity conservation, not just in field margins but also within crops themselves, due to the restrictions on biocides.
- For many farmers in developing countries, who cannot afford to buy industrial inputs, reliance on the ecosystem management approaches advocated by organic farming can actually enhance productivity and food security.
- While the evidence on food quality is less easily generalised, there are specific instances where clear quality differences have been identified, which is not surprising given that decades of agricultural research has focused on how production systems can be modified to influence product quality.

Against this background, the Welsh Assembly Government has played a significant role in encouraging the development of organic farming. Wales is one of the leading European regions in terms of the proportion of land managed organically, now over 8 per cent and well ahead of the other UK nations. Thanks to the foresight of Ron Davies, in 1998 Wales was the first UK nation to introduce an action plan for organic farming. In turn this led to an integrated approach to the development of the organic sector combining agri-environmental support, market development support and information services delivered through Organic Centre Wales.

Responding to the rapid growth in production and market over-supply in

some sectors in the early part of this decade, a second action plan for 2005-2010 placed greater emphasis on market development, with strong market demand and increasing fuel, fertiliser and feed prices stimulating a high level of interest in conversion in 2007 and 2008.

The recession has presented a significant challenge to the continued growth of the organic sector, but there is good evidence of organic markets coming through the downturn and opportunities for renewed growth. A new action plan is currently being developed to address the challenges that the current economic situation and the growth in the organic sector will bring.

Far from being at fault, the Assembly Government deserves credit for an open approach to alternative development paths for Welsh agriculture, such as organic farming, which are not often favoured by the large commercial concerns that rely on selling their inputs to farmers. Ecosystem management-based farming systems that increase producer self-reliance and resilience as non-renewable resources decline and prices rise do represent a real possibility to meet the challenges of long term food security sustainably.

Further intensification and GM technologies are driven by a perception that food security means producing more output rather than considering how effectively we utilize what we produce already. They also tend to be pushed irrespective of their impact on the depletion of our remaining resources. Meanwhile, there is a real scientific and research challenge to explore further how ecosystem services can be enhanced to support improved productivity without increasing the use of non-renewable resources or degrading our essential soil, water and biodiversity resources ■

**Nic Lampkin** is Executive Director of the Organic Research Centre, Newbury, and Chair of the Welsh Assembly Government's Organic Strategy Group.



Steel being cut to size at Capital Coated Steel, Cardiff. They are used for a wide-range of products including white goods and roofing.

# Save money and the planet

Simon Nurse on how being environmentally friendly makes sound business sense

**By reducing the diameter of the beer can rim by an eighth of an inch (3.175mm) without reducing its contents, American brewer Anheuser-Busch saved 9,500 tonnes of aluminium per year. A rough estimate at recent prices, made this a saving of at least £16m a year.**

Let's look at this a bit more closely. The beer can had an acknowledged shape and set of dimensions. The diameter of the can rim did not effect the amount of beer contained in the can, neither did it affect the can's use. It is possible that the design of the original can reflected the limitations on production capabilities at the time. Perhaps the diameter of the can rim was an arbitrary consideration during

the initial design phase. Whatever the reason, the diameter of the can rim was a given, a forgotten constant amongst the chaos of industrial life. Now take the £16m saving and multiply it by number of years that it could have been implemented – five, ten, or more? Viewed through the rear mirror, one can start to put a cost on not regularly reviewing your processes.

Anheuser-Busch, a mega-company with massive resources at its disposal is one thing, but how about a small scale Welsh example? For this we need to look no further than the hard-up steel industry, a traditional and important element of Welsh commerce and one which has regularly been battered by the financial winds that redistribute global industrial activity.

Capital Coated Steel, a Cardiff based stockholder and processor, acted on the findings of a Carbon Trust survey. The survey promised savings of £1,600 a year if hot air wasted from the back of external compressors was ducted back into the main factory units. This would raise the temperature by 2°C, so eliminating the need to run one of several costly gas heaters. As the work was completed using the company's own resources, the cost of the ducting itself was less than a few hundred pounds and paid for itself in the first quarter.

The story could have ended there. Heating levels were maintained and costs were reduced. However this small success prompted a wider review. Why did some of the doors not shut automatically? Would the heaters be more efficient if



Coils of painted or laminated steel obtained from Shotton in store at Capital Coated Steel.

serviced regularly? What about timers? After a thorough review of heating requirements, all of these needs were addressed. The result was that during January and February 2009 the cost of heating the factory units were one third the cost of the same period in 2008, despite gas tariffs increasing dramatically. The cost of the improvements were paid back in two months.

**“So if the benefits are great, what is holding SMEs back?”**

We saved money, promoted innovation, and employed truly sustainable thought processes which had a wider societal benefit. In short we were participating in Industrial Ecology, the almost perfect 21<sup>st</sup> Century planning tool, sweeping up our cost and environmental concerns and focussing our attention on their removal.

An increased uptake in this kind of thinking amongst SMEs could represent millions of pounds of bottom line savings and by extension, reduce

carbon emissions. Figures calculated by the Department for Environment, Food and Rural Affairs estimate that “low or no-cost resource efficiency has the potential to save UK business about £6.4bn per year”.

So if the benefits are so great, what is holding SMEs back? The reasons are myriad. They include tight financial budgets which prevent investment in new technologies, lack of trained personnel to evaluate benefits, and overburdened management teams, blinded by the day to day rigour.

Yet the small size of an SME could be its trump card in achieving Industrial Ecology success. It is far easier to analyse the processes in a small organisation than tackling the huge cogs of corporate giants. Industrial Ecology could be the solution that SMEs are seeking to address the triple bottom line; environmental, economic and social interests.

According to Professor Daniel Esty and Andrew Winston in their guide to environmental strategy *Green to Gold*, this is not just a nice strategy tool or a “feel good digression from the real work of the company”. Rather, it is an “essential element of business strategy in the modern world”.

However, this kind of thinking is unlikely to take root without some form

of driver. It could arise through more stringent regulatory controls that force businesses to consider waste issues more closely. Alternatively, it could come through increased education and innovation from within an organisation. Over time, It may even arise out of market and stakeholder pressure.

The process of educating and coaching SMEs may well be a long haul. Government attempts to place Industrial Ecology on the agenda – through bodies such as the National Industrial Symbiosis Programme – are woefully under funded, little known and largely unavailable to SMEs. Even the Carbon Trust cap their assistance with a “we’re only interested if you spend more than £50k per annum on energy,” eliminating many potential beneficiaries.

Nonetheless, forward thinking SMEs have a golden opportunity to grasp the nettle and challenge their world view. It takes a lot of effort to increase sales by even a couple of percentage points. Just imagine what a monumental difference it would make to your business if you could slice 10 per cent off your costs, cultivate relationships with local suppliers, minimise unnecessary transport and effectively take a carving knife to your organisational footprint.

Though a relatively small and close knit business community, Welsh SMEs have the opportunity not only to reinvent their own processes and garner links with local suppliers/customers for mutual benefit, but also to take advantage of local business networks. Pick people’s brains. Ask searching questions. Share business ideas. Innovate and move forward. Welsh SMEs have a golden opportunity to get ahead of the game by embracing Industrial Ecology techniques ■

**Simon Nurse** is Head of Operations for Capital Coated Steel in Cardiff and web editor of [www.IESME.org](http://www.IESME.org) - Industrial Ecology and Sustainable Business, an information-sharing website for SMEs.

# Fog in the Severn

Madoc Batcup examines the UK government's options for generating tidal power off the Welsh coast

The UK Government's *Interim Options Analysis Report*, published in April 2009, shortlists and costs five main options for generating electricity in the Severn estuary (Table 1, overleaf). The Cardiff-Weston barrage and the Shoots barrage (close to the second Severn road crossing) were included as were a number of onshore, but not offshore, tidal lagoons.

In this context it is interesting that there has been a proposed project for a Swansea Bay offshore tidal lagoon for some time. Two reports have been undertaken, one by Atkins Consultants Limited (Atkins) and the other by Clive Baker and Peter Leach of ess consulting, the latter commissioned by the WDA and the DTI.

What is instructive is that even in this case of exactly the same project there was a very wide divergence in the opinion expressed by these two firms. The ess consulting report published in 2006 suggested that the cost of a Swansea Bay lagoon would be £234 million rather than the approximately £82 million indicated by Atkins, and would only generate two-thirds as much electricity. It is very surprising indeed that the estimates of the Atkins report should be considered as being so far out. Whilst Atkins had calculated that electricity generated by a Swansea Bay Tidal lagoon would be of the order of 3.5p per KWh, the ess report concluded that the cost would be 'at least' 17p per KWh.

If it is possible to have such a wide divergence of opinion between two groups of experts in respect of such a small scale project, then the potential for divergence for a variety of large scale projects in different locations along the estuary must be considerably greater.

What is needed is a small scale pilot project to test some of the assumptions made. While this would be difficult in the case of barrages, it would be considerably easier for tidal lagoons. The Swansea Bay offshore lagoon project has already had a significant amount of work done on it, it is small in scale, and it is situated in a part of the Severn estuary that is beyond even the most ambitious barrage project.

The construction of an offshore tidal lagoon in Swansea Bay would not prejudice any of the options being considered for the Severn estuary. Even assuming £100 million or more, the cost would be a small fraction of the up to £22 billion estimated for the Cardiff Weston barrage. Given the fact that the pilot scheme would generate electricity and provide some return on the investment, the net cost of its construction would be even less in comparison with the potential cost savings for the larger projects. Such a project would be located in the convergence funding programme area, and might therefore be eligible for European funding.

The environmental consequences of a large barrage will undoubtedly be substantially greater than those of the smaller barrages and tidal lagoons. Of

the many environmental issues dealt with in the various reports, two will be highlighted here, one because it is scarcely dealt with and another because it is scarcely credible.

The *Interim Options Analysis Report* gives scant attention to the visual impact of the various proposals, which it only mentions twice, yet the visual intrusion of barrages and onshore lagoons compared with offshore lagoons is likely to be considerably greater. Intrusive masonry leading up to the shoreline may well cause a change in perception in respect of the attractiveness of the affected areas. Depending on their distance from the shore off-shore lagoons would, by their nature, be much less intrusive visually, and would not involve what essentially would be a re-modelling of the coastline. Instead, they would provide a series of off-shore islands.

The *Interim Options Analysis Report* deals with the issue of environmental damage by assessing the cost of providing compensatory habitat. In the case of the Cardiff Weston barrage, replacement of habitat on a one for one and a three for one basis were considered. It was estimated that some 20,000 hectares would be affected. On a three to one ratio this would result in finding 60,000 hectares or 600 square kilometres of compensatory habitat elsewhere. At one kilometre deep this would need 600 kilometres of coastline, about half of the total for Wales.

It is perplexing that the report makes no suggestion where this enormous amount of space might be found, nor what might be the effect on the people or habitat of the areas where this compensatory scheme might be located. Whether or not the assumptions are justifiable the conclusion requires unfeasible amounts of land to be made available.

Funding the various potential projects is dealt with in the *Financing*

and Ownership options report written by Pricewaterhouse Coopers. They suggest that while the larger barrages could only be financed by the UK government directly, the smaller barrages could be financed by a private finance initiative where the ownership of the infrastructure would pass back to the government after a period of 35 years.

Pricewaterhouse Coopers provide a range of different options for the potential financing of different schemes. In light of the credit crunch and the huge and continuing budget deficit, it may be a matter of concern whether the UK government is in a position to

raise the estimated £20 billion required for the Cardiff-Weston barrage option.

Undoubtedly, in a world where capital is scarce it would be considerably easier to finance a number of smaller projects on a sequenced basis where the project risk becomes progressively better understood than it would be to finance a very large project where the project risks have only been ‘paper assessed’. The recent experience of the Olympics project highlights the difficulties of funding such large construction projects.

Pricewaterhouse Coopers do not seem to have taken into account the devolutionary implications of the Severn

estuary location. Whether barrages or tidal lagoons are built a substantial part of the infrastructure will lie in Welsh waters. It is certainly arguable that should any of the infrastructure be built under an arrangement whereby ownership reverts to the public sector after a concessionary period, then in the case of Wales that ownership should revert to the Welsh Assembly Government.

The ability of Welsh coastal waters to generate electricity is a Welsh national resource. From a political standpoint reversion of ownership to the UK government is likely to be highly controversial. Unless there is a clear

**Table 1: UK Government’s five options for generating electricity in the Severn estuary**

Option	Cost	Power output	Location / Description	Pros	Cons
Middle Barrage 'Cardiff-Weston Barrage'	£19.6-£22.2 bn	16.8TWh p.a.	Brean Down to Lavernock Point; commonly known as 'The Severn Barrage'	Low unit costs of energy (the only one lower is the Shoots barrage). Estimated 4.8% of UK electricity demand.	Loss of 20,000 hectares of intertidal habitat. Impact on migratory fish. Affects access to ports behind barrage. Financing cost very large.
Inner Barrage (Shoots Barrage)	£2.6-£3.5 bn	2.7TWh p.a.	Near the Severn Road Crossing	Largest barrage that could be taken forward with limited Government involvement on cost. Cheapest estimated costs of units of energy. Does not directly affect access to major estuary ports.	Impact on migratory fish. Loss of 5,000 hectares of intertidal habitat
Beachley Barrage	£2.1-£2.5 bn	1.6 TWh p.a.	Upstream of the Shoots barrage and upstream of the River Wye	Causes the least (although still significant) intertidal habitat loss as it is upstream of the River Wye and may have a reduced impact on that river. Does not have impact on the major ports. Low cost energy and cheapest in terms of capital cost.	Smaller energy output. Loss of 3,500 hectares of intertidal habitat.
Lagoon enclosure on the Welsh grounds (Fleming lagoon)	£4.1-£4.9 bn	2.3 TWh p.a.	Impoundment on the Welsh shore of the Estuary between Newport and the Severn road crossings	Proven technology, less technical risk than embryonic technology. Less detrimental effect on environment and local ports than large barrage schemes. Lower impact on intertidal habitat than large barrage schemes.	6,500ha intertidal habitat loss
Onshore Tidal Lagoons (Bridgwater Bay)	£3.4-£4.1 bn	2.6TWh p.a.	Impoundment on the English shore of the Estuary between Hinkley Point and Weston Super Mare	Proven technology. Lowest cost of energy for lagoon options. Potentially less detrimental on local ports and fisheries than barrages.	5,500ha intertidal habitat loss

financial advantage to Wales in having its environment substantially damaged, there would seem little incentive to the Welsh Assembly Government in agreeing to any of the schemes, since from a Welsh point of view there would only be downside. The upside would be overwhelmingly in England.

The amounts of money involved are significant. The design life of the installations is 120 years. It is therefore reasonable to assume a useful life of 85 years after the 35 year concession period. One possible configuration under the shortlist is for a series of onshore tidal lagoons, together with a barrage near the second Severn crossing (the so-called Shoots barrage).

Two onshore lagoons on the Welsh side, together with a half share of the electricity of the Shoots Barrage would have a capacity of a little under three gigawatts and is estimated to deliver some 6 Terawatt hours per year (i.e. 6 million MWh). At a price of £60 per Megawatt hour this would mean an income of around £360 million per year, with minimal maintenance costs for the facilities, although of course the turbines and other components would need to be replaced from time to time. Over 85 years this would equate to over £30 billion. Whilst such projections can be subject to a wide degree of error (in either direction), this would clearly be a valuable resource in the future.

Despite the considerable amount of work done, there is not yet sufficient data available to finalise a short list of the tidal power options of the Severn estuary. In order to have a more accurate assessment of the true costs and outcomes a pilot project should be undertaken.

More work needs to be done on the large barrage proposal, particularly in respect of the potential amount and location of the compensatory habitat that it is calculated would be needed if the project were to go ahead. Finally, post devolution it is by no means clear why the benefit of the exploitation of Welsh natural resources should accrue solely to the UK government ■

**Madoc Batcup**

# Turbine threat

Mike Evans reveals the impact a barrage would have on the Severn Estuary's fish population

**Due to its geographic location, large size, and immense tidal range the Severn Estuary is a unique natural environment of international importance. It is particularly valuable for its intertidal habitats that support huge numbers of wintering wildfowl. The estuary and its tributaries are also valuable for their fish populations, and in particular the fish that migrate between rivers and sea to complete their life cycles (known as diadromous species). Many of these habitats and species are protected by Europe's strongest environmental protection under the Habitats Directive.**

There are over 100 species of fish recorded in the estuary, making it one of the most diverse in the UK. The populations of many of these species have been improving steadily over recent years. The estuary is particularly important for its protected diadromous species with for example 25 per cent of the salmon spawning area of England and Wales being found in the rivers associated with the estuary.

The River Wye is the best river in the UK for sea lamprey and the River Usk the finest for river lamprey. Perhaps the most difficult issue is how to protect the twaite shad, a fish that



Salmon leaping up the river Usk – a quarter of the salmon spawning area of England and Wales is found in the rivers flowing into the Severn estuary. Photo: John Harding.

only spawns in four rivers in the UK, three of which are upstream of the proposed Lavernock to Brean Down barrage site.

One of the biggest challenges is how to avoid fish being killed or damaged in the electricity generating turbines, which are so integral to any lagoon or barrage scheme. Migratory fish species may spend a considerable period of time in the estuary and are therefore at risk of having to cross an impoundment four times a day over a period of many months. Shad species are particularly vulnerable to turbine damage, with the potential for up to 50 per cent being killed in a single passage.



Twaiter shad, a fish that only spawns in four rivers in the UK, three of which are upstream of the proposed Lavernock to Brean Down barrage. Photo: John Hardy.

Tidal impoundments would undoubtedly result in the loss of a significant amount of the protected intertidal habitat. To ensure compliance with the Habitats Directive, a project can only go ahead in the estuary if suitable compensation sites can be found and designated. We have some experience of creating new intertidal habitats, but not on the scale that would be demanded by the schemes currently included on the shortlist.

Despite the importance of the estuary, we still know relatively little about how the physical and ecological processes work and how they would change in response to construction of a tidal power scheme. Despite the far reaching studies currently being undertaken, many unknowns will remain at the end of the feasibility study. Unforeseen consequences of a development may well erode the benefits

of the low carbon electricity generated.

Governments are also investigating the potential of more innovative technologies for electricity generation in the estuary. Additional funding is being made available to test these technologies which have the potential to create less environmental impact than the traditional impoundment schemes. These include tidal stream technologies as well as low head barrage schemes. There is a real opportunity for the UK to lead the world in the development of such innovative tidal technologies, resulting in green jobs and investment. The governments should ensure that financial and regulatory frameworks support the development of such technologies.

There are no easy answers. Given the urgent need to reduce greenhouse gas emissions, governments must consider what can be delivered quickly with the least risk of failure. If they decide to decarbonise electricity production using cheaper, more reliable technologies than those currently proposed for the estuary we must not turn our back on the Severn.

The estuary represents a huge potential resource of low carbon energy, and we must invest in wide reaching studies to fully understand the estuary's ecosystems whilst at the same time accelerating the development of more environmentally benign technologies. We must ensure that anything we develop in the estuary is set in the context of sustainable development and meets the needs of future generations.

At the same time Governments will need to be sure that the environmental impact of a Severn barrage is justified by the contribution of the scheme to greenhouse gas reduction and energy security. We should not underestimate how difficult this will be. The decision may well set a precedent for how we define "sustainable living" in the future ■

**Mike Evans** is Climate Change Policy Manager with the Environment Agency Wales.

## BARRAGE 3 SPECIAL

# Tidal Reef

Peter Jones suggests a greener way forward for a barrage

**The RSPB's opposition to the Government's apparently favoured option of the Cardiff to Weston (Lavernock to Brean Down) barrage is that it would halve the upstream tidal range. In turn, this would lead to an estimated loss of at least 60 per cent and perhaps 80 per cent of inter-tidal mudflats. These are the principal feeding area for nearly 70,000 over-wintering migratory waterbirds.**

However, one of the options excluded from the shortlist is for an engineering concept termed the 'tidal reef'. Crucially this is estimated to substantially reduce the loss of tidal range and so lead to a much smaller loss of inter-tidal feeding area – an estimated 20 and 30 per cent. Its creator, Rupert Armstrong Evans, has described the concept as being "driven by the need to address environmental issues before rather than after the project has been designed".

The tidal reef could be either of traditional barrage design or, alternatively, a radical new concept that would involve floating rather than fixed caissons to enclose the turbines. It would operate on the basis of two-way tidal flow, that is on both the inward flow tide and the outward ebb tide. The Cardiff to Weston

barrage proposal, would only generate electricity on the ebb flow. In effect, the reef design would combine characteristics of both tidal range technology and tidal stream technology – it would harness both the height difference from tidal movement (range) and the inward and outward flows themselves (stream).

To maximise potential electricity output, the tidal reef should be located further out in the Severn Estuary, somewhere between Aberthaw on the Welsh side and Minehead in Somerset, a distance of about 20 kilometres. Interestingly, the potential electricity output of the reef has been estimated as potentially greater than for the Cardiff to Weston barrage, in the range of 13 to 20TWh. The cost is also estimated as below that for Cardiff to Weston - £13 billion compared to around £20 billion. Of course, these figures are contingent upon design and the materials used.

The RSPB, together with an alliance of other environmental groups, including the National Trust, WWF, the Wildfowl and Wetlands Trust and the Wye and Usk Foundation, recently commissioned WS Atkins engineering consultants to review the Government's provisional short-list of tidal power schemes for the Severn. The review concluded that the Government had seriously underestimated the quantity of electricity that could be produced by more environmentally



Dunlin in flight at dawn along the Severn estuary near the Newport wetlands nature reserve. One of the best known waders, similar in size to Starlings, they breed in the Arctic and fly south to Africa. Photo: David Kjaer.

friendly projects such as the reef.

Moreover, the Atkins review suggested that it seemed 'illogical' – and might be illegal – to have excluded the reef from the short-list and Phase 2 of the Feasibility Study, given that a Strategic Environmental Assessment of each project's environmental impacts would be an important part of the further study.

We have concluded from the Atkins review that the Government should expand the current short-list to retain the reef, together with the other options, into the Phase 2 study. This would

ensure a fair comparison among all of the options, including both financial and environmental considerations.

Instead, however, the UK Government has only agreed to make available £500,000 of public money, including from the Assembly Government, to pay for a year of further development work for each of the environmentally less damaging schemes, such as the tidal reef and tidal fence. This Embryonic Technology Fund will prove of very limited utility given that Atkins concluded that the tidal reef alone would need this sum in order to proceed further with design studies.

The Government has undertaken to consider the development progress of the embryonic technologies alongside the Phase 2 work on the short-listed projects before coming to a decision on harnessing the Severn's tidal energy. It would be more sensible to include the reef and similar schemes in the Phase 2 study from the start, not least to enable a fair comparison of their respective environmental impacts through the Strategic Environmental Assessment process ■

Peter Jones is Environmental Policy Officer with RSPB Cymru.



Artist's impression of the tidal reef proposed to connect Aberthaw in south Wales with Minehead in Somerset. It could involve floating rather than fixed caissons to enclose the turbines, as envisaged here.

# Jane Hutt Asserts Her Authority

Owen John Thomas welcomes the government's national strategy for Welsh-medium education

*Iaith Pawb* the National Action Plan to promote Welsh medium education, published six years ago has made slow progress. Now at last, the coalition Government has launched a new plan for public consultation, promisingly called *A National Strategy for Welsh-medium Education*. This is a fundamental step forward.

Ever since its introduction some sixty years ago, Welsh medium provision has existed without a national framework. Yet despite its marginalisation, over a fifth of our primary school children and a sixth of our secondary pupils now benefit from designated Welsh medium education. The National Strategy prioritises the main potential sources of growth and sustainability for Welsh medium provision and draws it firmly into the education mainstream.

The Strategy's main priority is for local authorities to make systematic surveys of parental demand for Welsh-medium education. These will be followed by action plans ensuring that adequate new provision is made to match the level of demand identified in the surveys.

The National Strategy states that from 2009 an agreement will be made whereby local authorities' detailed survey proposals will be presented to the Welsh Government (not to the Welsh Language Board as hitherto). Education Minister Jane Hutt has stated, "There is no way out of this for any authority. They will have to comply." Her

comments are of historic importance.

Underpinning the value of the local authority surveys is the awareness of the considerable potential for increasing the number of designated Welsh-medium schools based on substantial evidence that when such schools are



Education Minister Jane Hutt – her instructions to local government “are of historic importance”.

established, they grow rapidly. The new plan repeatedly promotes and praises the successful work of the designated Welsh-medium Schools: “All learners need to develop their Welsh language skills to their full potential founded on the principal that Welsh-medium education, from the early years with firm linguistic continuity through all education stages, offers the best conditions for developing a wide variety of Welsh language skills”.

Moreover, the plan continues, “It is accepted generally that at least 70 per cent of curriculum time should be through the medium of Welsh so that the pupils can master the language, gaining a wide variety of skills with confidence and fluency”.

The Strategy's second aim is, “to ensure that linguistic continuity is a priority, nationally, regionally and in local authorities at all teaching and learning stages”. At present, as pupils move from one stage to another, for example from primary to secondary school, in some western counties in particular, first language Welsh speakers become second language learners.

Research carried out in 1999 – 2002 on the lack of continuity, recorded that 22 per cent of pupils moving from Key Stage 2 to Stage 3 (from primary to secondary school) transferred from being Welsh speakers to being Welsh second language speakers. There is further erosion as pupils move from Key Stage 3 to Stage 4 and beyond. Distinct targets are being set here. The aim is to concentrate on the process of bridging between primary and secondary schools and to measure the demand for Welsh as the medium of learning at 16 years of age; The essential yardstick will be the assessment at Key Stage 4 through to GCSE.

In contrasting designated Welsh-medium schools with the ‘continuity deficiency’ found in many traditional Welsh speaking areas, the plan states: “The designated Welsh-medium education of the south east and north west is the most successful way of creating fully bilingual schools and there's a need to uphold and strengthen this provision in other parts of Wales”. And it adds, “Increasing the Welsh-medium intake into schools in Carmarthenshire, currently with limited Welsh provision, is a priority for the future”.



Children from Year 3 at Ysgol Glan Morfa Welsh-medium school in Splott, Cardiff.

It is indeed ironic that as Welsh-medium education is growing apace in the more anglicised counties, in many traditional Welsh speaking areas the language is receiving retrograde treatment through a lack of linguistic continuity.

The teaching and training system in our colleges needs to be modified (without delay) to match the growing demand for Welsh medium education. Creating a bilingual Wales will require increasing numbers of Welsh speaking teachers, trained to pursue courses specifically shaped to meet the needs of Welsh-medium provision. It is encouraging therefore that the document states, "A National Welsh medium strategy will be set up to develop effective provision from Nursery through to Further and Higher Education with the strategy supported by an action plan. It will ensure that all teachers under training who intend to work in Wales as primary school teachers, or as second language practitioners, or in Welsh-medium locations, receive Welsh language lessons and an awareness of the language during their initial teacher training".

More adults are to be urged to follow Welsh courses, especially intensive ones (the *Wlpan* or *Cwrs Carlam*) which ESTYN regard as the most successful

method of teaching the language. The Welsh for Adults Scheme, which reached 18,875 learners in 2006-07, is controlled from six regional centres with the Welsh Government steering the programme strategically.

Welsh in the workplace and the Teulu (family) learning scheme are being encouraged. Welsh courses are available at several levels with accreditation acting as a stimulus for further learning and as a series of stepping stones towards fluency. There are also plans for more Adult Centres to deliver informal learning opportunities.

Enhanced Higher Welsh medium and bilingual education is being planned in light of the report by the Chairman of the Coleg Federal's Planning Board. The present policy for promoting Welsh medium further education is to prioritise six key fields: childcare, health and social services, business and IT, leisure and tourism and the performing arts. These offer realistic ways of expanding Welsh medium options. Childcare and associated fields of work, such as early years teaching in the Foundation Phase, are particularly in need of Welsh speaking staff.

The Education Minister's support for the setting up a Federal College to

promote Welsh medium higher education, announced in June in response to the Merfyn Jones review of Higher Education provision, is another important step in revitalising the Welsh language. This development will increasingly enable students at our universities and colleges of Further Education to pursue all or part of their studies through the medium of Welsh. The work of the Federal College will extend a process started at nursery level over sixty years ago.

The success of Welsh-medium education means it has not only attracted tens of thousands of pupils but also several thousand teachers. Consequently, English-medium schools are bereft of Welsh speaking staff. ESTYN has rightly drawn attention to the collapse in the standard of Welsh second language teaching and learning in our schools. So much so that those English medium schools that are making headway with Welsh are the exception not the rule. And there is little likelihood that there will be a surplus in the supply of Welsh speaking staff in the near future. In view of this, it would appear to be impractical to highly prioritise Welsh as a second language in most of our schools until the supply of Welsh medium teachers has grown considerably.

The Minister of Education, Jane Hutt has spoken at an opportune moment and asserted her authority. Once the consultation process is over, those authorities that still need to carry out parental surveys should receive standardised Government questionnaires to complete. It is also imperative that the priorities identified in the new plan receive frequent monitoring to ensure that they are on target. Likewise, regular public reports on the progress of the main priorities are essential to avoid slippage in the meeting of deadlines ■

**Owen John Thomas** is a former teacher and Plaid Cymru AM for South Wales Central.

# Self Assessment Versus 'Name and Shame'

Steve Martin reports on contrasting local government performance regimes in Wales, Scotland and England

**Over the last ten years external inspection has played a pivotal role in attempts to drive public service improvement. Unlike traditional approaches, which were largely service based, inspection of local government has increasingly focused on the performance of the authority as a whole. Wales, Scotland and England have adopted contrasting approaches to these 'corporate' assessments.**

The Comprehensive Performance Assessment framework was introduced in England in 2002. This judged an authority's political and managerial leadership, performance management, partnership working and use of resources – in short, its 'corporate capacity' – as well as the performance of key services. The resulting scores were combined to give an overall rating on a five point scale ranging from 'poor' to 'excellent'. Results for upper tier and unitary authorities were published every year, with councils found to be poor liable to direct government intervention.

Best Value Audits were introduced in Scotland in 2003. Like the English system, they provided an overall

assessment of each council's overall performance and capacity. However, they were one-offs. Each council was inspected once between 2003 and 2009. The Scottish approach rejected a scoring system and performance league tables because different areas were seen as having different needs and priorities. Audit teams could not therefore use a standard, rules-based approach. Instead, they published narrative reports which highlighted each council's strengths together with 'areas for improvement'. Councils produced plans which set out how they proposed to respond to the issues identified by the auditors. Implementation was monitored by auditors and, if insufficient progress was being made, the Accounts Commission could recommend to Ministers that they take direct action.

As in England, the Wales Programme for Improvement involves annual assessments of councils. However, in common with the Scottish framework, it has been tailored to local needs and priorities. It also makes greater use of self assessment than either of the other two regimes. Authorities and the auditors complete parallel analyses and agree a joint risk assessment. Unlike Scotland and England, risk assessments have been subject to bi-lateral confidentiality agreements between the auditors and authorities. The result is that neither the Assembly Government nor the

public have had any formal way of identifying which councils are considered to be under-performing.

To understand why the three countries adopted such different approaches, interviews were carried out with senior policy makers from government, audit bodies and local authorities who were closely involved in developing and implementing them. We found that the three regimes had several things in common. They all saw external challenge by audit bodies as a way of highlighting poor performance. They all used similar kinds of evidence and were all rooted in a theory of improvement which held that sustained service improvement required effective leadership, sound performance and financial management, and effective partnership working between local agencies at the corporate level.

At the same time there were important differences between them which reflected contrasting theories of motivation. In each case there were significant differences in the relationships between central government, audit bodies and local authorities. The English Comprehensive Performance Assessment framework was a competitive regime which aimed to stimulate change from the outside and enhance accountability to ministers. The Scottish Best Value Audits were less overtly competitive but also relied on external challenge and public reporting. Meanwhile, the Wales Programme for Improvement sought to secure internal ownership of the need to improve and relied heavily on local leadership to effect change.

The 'hard edged' English approach was in tune with an overall strategy for public services reform based on 'terror and targets', performance league tables, the 'naming and shaming' of poor

performers and ‘earned autonomy’ for councils that were doing well.

In Scotland and Wales policy makers believed this approach to be inappropriate and unworkable. They argued that local authorities varied in terms of size, population density and levels of deprivation and it was therefore impossible to make meaningful performance comparisons between them. Moreover, the physical and relational distance between central government departments and local councils was much shorter than in England.

Welsh policy makers were also more mindful of local government’s own democratic mandate and less confident of their capacity to intervene effectively in poorly performing councils than their English counterparts. As a result the performance regimes in Scotland and Wales were developed through consultation and consensus, rather than top down coercion and codification.

The consequence has been that the Wales Programme for Improvement in particular has taken place well away from the public gaze. There are few sanctions for poor performance (or

Unsurprisingly, many interviewees from local authority backgrounds expressed concern about the costs of inspection and the burdens which it places on councils. But we found widespread backing in Scotland for the Best Value Audit approach and a surprising level of support in England for Comprehensive Performance Assessment. Some policy makers believed that the latter had produced diminishing returns over time because early rounds had ‘picked the low hanging fruit’ and local authorities had become better at ‘playing the game’. However, almost everyone we talked to believed that it had helped to encourage improvement, particularly in poor performing councils.

The picture in Wales was less clear cut. Local authorities reported that the Programme for Improvement was seen as a relatively low level activity which had less impact than inspections of education and social services. Interviewees from all sides lamented what they described as a lack of ‘hard’ evidence of improvement. Though some believed that considerable

changes to the Programme for Improvement in 2005, while proposals for a major overhaul of the local government performance framework and wider inspection landscape are currently under consideration.

The introduction of the Comprehensive Area Assessment in England marks a decisive shift away from the ‘one size fits all’ approach embodied by the Comprehensive Performance Assessment in favour of bespoke assessments which recognise the importance of variations between localities, along the lines of the Scottish and Welsh regimes.

Policy makers in London are also showing increasing interest in the potential value of self assessment. And both the Comprehensive Area Assessment and the revised Best Value Audit framework stress the importance of assessing the outcomes achieved by local partnerships.

Meanwhile, proposals for a new performance framework in Wales from 2010, to be introduced under a new Local Government Measure, appear to be moving towards the Scottish and English approaches. They are promising a much sharper focus on authorities’ performance and capacity for improvement, and much more open reporting of inspectors’ assessments.

It seems that, after a period in which all three countries have pursued distinctive home grown solutions, we may now be witnessing the emergence of consensus about what works best. This is perhaps a sign that in this particular policy area the gap presented by Rhodri Morgan’s ‘clear red water’ agenda is beginning to close up ■

**Steve Martin** is Professor of Public Policy and Management at the Centre for Local and Regional Government Research, Cardiff University. He is leading a team of researchers from Cardiff and Edinburgh Universities on an ESRC Public Services Programme.

## “Interviewees from all sides lamented what they described as a lack of ‘hard’ evidence of improvement.”

incentives to excel) and interventions have been relatively low key affairs, often orchestrated by the local government community rather than central government.

Of course, the key test is whether these regimes actually work. And if they do is one approach better than another? Or is it a case of horses for courses, with different regimes best suited to different contexts? The lack of reliable comparable performance data indicators makes it difficult to evaluate the relative effectiveness of the regimes through statistical analysis. However, our interviews provided important insights into perceptions about their effectiveness.

improvements had been made, they felt frustrated that there were no data to prove this.

Interestingly, the regimes in all three countries are currently a state of flux. There were major changes to the English Comprehensive Performance Assessment framework in 2005, and in 2009 it was replaced altogether by a new regime known as ‘Comprehensive Area Assessment’.

Similarly, in Scotland there was a major review of the first round of Best Value Audits in 2007-08. This produced proposals for significant changes to the regime which will come into effect from this year. Wales, too, introduced major

# Rescuing derelict houses

Joanie Speers examines how abandoned properties can help with the rural housing crisis

**Across rural Wales people are being forced to leave their communities because they cannot compete for homes on the open market. At the same time large numbers of derelict vernacular buildings are slowly falling into disrepair and taking with them the history, heritage, culture and stories of their communities.**

For the last 30 years my husband and I have restored and rebuilt a watermill and out-buildings in the Brecon Beacons. In June 2008 we set up a building preservation trust to operate within the Brecon Beacons National



A flour mill has existed here at Felin Uchaf, Llandeusan, Carmarthenshire for around 500 years and it was last used in the mid 20th Century. Joanie Speers and her architect husband Roger Mears bought it 30 years ago. By then it was a store for farming equipment and a barn for sheep. The ground floor was dirt, the upper floors were rotten, and a tree was growing out of the roof. Ty-melinydd, the miller's house seen in the left picture, had a demolition order on it – it could either be demolished or rebuilt.

Park, initially in Carmarthenshire and Powys, to turn derelict stone buildings into affordable homes for local families.

Adfer Ban a Chwm – ‘revitalize hill and valley’ – was registered as a charitable company in June 2008, just as the Joseph Rowntree Foundation published their report on the need for the Welsh Assembly Government to invest far more into affordable housing in rural Wales. The report stated that housing needs are particularly pressing in National Parks where there is an over emphasis on the protection of rural spaces and not enough on rural communities. The report recommended that the Assembly Government should use redundant buildings, involve local communities, and encourage bold and innovative approaches.

In its response the Welsh Assembly Government published a consultation paper on planning policy changes to

support sustainable development in rural areas. Yet, nowhere is there mention of utilising existing buildings for affordable housing. The only allowance is for new build. Nowhere is there reference to the numbers of stone houses slowly disappearing while people have no place of their own to live. Nowhere do they consider the human investment that is represented by these beautiful buildings.

In a recent Brecon Beacons National Park local development plan consultation, while there were questions on the need for affordable homes and also on what to do with redundant buildings, there was no suggested link between the two.

Adfer Ban a Chwm is looking at buildings that are under the radar of normal development. They are unlisted and many are too far gone and expensive to repair in normal circumstances. But



once they are put back into use, they will certainly last much longer than the usual 60 years of new build. They are a link with the heritage and traditions of our farming communities and a resource crying out to be utilised. Adfer Ban a Chwm is pursuing the following model in creating new projects:

- Agree with owners to purchase derelict buildings at a low rate, pending planning permission to rebuild as affordable homes.
- Repair/rebuild to high conservation and sustainability standards, using local architects, surveyors, builders, and materials.
- Sell as affordable homes to local people.
- Attach legal covenants attached to the sale to ensure that the property stays 'affordable' in perpetuity (for example by shared equity).
- Put a local cascade system in place

to determine who is eligible to acquire the property.

- Keep the community informed throughout the process.

In this process we face a number of challenges. The first is to convince owners of derelict buildings to sell them to Adfer Ban a Chwm at what will inevitably be a low price, although these properties would have little value if sold commercially.

Secondly, we need to put forward a strong case to the planners in the Parks and the local councils to approve our schemes. The Assembly Government is encouraging a more creative and innovative approach to planning and we hope this will work to our advantage.

A third challenge is to find local architects and builders who will work to our high conservation and sustainability standards using local materials and traditional methods. Lastly we need to

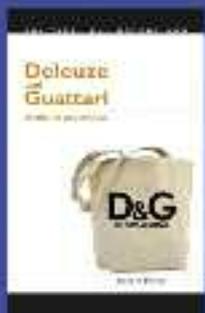
secure funding to buy these buildings, pay for the work and to support and expand the organisation.

We have established an informal partnership with the south Wales housing association Gwalia, and are working on a feasibility study of our first, pilot building. We want to build partnerships with other organisations, including the National Parks, National Trust, Young Farmers, the Dyfed Archaeological Trust, the WI, and history societies.

What we must avoid is taking so long in developing projects that the derelict but often beautiful buildings scattered across rural Wales will disappear and take with them pieces of local history and heritage, and – as importantly – their potential for becoming sustainable homes once more ■

**Joanie Speers** is founder of Adfer Ban a Chwm/Revitalise Hill and Valley.

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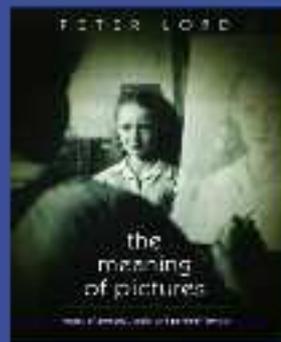
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# Rock and Roll Journalism

BBC Wales's newsroom at work in Llandaf, Cardiff

Ian Hargreaves makes the case for an on-line networked news service to compete with BBC Wales

In its comments on Lord Carter's *Digital Britain* report, published earlier this year, the Welsh Assembly Government backed Ofcom's proposal for a Wales news service within slots made available by ITV, to be delivered by a third party, contestably-funded and possibly even with contestable distribution. The Assembly Government noted, but more non-committally, the idea of a BBC-ITV partnership and the proposal for an S4C-led English language news service.

In its own response, S4C said intriguingly that "a progressive and open rights ownership model would be developed with a view to sustaining and promoting other forms of local journalism." S4C's English language News Pilot would be overseen by a "strong and representative board, appointed by the S4C Authority."

The expert group that advised the Assembly Government proposed the establishment of a Welsh Media

Commission to oversee the creation of this new force in Welsh journalism.

All of this has sent sparks flying across the media institutions which cluster in the Cardiff Media Village. And the debate does indeed raise tricky questions about governance of public service media in Wales and, as ever, of where the money will come from.

But none of these problems is insoluble. And they must not be allowed to distract us from the task of taking the historic opportunity which now lies before us. For we are approaching the finale of this drama, the *Britain's Got Talent* moment when everyone has strutted their stuff and the judges must decide. It's make your mind up time. But thankfully not with Simon Cowell and Piers Morgan in on the bench. The debate has, I think, delivered clarity on the following points:

- An Assembly Government capable of clear policy specification in this area demands and deserves to be heard.
- None of the matters under discussion

can sensibly be resolved in London - but equally, what works in Wales must work alongside what happens in England.

- In designing a solution based upon 'plurality' around the BBC, we should make sure that any new institutional arrangement will plug and play into the age of universal broadband.
- Any new commissioning machinery must be clearly insulated from direct political interference.

A major question is whether the main focus should be upon looking after the Channel 3 news slots or something broader and more ambitious. My answer is that we must keep Channel 3 healthy, indeed we should take this opportunity to improve its health and so its life expectancy. At the same time we must look further into the future, as a previous generation of politicians did when they created the BBC, nearly a hundred years ago, and Channel 4 and S4C in the 1980s.

The ambition must be high because

the matter is of such high importance. As the IWA's media audit said last year, we are called upon to meet:

“...the pressing need in Wales for investment in quality journalism: journalism that demands time, talent and space; journalism that can link the local with the national and vice versa, and where opinions derive from trusted, assiduous investigation; journalism whose intelligence and ambition measures up to the new democratic reality in Wales that we now have the capacity to pass laws to govern ourselves.”

We are already fortunate to have in the BBC a large and self-confident global institution, probably the best news organisation in the world, and one of the most important institutions in Wales. In order to create competition and difference we do not need a second large institution, a poor man's BBC. Instead, we need a way of investing in and supporting what people have started to call “networked journalism”, so that it can thrust its roots across the whole of Welsh life.

Networked journalism delivers from diverse voices a multi-media presence on-line. It builds its strength through the brilliance of its linkages and alliances, whether to individual bloggers and citizen journalists or communities of interest within Wales along with sources of news, information, comment and creativity of interest to Welsh people, no matter where they live. It offers an interactive, conversational, disputatious, rock and roll journalism for Wales, its diaspora and anyone else who wishes to join in. And, of course, it needn't and shouldn't stop at journalism. Such a network can also nourish and animate much else.

This cannot be provided by a single organisation with a single board of governors bound to a 20<sup>th</sup> Century mentality. It must be a patchwork of organisations, mutually nutritious, as well as competitive with each other.

It may benefit from or even depend upon the investment of public funds, but it should also seek private and voluntary funding. It is a journalism which, in business terms, is the work of entrepreneurs, not corporate giants or established public sector institutions.

Some say that the business model for on-line journalism, and therefore for networked journalism, won't work because we are swimming in free content, much of it the very high quality offerings of the BBC. But even in a brutal recession which is hammering jobs and profits in all parts of the media, there are important reasons not to be too pessimistic:

- The fact that readership of many local weekly papers (including those in Wales) have held up in recent years, demonstrating the value we place on real local news and discussion.
- The spread of broadband.
- The imminence of digital switchover.
- The successful emergence of community radio, which blends public and private finance.
- The fact that advertising on the internet has already overtaken the value of advertising on radio.
- The continued low cost of access to on-line publishing;
- The evidence, from survey after survey, that people want their politicians, they really do *expect* them, to look after journalism in Wales.

If I were starting out in journalism today, in recession-beaten Wales, or England, or America or Africa, I'd be looking for a way to make this networked journalism model work. I would be operating by trial and error, confident in the belief that democratic societies will always value the facts and evidence that good reporters bring to light and the high quality media debate which help us to reach judgments and settle our differences. A business model will emerge. It always has.

I remember being in Pembrokeshire in 2004 when the local paper there, the

Western Telegraph, now part of the Newsquest group, was celebrating its 150th anniversary. The Western Telegraph's founder got started by taking on himself the combined roles of reporter, editor and ad salesman, which was not unusual for the time. Having created his news sheet, he then set about selling it personally door to door. That's how newspapers made the transition from high-cost single sheets, from which the literate few read out loud to the illiterate many, to become the engine of economic and democratic progress.

It's the spirit of the Western Telegraph in 1854 that we need today: a spirit of risk-taking, challenge and hard work that ignites a contest for quality and better journalism in Wales. It is a journalism which makes life less comfortable for government and big institutions, public and private, even though journalism will continue to turn to big institutions and the taxpayer for financial support.

In the future I am as sure as I can be that the most adventurous journalism will express itself first and in greatest depth in some kind of on-line format. On-line does what journalism has always striven for: to be fast, to be first, and to engage hearts as well as heads. This means that the internet, in all its disruptive but creative glory, is the key to the future of journalism in Wales. It is the key to reporting and persuasion, to the transfer of facts, knowledge and understanding, to public conversation. The internet carries radio and television, as well as print. It is, essentially, invincible ■

Ian Hargreaves is Director of Strategic Communication with the Foreign and Commonwealth Office. He is a Professor at the Cardiff School of Journalism, Media and Cultural Studies and, until 2008, a founding member of the board of Ofcom, the communications regulator. This article is an extract from a World Press Freedom Day lecture he delivered at the Temple of Peace, Cardiff, on 1 May.

# Our Place in the Online World

Andrew Green reports on an ambitious project to put Wales on the Web

Most economists and politicians agree that a flourishing post-recession Wales will depend on technologically advanced industries. What will unite many of them will be a digital, and specifically online, means of operation. The role of government is to make sure that the various underlying structures of this digital economy are in place for others to use.

Both UK and Welsh governments are alive to the need to improve online connectivity, the crucial part of the technical infrastructure. In March 2009 Lord Carter's interim *Digital Britain* report proposed a universal broadband obligation that would provide almost all UK households with a minimum level of connection to the internet. The Welsh Assembly Government has for many years maintained programmes to compensate for market failures in the provision of online infrastructure, and may need to continue them if Carver's proposal is accepted.

Of course, connectivity is not enough. It is just as important that companies and individuals realise the importance of their own use of online technologies and that they are sufficiently engaged with them. Online usage in Wales remains stubbornly low in comparison with other parts of the UK. According to the Living in Wales Survey in April 2008 only 59 per cent of households had access to broadband.

Meanwhile, it is essential that Wales develops not just online technologies but also what happens online – everything encompassed by that

colourless term 'content'. This can mean a wide variety of things. It can signify online software, services and transactions: local authorities accept



council tax payment across the Web; rail companies sell tickets online; individuals share digital photographs, videos and friends. But many or most of these have no specifically Welsh context. If Wales itself is to flourish in the online world it needs to develop a higher profile in the other sphere of content: knowledge itself.

As Welsh people and organisations create new knowledge in digital form Wales, in all its variety and distinctiveness, gains in online stature. For instance, BBC Wales has built a huge body of knowledge about almost all aspects of contemporary Wales, in Welsh and English. Bloggers, again in both languages, have woven a rich

tapestry of comment and observation on Welsh public life - a prime source for contemporary living and future history.

This irresistible growth of digital knowledge is paralleled by another process, the migration online of parts of the huge legacy of past knowledge about Wales still trapped in traditional formats like manuscript, print, vinyl and film. Some of this analogue-to-digital transfer has been done piecemeal by private individuals and community groups, but most has resulted from the more systematic programmes planned by public and private organisations. For over ten years the National Library of Wales has been converting parts of its varied collections to electronic form and making them available free on its website. It now has one of the largest and most active digital transfer units in the UK. Over a million separate digital surrogates are now available: books and manuscripts, pictures and maps, photographs and exhibitions, film clips and sound recordings.

Until recently most of this work was relatively small-scale. However, in December 2004 Google announced that it intended to transfer not single items or even collections but whole libraries of printed books into digital form. By October 2008 Google Books had scanned seven million books, of which some one million were in the public domain and readable in full. Google's aim is apparently to convert 10 million within a decade.

How does a small country, too insignificant to feature on Google's radar, respond? I suggest, by being bold and deciding that, though small in population, geography and resources, Wales has the capacity to claim a significant place in the online world. With its partners and within the bounds of copyright law, the National Library of Wales has been developing a programme to give free access online to the contents of all of the print output of our country, from the 16<sup>th</sup> Century

to the present day: books, periodicals, newspapers and other publications. This will place in every home, school, college and workplace in Wales the equivalent of a huge library – with the added advantage that every work contained in it can be retrieved in seconds.

The value of having such a resource is easy to see. Researchers, students, teachers and schoolchildren, the media, family and local historians, adult learners, businesses of all kinds, minority groups: all these and more will have at their fingertips a massive additional resource. For the first time a huge corpus of material in the Welsh language will be available online. Moreover, the history, languages, literature and culture of Wales will be much more visible to the rest of the world, with beneficial results for tourism, investment and recognition. A recent study by Scotinform has demonstrated the wide range of possible uses and audiences, and confirms that there is wide support in Wales for the programme.

Such an ambitious scheme, costed at well over £20m, can only be realised in stages. When it is complete this summer the first stage, 'Welsh Journals Online', funded by the Joint Information Systems Committee and the Welsh Assembly Government, will present the contents of fifty of the most important periodicals published in Wales since 1900 (<http://welshjournals.llgc.org.uk/content/home>). The next stage, financed by a £2m grant from the Government's Strategic Capital Investment Fund, will add pre-1900 periodicals and will uncover for the first time in detail the complete contents of most of the newspapers published in all parts of Wales up to about 1900: a vast reservoir of knowledge very little explored to date because of its inaccessibility.

These projects present big challenges: technical (scanning, character recognition, describing), organisational (workflows and presentation) and legal (the complexities of intellectual property). But if these can be overcome, and the momentum maintained - the Library

must raise a further £1m towards the second project, not to speak of further stages - then Wales stands a good chance of being the first country in the world to be 'complete online'.



Printed publications are of course available to the public already in their original formats. Yet it is no exaggeration to claim that this programme will have the effect of liberating their contents. In the 21<sup>st</sup> Century it is in the online universe that most people will expect to find most kinds of recorded knowledge: they will be increasingly unwilling to make special efforts and special journeys to seek out what might or might not be available in libraries, archives and other physical institutions.

Moreover, the translation from print to digital is not a simple like-for-like operation. It has the capacity to add value, most obviously by allowing highly detailed searching - down to the level of the individual word - for information within works.

Added to this, the advent of 'Web 2.0' technologies means that online content is not merely presented to the reader, as are analogue originals, but is available for re-use and re-packaging in all kinds of new ways, many of them

not yet clear to us. For example, companies, educational organisations and individuals will be able with ease to 'remix' articles from the new project with content from other sources, for example pictures, sound or videos to create new works. Research based on, for example, 19<sup>th</sup> Century newspaper sources could be fed back into the resource itself for the benefit of future researchers. Readers will be able to upload their own material – text, photos or film – to amplify or comment on the original. They may even volunteer, as happens in the case of Australian digital newspapers, to offer corrections to digitised text not converted with complete accuracy by today's software.

Print is not everything. Material in archival, graphic and audiovisual form is equally amenable to re-creation in digital form. The Library has been busy loading on to its website ([www.llgc.org.uk](http://www.llgc.org.uk)) some of the most significant collections in its own stewardship. It must be admitted that the ability to make digital versions of sound, screen and broadcast is severely hampered by the complexity of copyrights inherent in most of the material. This is a problem that will worsen if a European Union proposal to extend the period of copyright in sound recordings to 95 years becomes law.

In all media the restrictions and complexities of copyright law influence critically the extent to which published knowledge can be put into the hands of the public. There is an increasing tension between the expectations and practice of most consumers, who desire easy and immediate access to as much as possible, and the defensiveness of (mostly large, multinational) copyright holders, who seek ever more restrictive legislation on public access. Perhaps in Wales the time has come to think creatively and more flexibly, through the use of licences and other agreements, to achieve a fair balance between creators and owners of knowledge and a public eager to benefit from it ■

Andrew Green is head Librarian at the National Library of Wales.

# Rhondda Roundabout

Leighton Andrews celebrates the role of culture in regenerating his Valleys constituency

*“Culture is ordinary: that is where we must begin”.*

Those were the words just over fifty years ago of the great Welsh cultural critic, Raymond Williams. He also told us that “a culture is common meanings, the product of a whole people, and offered individual meanings”. The Rhondda is a political space forged over the last 125 years by successive generations. Their history is recognised in common understandings and interpretations, as Williams says, “the product of a whole people” - and with a politics involving contested “offered individual meanings” – Radical Liberal, syndicalist, Labour, Communist, feminist, nationalist and so on.

On the day the Burberry factory closed we marched to the Parc and Dare miners’ institute in Treorchy, achieving the great feat of uniting two Rhondda male choirs, led by the GMB banner and the Amicus flags. This was a struggle that united ordinary people in the factory with a wide range of cultural figures in Wales and beyond. Culture becomes ordinary.

You cannot step far from the Parc and Dare without tripping over

Rhondda’s cultural history. Down the road, currently for sale, is the Red Cow pub, where the Treorchy Male Choir won its first competition in the 1880s. Half a mile or so west in Cwmparc lives the award-winning contemporary novelist Rachel Tresize. The sculptor Robert Thomas is also from there. Further on lie the Gorsedd stones from the 1928 Treorchy Eisteddfod.

The collier poet Ben Bowen came from Treorchy. Up the valley near the Burberry factory site is Ynyswen Welsh Medium primary School, which opened as the first Welsh medium primary school nearly 60 years ago. The novelist Ron Berry came from Blaencwm, just a couple of miles further north. So did Frank Vickery. So did the painter Charlie Burton, 80 this year. Fellow member of the Rhondda Group, Ernie Zobole, came from Ystrad, a few miles south. A few miles further south you come to Rhys Davies’s and Lewis Jones’s and Tommy Farr’s Clydach Vale and Gwyn Thomas’s Cymmer.

It is, of course, an international culture. The Rhondda was at the heart of the first outbreak of industrial globalisation through coal exports. The Rhondda’s first MP, Mabon, William

Abraham, whose home in Pentre recently received a blue plaque, sailed to Chile for work in the 1860s. The choir the Rhondda Gleemen won the World’s Fair Eisteddfod in Chicago in 1893. Ben Bowen went to South Africa in 1901 for his health and wrote back articles and letters challenging Lloyd George’s support for the Boers and warning of what led to apartheid. The Rhondda supplied more recruits for the International Brigade in the Spanish Civil War than any other Valley.

Culture, here, was always ordinary. As the historian and Pendyrus chorister Gareth Williams has written of the Rhondda’s early 20<sup>th</sup> Century musical culture, “democratic and disciplined, parochial and progressive, it had been a central feature of people’s existence, transcending their work, their politics and even their poverty”.

Rhys Davies recalled “the branch library in the front room of an ex-collier’s house close to my home. It was run by the South Wales Miners’ Federation. The librarian’s job was his compensation for losing a leg in a pit accident”. And we don’t need to list the miners’ institutes and libraries. Dr Brinley Jones, former President of the

National Library, recalls plays at the Maes yr Haf unemployed workers centre in Trealaw and performing himself in the Garrick Players, headquartered in the engine house of Llwynypia Colliery.

As the opening lines of Jack Jones' novel *Rhondda Roundabout* put it in 1934, the Rhondda was, 'Revolutionary and riotous; sporting and artistic, coal-bearing Rhondda... place of origin of champion boxers, noted preachers, talented musicians and composers, famous choir conductors, operatic stars and novelists'. To which we can add, film stars, historians, artists, actors, poets and politicians.

And space for cultural activity has been central to the work of social reformers in the Rhondda from the earliest days. The pseudonymous Matron, writing in the *Rhondda Socialist* in 1912 says "women need leisure to rest their bodies, and more leisure in which to cultivate an acquaintance with the world of literature and the intellect" Retiring as Labour's Welsh women's organiser in 1948, Elizabeth Andrews said "There is a cultural side of our movement that we must develop... we are not only a party machine, but a great human movement".

We can of course over-do this. It may be convenient for those of us in the regeneration business if cultural activity was photoshopped for our benefit, but it wouldn't be honest or authentic. Our modern novelists of the Rhondda like Rachel Tresize and Richard Evans and yes Catrin Dafydd – whose *Random Deaths and Custard* I'm claiming for the Rhondda even if she is from Gwaelod y Garth - challenge any sense of a simple community cosiness in their writings.

Even so, acres of research on the beneficial links between culture and regeneration, shows:

- Cultural regeneration is key to the building of the social capital important in community development and on the identity of a place, changing the attitudes of both residents and outsiders.

- Investments in key venues can have an impact on the local economy, including the hotel and restaurant sector, on tourism investment overall, and act as a catalyst for further investment, including retail investment and housing, and indeed result in diminished crime levels.
- You can have schemes where culture leads regeneration, where culture is fully integrated into a wider regeneration programme, or where cultural activity is just an occasional part of a bigger programme.



Community organisations are actively promoting culture as part of their approach to regeneration. In the Rhondda, Valleys Kids, based in the wonderful regenerated arts space that is Soar Ffrwdamos chapel in Penygraig, is working on a drama linking communities in South Africa and Rhondda in the build up to London 2012, and as part of Wales' Cultural Olympiad initiative. The project, to be written by Lawrence Allan, is inspired by the iconic film *Zulu* (featuring Ferndale's Stanley Baker) made in 1964, just as Nelson Mandela was beginning his 27 year long incarceration. They want to bring the two strands together to form one cohesive (and massive) performance in 2012, performed in both South Africa and Wales.

Pontygwaith Regeneration partnership has run a major concert every year for the last five years, starring

amongst others Katherine Jenkins, Rebecca Evans and Sian Cothi. The Penrhys Partnership built its own amphitheatre back in 1992 which is used to this day. Subsequently it opened the arts centre Canolfan Rhys. Last year it marked both the 40<sup>th</sup> anniversary of the estate and the 470<sup>th</sup> anniversary of the destruction of the Penrhys shrine and statue. It has published an oral history of the estate, and now features again in the Cistercian way pilgrimage.

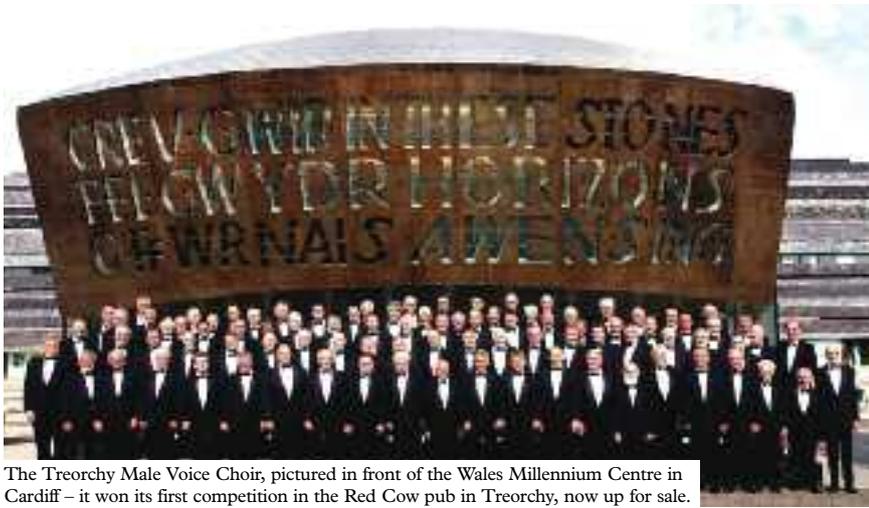
The Rhondda's own Spectacle Theatre – already developing plans for

an ambitious community play about the Tonypandy Riots for next year's centenary – has been actively engaged in undertaking community consultations for Llwynypia Communities First.

Three Communities First partnerships in RCT have operated local radio stations for a month each on a number of occasions over the last 18 months, funded by our Communities@One programme. Radio Rhys in Penrhys and Radio Cwmni in Treherbert, Dapper FM in Penywaun, are engaging local people in making their own programmes.

There are also a number of specific initiatives undertaken by the Assembly Government:

- We brought the National Theatre of Scotland to Wales for their first visit. Attracting Black Watch to Ebbw Vale was a major coup and it presented a



The Treorchy Male Voice Choir, pictured in front of the Wales Millennium Centre in Cardiff – it won its first competition in the Red Cow pub in Treorchy, now up for sale.

rare opportunity for people to see world-acclaimed theatre on their doorstep while also bringing outside audiences to the Heads of the Valleys. That was about changing perceptions and stereotyped images.

- The *Rugby Community Development Project* is a partnership between the Heads of the Valleys Programme and the Welsh Rugby Union. Both partners recognize that in many communities the clubs act as a hub for a variety of community activities, going beyond the core purpose of playing and developing rugby. Clubs that have benefited from funding to date include Treherbert, Ferndale, Cefn Coed and Brynmawr.
- We recognise the importance of the Ryder Cup to the regeneration of Newport, and will be supporting additional activities in Newport during this period through our urban regeneration company, Newport Unlimited.
- We are making a substantial investment of up to £300,000 to underpin the Heads of the Valleys Eisteddfod at Ebbw Vale.
- We have supported the Head for Arts programme, including events like the Valleys Girl art project

As Gwyn Thomas wrote “most lives are a yearning for coherence”. Thirty years ago Raymond Williams pointed out the importance of family history to the Welsh industrial novel. As he put it, “what is really being written, through it, is the story of a class; indeed, effectively, given the local historical circumstances, of a people”.

All over the Valleys I find local groups undertaking work on family history. Our local libraries and county records offices provide help with local records and local photographs. Local history groups produce well-researched websites and local history books. Young people work with the older generations on histories of their area.

The Heads of the Valleys Programme will be supporting the National Library in digitising (and giving free, searchable networked public access to) historic out-of-copyright newspapers published in the Valleys. This work will be done as part of the National Library’s *Welsh Newspapers and Magazines Online* project. The Library will ensure that a sample of the titles will be available to the public in time for the opening of the Ebbw Vale family history and genealogy centre in August 2010.

Valleys Kids has worked with BBC Wales and the National Library on the *Rhondda Lives* project to help people tell digital stories about their

communities. Digital story-telling has been central to projects on digital inclusion, funded through our Communities@One programme, such as Community Archives Wales. Our successor programme, Communities 2.0, is funding the establishment of a Centre of Excellence on Digital Story-telling at the University of Glamorgan.

We had plans for some time for a Visitor Centre for the Heads of the Valleys. We have now agreed that the Ebbw Vale General Office will house that centre and also house the new Gwent Record Office which will become the cornerstone of a Genealogy Experience. The archives of the Gwent Record Office contain for example the minutes of the Tredegar Workmen’s Medical Aid Society, where you can read of the work of Councillor Aneurin Bevan and Dr A.J.Cronin.

Half-a-million people left the south Wales Valleys in the inter-war years. We will use 2010, the year of the Ryder Cup and the Heads of the Valleys Eisteddfod, to invite people to come home to the Valleys to find their family history. It will be the year of *Valleys’ Homecoming – Hiraeth Cymoedd*.

More than 150,000 people will visit the Eisteddfod alone. Half a century after Aneurin Bevan hosted Paul Robeson at the last Ebbw Vale Eisteddfod, we hope to create another link with Paul Robeson’s family. As President of the 1958 Eisteddfod, Aneurin Bevan said, speaking of local authorities’ role in culture, “there can be no better purpose to which to devote public revenue than to help raise the cultural standards of our people” ■

**Leighton Andrews** is Minister for Regeneration in the Welsh Assembly Government. This article is based on his speech to the IWA’s conference on *Opening Doors: Culture, the Creative Industries and Regeneration*, held at the Parc and Dare Theatre, Treorchy, in June.



# Opening Doors

Polly Hamilton explores new ways of utilising the arts for regeneration

**Aneurin works in theatre in London's West End. He is a graduate of the Royal Welsh College of Music and Drama and is now making a living doing the very thing he loves. But his story could have been very different. He grew up in an ex-mining village near Bridgend. His grandfather had worked in the colliery and his dad worked in a local factory. He thought his life was mapped out before him, a prospect he wasn't looking forward to, and in his own words, "I spent my time dreaming up new ways to get young girls pregnant".**

So what made the difference? When Aneurin was fifteen he had the opportunity to take part in a weekly youth theatre, provided by the local council with the support of the Arts Council of Wales. He said of the experience, "It opened a door I never knew existed."

For local authority arts services, Aneurin's story is not unique. There are many thousands of people whose lives have been transformed by the opportunity to participate in the arts. Arts services are one of the most effective in the armoury of preventative services, those which work with people and communities to harness talent and energy before it becomes disaffected

and creates bigger, more costly problems for our education, health and social services. Partnerships with the voluntary, private and other public sector agencies are integral to their work. As creative workers they have the very competencies prized by the public sector as integral to promoting innovation and change. But these are the very services which are most at risk as local authorities attempt to battle the challenging funding climate.

In 2007, seven local authority arts services in south east Wales - Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Monmouthshire, Rhondda Cynon Taf and Torfaen - came together to make sure that the 'door', which had been opened for Aneurin, could stay open for others. Our mission was to enable arts services and the cultural sector to be more innovative and sustainable. In doing so we hoped to increase our contribution to the regeneration of the Valleys and the wider creative economy in Wales. The project became known as ArtsConnect.

ArtsConnect is a change management project supported by the Welsh Assembly Government under its *Making the Connections* programme, a key mechanism for delivering on the recommendations of the Beecham Review. Additional partners include

the Arts Council of Wales, the Welsh Local Government Association, Cardiff University and the Heads of the Valleys partnership.

During 2008 we undertook some baseline research to explore the work of local authority arts services, to understand the complex ecology of the cultural sector, and to consider ways to increase the impact that local authorities make on the creative industries as a key driver of the knowledge-based economy. We brought in a team of specialists, Bop Consulting, who work internationally in the creative and cultural industries, and tasked them to undertake a mapping study of the sector in the region, and an audit of arts services.

At the same time we began an extensive visioning exercise, consulting people about their aspirations for the arts in the future. We also embarked on a programme of workshops to make sure that we challenged ourselves, and developed a shared view of what a 21<sup>st</sup> Century arts service could and should look like. This included engaging with the work of leading thinkers such as Charles Leadbeater, Richard Florida and John Holden, and making visits to places such as Cumbria and Leicester to see cultural regeneration in action. Crucially, we spent time agreeing a set of shared goals and values, to improve

how we worked together and to build trust, pledging our commitment to making the partnership work.

So what have we learned? The creative industries are one of the Welsh Assembly Government's top five priority growth sectors. From our research it is clear why. Cardiff in particular is booming as a cultural centre, surpassing the performance of other major cities such as Birmingham and Bristol. In the ArtsConnect region it is less positive. The creative industries' proportion of the economy is half of Cardiff's 5.1 per cent, although at 2.5-3 per cent, the creative sector is bigger than one might have expected for an area which is still semi-rural and overcoming the loss of its traditional heavy industrial and agricultural base.

In 2002, Cardiff and the ArtsConnect region had similar employment levels in the creative and cultural sector – around 8,000 people. Yet while Cardiff's employment grew to just under 10,000 since then, employment fell slightly in Monmouthshire and the Valleys creative sector to 7,200, although this was largely due to the closure of one large printing firm in Torfaen.

There is good news, however, suggesting that there is real potential for transformation. The numbers of creative businesses in the region are substantial at 1,700, compared with Cardiff's 1,280. Moreover, between 2002 – 2006 the sector grew by 36 per cent, which suggests a broad infrastructure which is ripe for further development and growth.

Arts services have traditionally been viewed as leisure-based services but have demonstrated their ability to deliver on a range of key policy areas. For example, Sonig and other youth music projects have successfully worked with disaffected young people to build skills and confidence and create access to the music industry.

Events such as Abertillery Blues Festival, Torfaen Jazz and RCT's Where Good Music Matters seasons provide visitors with great reasons to visit the valleys. They also help combat negative

racial stereotypes by enabling local people to engage with people from all over the world, whether Black Umfolosi from Zimbabwe, Gretchen Peters from Tennessee or the extraordinary throat-singers from Mongolia.

Although arts services have demonstrated their commitment to partnership and collaboration, there is a danger that they have been spread too thin, and whilst their impact is evidential their profile is low. More recently as the profile of the creative industries has grown in the UK, so have arts services strived to rise to the challenge by developing action plans, supporting artists and creative organisations to find work premises, start-up funding or specialist advice and creating networking opportunities.

Cultural, economic, learning and skills policies are not sufficiently joined-up to provide a useful framework for the development of the cultural and creative industries sector. For example, the Social Enterprise Strategy for Wales does not refer to the creative and cultural industries at all, even though they are a significant part of this sector. Meanwhile, the Creative Industries Strategy, whilst recognising the importance of arts and culture, has not created delivery mechanisms for its development as the seedbed of talent, nor does it address the creative sector's role in social and economic regeneration.

Very few Local Community Plans prioritise culture and the creative industries rarely figure in local economic development strategies, although there are exceptions, such as at Rhondda Cynon Taff. Furthermore, there are currently no national indicators for the arts and few arts services figure in local authority improvement plans. In a sector where what gets measured is what matters, the arts are way below the corporate and policy radar. The proposed Cultural Duty pledged as part of the *One Wales* agreement is still a long way from being implemented. Yet it will be critical if culture is to have the status it needs in local government in order to survive the

next round of budgetary cuts.

The discretionary nature of local government's responsibility combined with the lack of strong leadership to champion the arts has resulted in a legacy of low investment. Expenditure on the arts by local authorities in the region is considerably lower than the average spend for Wales (£7.26 per head compared to £12.26). In addition, revenue investment from the Arts Council of Wales is lower on average than in other areas: £3 per head of population compared to £8.89 average for Wales.

There are ten core theatres across the region in need of substantial investment to make them fit for purpose. There are plans for two new builds at Merthyr and Ebbw Vale and a refurbishment at Bedwas, which will create three new cultural spaces. There is a need to develop regional specialisms to complement local arts programmes as a means of making the whole infrastructure more sustainable.

Audiences and participation levels are lower in south Wales than in the rest of Wales. Across the ArtsConnect region in 2007 there were approximately 10,800 events attracting attendances of around 533,000. These ranged from participatory arts workshops in community settings, to visits to theatres, independent cinema and galleries.

Technology is changing how we work and how people experience culture. Young people today are able to make and edit their own film and distribute it via *youtube* without the intervention of adult professionals.

However, the live experience remains important, including its contribution to creating an attractive environment in which to socialise and do business. Local people are passionately supportive of the arts. In 2008 the Rhondda Cynon Taf theatres achieved a 96 per cent public satisfaction ratings in an independent survey carried out for the local authority, higher than any other service reviewed.

So what's to be done? Culture adds to place-attractiveness, encouraging people to live, work, study and invest in

an area. Culture is also a sustainable by-product of our industrial heritage. The very skills that people gained in the brass bands, choirs and amateur drama groups which were fostered to support workforce productivity by the mine-owners of the Industrial Age, have survived the loss of the industries which produced them. These creative skills have been quietly nurtured by the voluntary sector and local arts services and are now the precise competencies we need to meet the challenge of the recession and drive new economic growth. Projects such as Head4Arts and Creative Communities

of 'Wikinomics' we are committed to fostering an agile, porous new organisation which recognises that it needs to think globally as well as locally, to reach outside itself to find the know-how to improve and innovate. As Charles Leadbetter has put it, "You are what you share. And if you share then there is the possibility you can connect and collaborate with other people and then together you can start creating things."

The proposed new structure includes a focus on trading, enterprise and income generation to optimise the contribution of the cafes, bars and

learned that leadership can come from anyone provided they are given the space and encouragement to grow.

What makes this model particularly exciting is the opportunity to plug gaps, build on our current strengths and to encourage workforce development, training opportunities for staff and creatives in the wider cultural sector. For those participating in the initiative, merely being given an opportunity to participate has been empowering. As Kate Strudwick, Creative Project Manager with Head4Arts at Caerphilly County Borough Council, put it, "Local authorities can sometimes be a sterile environment and good ideas don't always get nurtured. ArtsConnect has provided an environment where good ideas matter."

We believe that the ArtsConnect project is entirely deliverable, utilising Convergence funding for the purpose it was designed for, to invest in a step-change that would create long-term sustainability. It is also a model that could be applied not just across Wales but in the UK as a whole. It could be the start of a new kind of industrial revolution.

This article began with the story of how the arts changed the life of a boy called Aneurin, opening a door into a new world, a world so very different to that which he thought he knew. That is our story. The arts change lives, changing the life-stories of those who engage. As the poet and novelist Ben Okri, has said, "Stories are the secret reservoirs of values: change the stories that individuals and nations tell themselves, and you change the individuals and nations."

We believe ArtsConnect can be part of a process of sharing success and encouraging others to follow, and find their own solutions. As anyone who works in the arts knows, stories are journeys. And all journeys begin with an open door... ■

**Polly Hamilton** was Head of Cultural Services for Rhondda Cynon Taf from 2002 to 2009 and led the ArtsConnect project before moving to become Assistant Director of Cultural Services with Blackpool Council in early 2009.



An Acadami Young Writers Squad, pictured in Merthyr Tydfil in Spring 2009

have shown that even in our most disadvantaged communities there is untapped talent just waiting to have the chance to express itself. But questions remain: how do we most effectively harness this creative energy, and how do we make the creative and cultural industries more visible?

We have started by developing a shared 21-year vision to develop the arts. At the heart is the commitment to creating an environment in which the arts can flourish, where cultural organisations are valued and just as coal once fuelled the Industrial age, the creative energy of Monmouthshire and the Valleys can fuel the new creative economy in Wales.

We have also designed a new model of shared service delivery across local authorities, with technology-supported networking as integral to our new way of working. Embracing the principles

business facilities which have the potential to generate the essential revenue needed to sustain arts services in the long-term. This means a further investment of £750,000 to £1.2million a year, according to our early figures.

Additionally, our model proposes new posts to support the development of the creative industries, working closely with mainstream business support providers, to help organisations grow through developing new markets and better exploitation of their Intellectual Property Rights. Innovation will also be integral to the proposed new artistic programmes, supporting local artists, commissioning new work and focusing on creative collaborations and participatory arts, building on an already existing strength. As well as providing new senior leadership roles, this model encourages peer-working to support and develop projects. Having

# Wired for Colonialism

Peter Stead says we need a few good men (and women)



This summer television has wallowed in nostalgia, not least for 1969. I was particularly taken with a series of programmes recalling a feature film from that year that I think was called *Liegeman* and apparently set in Caernarfon.

I had thought I was familiar with all the feature films made in Wales but I had entirely missed this sequel to *The Prisoner of Zenda*. The young lead actor oozed sincerity but one regretted that Stewart Granger had not been available for the part.

The Castle made a superb location but the surrounding Ruritanian set of humble cottages and shops looked distinctly shabby. And the streets were far too narrow for the mounted troops. The extras playing the local peasantry waved their flags enthusiastically. In contrast those extras playing the seated guests all looked rather wooden and uncomfortably dressed.

Other contemporary television news and current affairs programmes have been depicting royalty in the Wales of today. We were shown a prince entertaining groups of his loyal subjects at his farm or royal lodge in Carmarthenshire. Clearly this traditional farmhouse had been given a real makeover (had that been a separate TV series?) but what was most noticeable was the huge coat of arms in what had once been a barn but was now a formal assembly room. Turning down the sound, what one was presented with were scenes from the great days of Empire.

We were watching a Governor

General, a Viceroy or even the Emperor/King visiting a colony just as it was about to be given dominion status. Any minute now, I thought, there will be garlands or possibly a triumphant elephant procession around the estate.

Obviously that 1969 footage and the more recent scenes at Myddfai had almost automatically set me musing about the slightly unreal quality of royalty. Then, suddenly, the next news story which involved politicians brought me down to earth and those events at Caernarfon and in Carmarthenshire had to take their place in a very different context.

It had already been a year in which we had been given sustained and ample evidence of the fundamental shoddiness and inadequacy of the majority of our elected politicians whom we pay to call in at Westminster and the Senedd. The defence of 'it not being against the rules' has no validity when a situation exists in which those rules are almost non-existent and have obviously been perused with an intensity that revealed every loophole. Very little of this surprised me.

I was lucky enough to have had an entirely non-political upbringing. The phrases that stand out from my childhood are 'they are all in it for themselves' and 'they should bring together the best of all parties'. Only occasionally was somebody referred to as 'a good man'. We have been short of good men and women this summer. Perhaps, I was prompted to reflect, a royal visitor who listens to our complaints and reminds us that the country is greater than its temporarily elected leaders is a constitutional necessity.

In a sense, however, the constitution (which, of course, we do not have) is less important than the culture of our politics. What the scenes at Myddfai really prompted was the thought that perhaps Wales is still essentially a colony. I came to this notion not from the angle of whether we are all loyal subjects, but rather from the perspective of whether we all still think

like colonials. This is a question that needs to be confronted directly and, not least by our elected politicians. It is they, I suggest, who continue to make Wales a colony.

A generation ago the issue of whether the traditional Welsh economy was essentially a colonial economy was raised by Michael Hechter and then fiercely debated by historians and economists. In subsequent decades, as we de-industrialised and skills and wealth declined, we rather disguised the colonial question behind our cultural vitality and waited for economic miracles to happen. Our saviours, it was thought, would come bearing gifts from Japan, Europe, North America and, perhaps, even London.

The failure of our politicians has constituted a double whammy. Was it their preoccupation with expenses that ensured that they took their eyes off the ball? At Westminster they stood by as the country drifted into disastrous military engagements, the national debt spiralled and the banking system imploded.

Meanwhile in Wales, instead of embracing the new devolution challenge, the majority of AMs dug deeper into the defensive bunkers in which their respective parties have always felt most comfortable. They are wired only for complaining about some exploitative system. They are colonials to the marrow of their being.

I recently checked the list of AMs and found that I had never heard of thirteen of them and three others I thought had retired. I was not proud of those statistics. But what worried more was the feeling that it was a folly to think that collectively these 60 people could sustain a national debate on the changes needed to create new patterns of wealth creation and aspiration in Wales.

It will only be when we engage all our business people, academics, media pundits and advisors in an open national debate that we will cease to be colonial. We have all been lulled into a colonial mindset. In the Third World it used to be said that only with the establishment of a national airline was a new nation's status assured. Certainly the Senedd and Myddfai are not enough.