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a green wales

In our euphoric moments we claim that we are the only parliament alongside the parliament of Tasmania which has a constitutional duty to pursue sustainable development. It is a sophisticated Welsh device to always claim to be second, or one of two. Anyone can claim to have an unique feature: all you need to do is fail to look anywhere else. To claim to have one of two suggests you have searched the whole world carefully – and come up with Tasmania. I imagine there may be others.

Section 121 of the Government of Wales Act 1998 states that, "The Assembly shall make a scheme setting out how it proposes, in the exercise of its functions, to promote sustainable development." This is an obligation that we have to monitor every year, though in 2002 we waited a long time for the annual report, and the debate to discuss the report was postponed several times. In the end we had the debate but still no report! Not that our commitment means as much as it should. In the early days of our Assembly I collected all official references to sustainable development and found four different meanings for it.

- In the first place there was a legalistic term associated with European grants. If an applicant receives a European Grant under one of the Structural Funds it is intended to be a once-and-only grant so that that the project supported become self-supporting. This is economic sustainability.
- The second meaning is one that is central to our survival as a nation, which the founder of Plaid Cymru, Saunders Lewis, defined as "a community of communities". In planning our future development we reject economic developments that destroy whole communities and so strive to preserve our existing communities. Thus we aim for social sustainability.
- The third meaning is surely closest to the one that former Norwegian Prime Minister and Director General of the World Health Organisation, Gro Harlem Brundtland, had in mind, and that is environmental sustainability.
- In one government document written by a civil servant sustainable development is defined as "economic growth at an accelerating rate" – almost a perfect definition of unsustainability!

Since the Assembly started there has been a fairly consistent attempt to distinguish economic, social and environmental sustainability, and the fourth definition is thankfully a fading memory.

Everyone is in favour of sustainable development, and the more the better. In America it would be compared with Mother and Apple Pie: the Welsh equivalent is Mam and Welsh Cakes. However, a few people are honest enough to point out that the different types of sustainability can be contradictory. Thus, in the Single Programme Document of the European Objective Two Programme in Wales there is an honest declaration that recognises the potential conflict:

"Investment that is made with the primary purpose of creating jobs in an area will potentially have a negative environmental effect."

To sustain a community it may be necessary to allow the economy to grow in a way that damages the environment. As an example it was stated that if we regenerate the economy of our rural areas under present conditions we will create extra road traffic and this will have a negative environmental effect. Alternatively, if we give total priority to preserving the environment we will inhibit economic development and this might undermine the viability of a community. We see the dilemma in the battle we have over the development of wind energy: cutting down on CO2 output and providing income to farmers is fiercely opposed by some on environmental grounds!

virtuous solutions

A Green Economy must therefore emphasise those virtuous solutions where a project that protects the environment actually creates employment and hence supports the economy of widespread communities. There are four examples that I wish to emphasise: renewable energy, information technology, waste recycling and public transport.

In the first place, renewable energy is a sector where Wales has huge opportunities. Global warming is by a large measure the most important item on the political agenda. The replacement of fossil fuels by renewable, non-polluting alternatives is therefore a very high priority. As it happens Wales is an ideal test-bed for almost every form of renewable energy.

We have large areas of windswept uplands where the average wind-speed is greater than 6 ms⁻¹ – ideal for wind power. And we could produce 20 per cent of our electricity demand from wind-power without any serious difficulty. This would provide an income for farmers and help to preserve the countryside.

The same is true of biomass energy. Forestry residues could pump-prime a biomass electricity station but, eventually, forestry would have to be supplemented by short-rotation willow. This could initially provide about five per cent of our electricity

Hydro-electricity might also provide five per cent of our power. Some people are surprised the figure is so low, but Wales is a small country and we build our mountains in feet rather than metres. Moreover, contrary to appearance, we do not have sufficient rain to generate a substantial amount of hydro-electricity.

However, on our south coast we have the second largest tidal range in the world. If ever the Severn Barrage project were completed, it would alone produce 150 per cent of Wales' electricity needs. But one warning: there was a 1945 proposal for a Severn Barrage and even a 1924 proposal. In reality it is too awesome a project to contemplate yet – a project with unpredictable environmental side-effects. However, smaller tidal barrages or, better still, off-shore tidal lagoons or underwater turbines driven by strong tidal streams are all serious proposals, easily able to provide another 20 per cent or more of our electricity.

Wave energy has still to drive a totally successful device large enough to make a significant contribution to our energy demand, but when such a device is available, all our

electricity could come from non-polluting sources.

The big problem with renewable energy is that it is often unpredictable, and storage is needed. Here again Wales has an intrinsic advantage with two extremely efficient pump-storage systems that could pump water to the upper reservoir when the wind-turbines are generating and use this water to generate electricity at peak time. They were built to match the constant output of nuclear power stations to a fluctuating load but they could work equally well in reverse.

Finally, Wales already has a significant sector manufacturing solar thermal panels, mainly for export.

Put all this together, include the manufacture of turbines and turbine towers and gearboxes and generating stations, add a systematic programme of energy conservation, and the total number of permanent jobs that could be created is about 10,000, spread widely throughout Wales. Environmental

protection leads to a sustainable sector of the economy, supporting existing communities.

communication and virtual reality

The second virtuous technology is broadband communication. For fifteen years I have done a lot of my



Phil Williams, who died suddenly in Cardiff in June, was Plaid Cymru's AM for South Wales East during the first term of the National Assembly, and Professor in Solar Terrestrial Physics at the University of Wales, Aberystwyth. This is an edited, updated, version of a lecture he gave at a symposium on Regionalism and Sustainable Development at Bad Urach, Germany, in June 2002, organised by the Welsh Studies Centre at the University of Tübingen. The article first appeared in the Spring 2003 issue of Scottish Affairs.

physics teaching in Aberystwyth, lecturing to students in Cardiff and Swansea via a video link. We hold many committee meetings via the link and we have also used it for PhD oral examinations. And this is still a rather limited link.

There must surely come a time when we can replace a high proportion of physical meetings by virtual meetings over a broadband network. This would certainly reduce car travel. A saying from 25 years ago proposed that the best answer to traffic jams is the video-phone. Similarly, with a broadband link an ambitious and talented young person can choose to stay in a small rural community, and carry out high-level work from home, interacting effectively with colleagues at a distance. This is a technical development that can reduce CO2 pollution and help to save communities.

At present I am involved in a particular ICT project that could make an important contribution to tourism. In our physics department we are funded to install state-of-the-art virtual reality equipment. Our interest is in studying the atomic structure of glass but we are now applying for European grants so that the expertise we develop can be used to help a wide range of economic sectors, including heritage tourism. Blaenavon in the mining valleys has just been designated an UNESCO Heritage Site. It is the spot where the industrial revolution grew up and where the Thomas process was developed that led directly to the industrialisation of Germany. The houses, the landscape and the ruins of the eighteenth century iron works are uniquely evocative. But an extra experience would be to recreate a virtual ironworks where the visitor can experience the actual conditions of eighteenth-century iron making. We are working on it.

Of course, some people warn that virtual reality could destroy tourism. Why go to Rome when you can experience the paintings in the Sistine Chapel much better in a VR Cave in Cardiff than in the Vatican itself? But if so, so be it. If we want to preserve the planet we have to reduce the number of long-haul jet flights, so virtual tourism is a possibility to consider.

Before leaving ICT I must add that although Wales has a very poor IT infrastructure, we are a major producer of optic fibre and of optronic devices, so developments in ICT will also produce highly-skilled jobs on the hardware side.

waste recycling

A third virtuous activity is in waste recycling. Here we have an immense amount to learn from Germany. At present we recycle only about 6 per cent of our waste. We cannot express any pride in this aspect of Welsh life, but must see it as our biggest challenge. Up until recently all our waste was dumped en masse into landfill sites. Two of these in particular, Nantygwyddon in the Rhondda and Trecatti in Merthyr, caused very serious

environmental problems. Nantygwyddon is best known but the problem is very similar in Trecatti: a rugby match was cancelled in Dowlais because of the smell of Trecatti, and in Wales that indicates a very serious problem! There is a policy to phase out landfill, but if instead we have incineration of mass, untreated waste then one environmental problem will be replaced by others – including the generation of dioxins. There are several very interesting experiments both in universities and in commercial sites to apply recycling technologies to raw waste. Glass, ferrous and non-ferrous metals and plastics can be removed before subjecting the waste to pyrolysis so that the final product is a biofuel that can be used to generate electricity and heat with no serious pollution. All this in a plant where extensive heat exchanging leads to a remarkably high overall waste-to-energy efficiency. The main problem – and this is universal – is to devise a fully automatic and 100 per cent reliable method of removing plastic from the waste stream. At present this inevitably means a manual element in the sorting, though it is claimed that the pyrolysis itself can prevent the noxious emissions.

transport

If waste disposal is an area where we have so much to learn from countries like Germany the same applies to transport. Communications are poor in Wales. We have dual carriageways along the south coast and along the north coast but that is all. We do not have a good road linking north and south. Moreover, most of our railways were closed in the 1950s and 1960s and, although we produce twice as much electricity as we consume, we do not have a single mile of electrified line. Railways are not a devolved matter, and the National Assembly has no direct representation on the Strategic Rail Authority.

The opportunities are considerable: a high proportion of the population of Wales live in linear communities following the old coal-mining valleys – an urban structure ideal for a modern passenger rail system. So here we have aspirations but no resources. We do have plans to re-open two lines for passenger traffic: the line from Cardiff that runs past our national airport and the line from the ex-steel town Ebbw Vale to Newport. However, if only we had our fair five per cent share of the investment in railways planned by the UK government over the next ten years, we could fund those two projects in just two months and then, for the remaining nine years and ten months, we could link up the whole of Wales. Our dream is to use 100 per cent renewable energy to power a modern, comfortable, fast, reliable railway system. But so far dreams they are.

And I am afraid that applies to many of the plans I have outlined. The aspirations are admirable but the performance is disappointing.

between hope and disappointment

One way of contrasting the plans with the performance is to look at the funding of the different measures in our main European Funding programme, Objective One, and then look at the allocation of those funds made so far.

The good news is that of a total budget of four billion Euros, over 700 million Euros are allocated to clean energy, ICT infrastructure, environmental improvement and transport.

The bad news is that, two years and six months into a seven-year programme, we have allocated only 1.6 per cent of the budget for clean energy, 0.0 per cent of the budget for ICT Infrastructure, 11.3 per cent of the budget for Protecting the environment, and 2.8 per cent of the budget for transport. The slightly better news is that at last detailed plans are emerging to meet our commitment to a sustainable economy, and when these plans are put into practice there is a budget available to support at least some of our dreams.

For example, our performance on renewable energy is very disappointing. In 1999 we felt we were in the world premier division. We had a healthy lead in the deployment of wind turbines, with the exception of Denmark. Since the inception of the National Assembly, however, there has been an almost 100 per cent block on new wind-farms or biomass generation so we are falling behind. This was mainly the result of having, before this year's Assembly elections, a Minister for Environment, Planning and Transport who combined a basic dislike of wind-turbines with an academic's love of an extended data analysis before making any decisions.

However, slowly but surely a new planning tool is emerging with the use of the Geographical Information System. This allows you to take the map of Wales, apply any combination of criteria and then select those locations that match those criteria. Thus, if you decide to build wind turbines where the wind is over 6 ms⁻¹, there is no habitation within a kilometre, it is not in sight of a National Park, it avoids historic woodlands, and sites of special scientific interest, you can run the programme and be offered a range of sites. In addition I have persuaded the Economic Committee to develop an energy strategy. This is now out for consultation, but we hope that soon we can persuade the Government of Wales to accept a target of over 20 per cent of our electricity consumption from renewable energy by 2010 – a fairly easy target with existing plans. In February 2003 the Assembly Government endorsed the policy of setting a target of over 20 per cent of Welsh electricity consumption from renewable energy by 2010. A Technical Advice Note (TAN8) on the location of Wind Farms is expected as part of a Spatial Plan for Wales, due to be published before the end of 2003.

The same mixture of disappointment and hope applies to our broadband infrastructure. At present the UK comes 22nd in the league of industrialised nations in the percentage of the population with access to broadband communication. And of the 12 regions of the UK Wales lies at the very bottom.

Here again very little has been done since the opening of the National Assembly – mainly because the two main operators, BT and NTL, do not have two pennies to rub between them. However, one commercial secret has emerged: many years ago BT had linked almost all our exchanges with optic fibre – though they denied it – and parts of rural Wales were fibred up years ago as a test experiment. In those days Wales was the world's leading producer and packager of optic fibre, though this may have changed since Dow-Corning closed their plant. It would require about £150 million to exploit the huge advantage of the basic fibre backbone to provide broadband to 90 per cent of all homes. So far all we have is a commitment to provide broadband to every school, library, local-government office and health centre in the next two or three years.

However, our Economic Minister keeps promising a major announcement. It is a bit like Ionesco's play 'The Chairs'. We keep waiting for this announcement. I suspect there is a battle with the Finance Minister over the budget, but if he wins it we might leapfrog into the future. A budget of £135 million has been announced by the Assembly Government for broadband developments – but spread over 5 years which still does not suggest a sufficient sense of urgency.

On waste also we can hope that the future is brighter. After huge political pressure – including Labour's loss of its Rhondda stronghold to Plaid Cymru in the 1999 election – the Nantygwyddon tip has been closed. And now, at last, the Government have published a waste strategy which at least promises to remove the main blemish on the image of a Green Wales.

The statutory commitment to sustainable development is very good news. The extremely slow start in implementing this principle is very disappointing. However, there are signs that the ice is thawing as at last the big ship is starting to move. In a small forgotten country like Wales we do have an inferiority complex and we often boast without any foundation that our role is to lead the world. A poet friend of mine thinks it all springs from the memory of Magnus Maximus who set out from Wales and ended up as Roman emperor north of the Alps.

But who knows: if we have any chance of making our mark as a small nation it must be as a Green Nation and as a nation that takes its commitment to sustainable development very seriously.

news

New Valleys Research

Following a recent tendering exercise held by the Welsh Assembly Government, the IWA, in collaboration with the University of Glamorgan, has been appointed to undertake a study to compare the socio-economic characteristics of the south Wales Valleys with similar regions across the UK, and to assess new policy initiatives that might be deployed.

certain areas where the southern ends of the valleys have in effect been suburbanised. The project, part of the Welsh Assembly Government's Economic Research Programme, will seek to inform on-going national and international policy programmes, including the European Structural Fund's Objective One Programme and the Communities First initiative.

- Compare these indicators with the socio-economic characteristics of comparable regions in the UK.
- Review policy responses that have been used to address socio-economic problems in the UK and beyond.
- Consider the applicability of successful policies used elsewhere for the specific socio-economic problems found in the south Wales Valleys.



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Available evidence has for some time suggested more severe socio-economic problems in the upper south Wales Valleys. There has also been an emergence of a north – south divide in

The study, to be completed in early 2004, will:

- Examine the current socio-economic characteristics of the south Wales Valleys through consideration of a diverse set of indicators.

The following questions provide a starting point for the research:

- Has the less severe physical geography of comparable former mining districts such as Durham or South Yorkshire made it easier for individuals to transfer into jobs in neighbouring areas, and for new employers to move into these areas?
- Has the role of big cities in other regions been different? For example, the relative ease of access to cities such as Newcastle, Sunderland, Sheffield and Wakefield may have played an important role in enabling individuals to find jobs more easily compared with those living at the further extremes of the upper end of the south Wales Valleys.
- To what extent have high levels of relatively inexpensive home ownership rendered

IWA Wins Rowntree Core Support



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individuals reluctant to move in search of work? Has outward migration been one of the reasons why adaptation appears to have been more successful in north-east England than in Wales?

- To what extent has outward migration affected the demographic and social structure of the communities in the upper end of the south Wales Valleys, and the potential for community regeneration?
- To what extent are poor transport networks within and between the upper end of the south Wales Valleys acting as a disincentive to socio-economic regeneration? This includes the frequency, speed and standard of train and bus services.

- Do low levels of car ownership impede the economic prospects of the population and if so, to what extent?

The study will identify policy responses for an area of Wales which has been a long-standing interest of the two partners involved in the research. As far back as 1988, the IWA published a comprehensive report, *The South Wales Valleys: An Agenda for Action*. This was adopted by the Welsh Office and the Welsh Development Agency in the "Valleys Initiative" of those days. Similarly, the University of Glamorgan has made delivery of a positive impact on the Valley Communities a strategic objective on a par with its mission to develop quality teaching and research.

The IWA has been granted £20,000-a year core funding over the next three years by the Joseph Rowntree Charitable Trust. Offering the support the Trust's Secretary, Stephen Pittam, said, "The Trustees appreciate the important role the IWA is playing in attempting to build a common sense of Welsh civic identity. We are convinced of the need for an independent and critical voice in Welsh politics."

The grant follows consistent support the Joseph Rowntree Charitable Trust has given the IWA over the past five years in its devolution project monitoring the policy developments and the democratic processes that have accompanied the establishment of the National Assembly. The latest results of this work was the publication of *Birth of Welsh Democracy: The First term of the National Assembly* in March 2003. This was the fourth in a series of books produced by the IWA on the devolution process since 1998, all of which have been supported by the Trust.

"This new grant is a breakthrough for the Institute," said IWA chairman Geraint Talfan Davies. "It is relatively easier for organisations like ourselves to secure support for specific projects, especially when they align

directly with the interests of funders. However, obtaining core support for the general objectives of an organisation is much more difficult. We are extremely grateful to the Joseph Rowntree Charitable Trust for acknowledging in this way the contribution that the IWA is making."

The JRCT was set up in 1904 by Joseph Rowntree, a Quaker businessman who made his money from producing cocoa and chocolate. All its trustees are members of the Religious Society of Friends (Quakers). It makes around 200 grants a year, ranging in size from a few hundred pounds to more than £100,000. Its interests cover: peace; democratic process; racial justice; corporate responsibility; religious concerns; and peace and reconciliation in South Africa and the North and South of Ireland. The IWA's grant comes under the Trust's democratic process programme which includes:

- The nuts and bolts of the new constitutional settlement in the UK, to tackle the weaknesses which result from its unwritten constitution.
- The importance of local democracy as a counter to the centralisation of power.
- How to rectify the perception that people are subjects, rather than citizens with concomitant rights and obligations.

Last Testament from Phil Williams

The latest IWA Gregynog Paper, due to be published by the IWA in September, is by the late Professor Phil Williams who was Plaid Cymru's AM for South Wales during the Assembly's first term. The paper, entitled *The Psychology of Distance: Wales One Nation*, was Professor Williams' last significant contribution. He completed the work, which runs to some 20,000 words, only days before he died, of heart attack in Cardiff, in June 2003. It concludes that the Assembly has the potential to create a unified civic culture in the face of many divisive tendencies and sometimes a fractured sensibility that so often characterises the Welsh identity.

The seminar out of which the Paper was produced was held in early November 2002 at the Gregynog University of Wales Conference Centre near Newtown, Powys. In addition to Professor Williams those attending were Professor Jane Aaron, of the University of Glamorgan; Graham Day, of the University of Wales, Bangor; Geraint Talfan Davies, Chair of the IWA; Angela Elniff-Larsen, Director of Community Enterprise Wales; Eurfyl ap Gwilym, a business consultant; Rhys Jones, of the University of Wales, Aberystwyth; David Melding, Conservative AM for South Wales Central; John

Osmond, IWA Director; Professor Peter Stead, of the University of Glamorgan; and Elin Royles, of the University of Wales, Aberystwyth.

The Paper utilises the concept of 'the psychology of distance' to explore the cross currents of division that challenge policy makers in the Welsh Assembly Government. The most quoted divide in Wales is between north and south. Yet there are great similarities between these two halves of the country. The distance between them is largely psychological, simply because their peoples so seldom meet.

In respect of other divides, for instance between the poorer communities of Wales and those that are more prosperous, the physical distance is often very small. As Professor Williams pointed out, Cyncoed in Cardiff, by a large measure the least deprived ward in Wales, is less than 20 miles from the Gurnos estate in Merthyr, which is one of the most deprived parts of the country. Yet, as Professor Williams observed, the "psychological barriers can be just as daunting as the barriers of distance." For the long-term unemployed living in impoverished communities such as Gurnos the prosperous parts of Cardiff must seem a million

miles away: "In these matters of relative separation the psychology of distance is truly at work."

Born in Tredegar in 1939, Professor Williams grew up in Bargoed, was educated at Lewis School, Pengam, and Clare College, Cambridge, where he completed a Ph.D. in radio astronomy. He became a professor at the University of Wales, Aberystwyth, in 1992, specialising in Solar Terrestrial Physics.

The next Gregynog Paper, due to be published in early 2004, will be by Labour's Bridgend AM Carwyn Jones, Minister for the Environment and Rural Affairs. He will address the future of Welsh Labour.

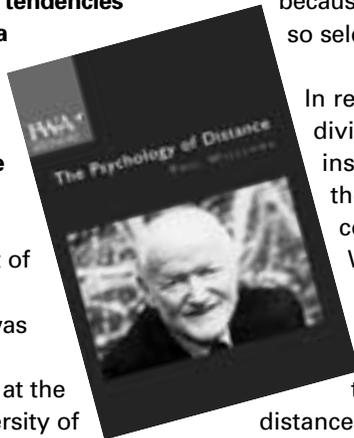
North Wales Development Strategy

A seminar to contribute to the production of the North Wales Development Strategy, partly funded by Welsh Assembly Government, will be held on Friday, 19 September in St Asaph. London-based international economic consultants EDAW, working with North Wales based consultants Egni Cyf, were commissioned earlier this year to produce the Strategy which will be launched in early 2004.

The seminar, being held at the WDA's North Wales headquarters, in the Business Park at St Asaph, is intended to engage with the consultants initial thinking and provide input from stakeholders from across north Wales. The event will start at approximately 11.30, with a presentation by the consultants on the emerging themes. After lunch, this will be followed by a number of workshops and a report back session. The event will finish by mid-afternoon.

A wide range of economic, social and cultural factors are being taken into account in developing the Strategy, including the existing plans of key agencies such as the WDA, ELWa and the north Wales local authorities. The Strategy will need to take into account that Objective One status for the west of the region (Ynys Mon, Gwynedd, Conwy and Denbighshire) comes to an end in 2006. It will also have to engage with the eastern part of the region's cross-border relationships with Cheshire, Liverpool and the new North West Regional Assembly.

The North Wales Economic Forum (www.nwef.org.uk) has a membership of the six north Wales counties, WDA, ELWa, CBI, Wales TUC, Employment Service and Benefits Agency, Wales Tourist Board, Fforwm (on behalf of north Wales' six Further Education Colleges) University of Wales, Bangor, North East Wales Institute,



Wrexham, and the North Wales Chamber of Commerce. Currently it has five broad priorities for investment in:

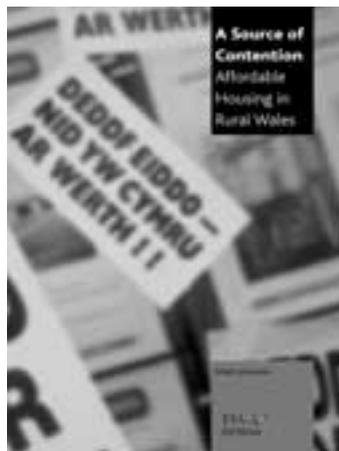
- Business – encouraging new start-ups and inward investment
- People – to provide more highly skilled, adaptable workforce.
- Infrastructure – especially ICT, transport and communications
- Image and environment – to promote tourism and quality of life
- Intellectual capital – to produce new technologies and knowledge-based industries.

The aim of the new Development Strategy is to place practical, time-lined actions against these aspirations. The Development Strategy is being overseen by a working group comprising Trefor Jones (WDA Board member, Chair), Geoff Owen (ELWa, north Wales), Sasha Davies (WDA, north Wales), Paul Roberts (Wrexham County Council), Henry Roberts (Gwynedd County Council), Huw Griffiths (Ynys Mon County Council), Malcolm James, Business North Wales), and Dewi Davies, Regional Tourism Partnership.

- There will be a limited number of places for IWA members at this event. Members wishing to attend should contact Clare Johnson at the IWA (02920 575511 or e-mail clarejohnson@iwa.org.uk)

Affordable Housing in the National Parks

A new IWA report A Source of Contention: Affordable Housing in Rural Wales will be unveiled at a conference devoted to the future of rural Wales being held at the National Library in Aberystwyth on Monday 23 September.



The conference, sponsored by the Principality Building Society and organised by the IWA in association with the Campaign for the Protection of Rural Wales, will examine sustainable housing policies in the greater part of rural Wales which is under environmental pressure.

Controversial 'locals only' housing planning policies in the National Parks prompted the year-long IWA study being published at the conference. Undertaken by the IWA's Senior research fellow Eilidh Johnston, and supported by the Joseph Rowntree Foundation, the study goes to the heart of controversies currently besetting housing policy in rural Wales, and

provides a policy analysis with recommendations on the way forward. The research was undertaken between September 2002 and June 2003 and involved:

- Consultation with experts from local authorities, housing associations, estate agents, the National Parks and other organisations.
- Focused discussions with community interest and tenant groups and young people across rural Wales.

Also launched at the conference will be Sustainable Housing in Protected Areas, a feasibility study into measurable techniques for supplying sustainable and affordable housing for local people. It has been produced by the Welsh School of Architecture for the Campaign for the Protection of Rural Wales and the Brecon Beacons National Park.

Other speakers at the conference include Phil Roberts, of the Gwalia Housing Association, who will address the issue of green housing and community development, and Harold Carter, former Gregynog Professor of Human Geography at the University of Wales Aberystwyth. Professor Carter, who will wind up the conference with an overview of the future of rural Wales, has published widely on Welsh language trends, statistics and policy, setting developments in the context of global change.

- To attend the conference contact the IWA office (02920 575511 e-mail: wales@iwa.org.uk). There is a charge of £15 which includes lunch.

- **The Welsh Survival Gene**
Professor Jane Aaron gives the IWA's third annual lecture at this year's Meifod Eisteddfod. 2pm Tuesday 5 August, Pagoda pavilion

- **A Development Strategy for North Wales**
North Wales Economic Forum and IWA consultative conference Friday 19 September WDA North Wales HQ, Business Park, St Asaph 11am – 4pm
Consultants present initial findings

- **Housing and a Sustainable Future for Rural Wales**
IWA Conference Monday 22 September National Library, Aberystwyth 9am – 5pm
Launch of new IWA report **A Source of Contention: Affordable Housing in Rural Wales**
Reaction from the National Parks and Ceredigion County Council, and the Welsh Federation of Housing Associations
Other speakers include:
– Phil Roberts, of Gwalia Housing on Sustainable Housing in Protected Areas
– Professor Gareth Wyn Jones on A Bright Future for Rural Wales
Tickets £15 to include lunch

just published...

- **The Welsh Survival Gene**
National Eisteddfod Lecture, Meifod 2003 £19.99
- **Wales Unplugged**
Monitoring the National Assembly April to August 2003, £10

more information:
www.iwa.org.uk

playing the Welsh card in Britain



Peter Stead, one of the judges, explains how Cardiff gained from losing its bid to become European Capital of Culture in 2008

June 4 was seemingly a bad day for the people of Cardiff and for many Welsh politicians. There was great disappointment that the city had not been named as the 2008 European Capital of Culture. Some people took this as a major setback, and in some sections of the Welsh media there was a hint of bitterness as reporters asked why Cardiff had failed. The truth is that the city had not failed. We have every reason to be proud of a bold, stylish and appealing Cardiff bid that genuinely thrilled my fellow judges. There is every indication that by merely taking part in this competition the sense of the city's potential as a cultural centre of international standing has been greatly enhanced. Many exciting days and nights are to come.

From the outset, competition for the prize was intense, and it should not be forgotten that winning a place on the

short-list was in itself a considerable achievement. As, with considerable difficulty, we reduced the list of competing cities from twelve to six we were clear that only potential winners should survive. That meant that there was to be no sympathy or sentimental voting and no use of the short list as a form of consolation prize (my knowledge of the history of Welsh Labour Party selection conferences had alerted me to the danger of that tactic). And so we had to say goodbye to the brilliantly innovative Bradford team; to the passionate and charming cultural leaders of Belfast; to an Inverness team that wanted Europe to join in a celebration of Highland culture; to the representatives of two cities, Norwich and Canterbury, who planned to use their respective majestic cathedrals as a driving force in cultural regeneration; and to the politicians of Brighton who remain splendidly dedicated to the notion that their city should offer the people (and that means all the people) of the country a year-long carnival.

We had aimed for a short list that would involve genuine competition, and that is exactly how things turned out. Until almost the last minute of an exhaustingly detailed process a strong case was being made for each of the six cities by one or more of the twelve well-informed and eloquent individual judges, whose combined expertise covered all the relevant fields. We had all been to the twelve cities once, and then we revisited the six cities. We had interviewed the various teams on several occasions and we had been bombarded with detailed research papers compiled by civil servants and

consultants. What impressed me most was the determined commitment of our chair, Sir Jeremy Isaacs, that every city and every panel member would be given an equally fair hearing.

The criteria that would guide our choice were straightforward and never out of our minds. The winning city would have to stage a major and innovative festival that would excite the whole of Europe, a festival both supported and participated in by all the citizens of the city. It would have to be well-managed, financed by both public and private money and ensuring a cultural and institutional legacy long after 2008 itself. All six cities measured up to these demanding requirements but, of course, they did so in different ways.

In general terms, Cardiff offered the best prospect of a festival of big names as well as a stunning theatre in which to welcome them. Oxford would have guaranteed outstanding literary and science festivals. Bristol's year would have been graced by stunning theatrical productions as well as multi-media innovation. Newcastle/Gateshead offered the best example of how artistic imagination has a vital role in transforming the image of a post-industrial city. Birmingham's bid was rooted in the need to reward and sustain the energies of a complex multi-racial society. The jewel in Liverpool's crown was its outstanding collection of galleries.

In the end Liverpool took the prize because of the way it tackled head-on all the criteria, and because, to a clearer extent than in the other cities, its exciting programme was worked

out in conjunction and partnership with its citizens. To round things off, we also thought that Liverpool's bid was the most genuinely outward looking. Here was a city confident of its identity and of its ability to market it. Six great cities were on the shortlist but, unfortunately, there was only one prize.

In the final analysis one or two things might have counted against Cardiff. Some suspected that if the city really committed itself to its Centenary celebration in 2005 then there might be difficulty in staging a second act three years later. Now, of course, all the eggs can go into the one basket. With so much emphasis being placed on the need for successful private and public partnerships the panel of judges was bound to give some consideration to the comparative poverty and economic backwardness of Wales. The contrast here was always with the well-supported bid of Bristol, a city just 40 miles from Cardiff, and one second only to London in terms of personal incomes.

As Cardiff prepares for 2005 there are valuable lessons to be learned. Cardiff was the second smallest city on the short list (after Oxford) and on our visits it felt smaller than the great English cities. Birmingham for example was making its bid on behalf of the three million citizens of the whole West Midlands area. I could not help but think that in Wales we had not fully embraced the notion that, apart from being the nation's administrative

capital, the relatively small community of Cardiff is effectively a city for some 1.5 million people, chiefly in the Valleys, who depend on it for jobs, shopping, culture and entertainment. Perhaps the judges should have been made more aware of that; and perhaps we in Wales need to work out its implications. As Cardiff builds its international reputation, it needs to determine precisely its relationship with the people of Merthyr, Tonypanyd, Aberdare and Bargoed.

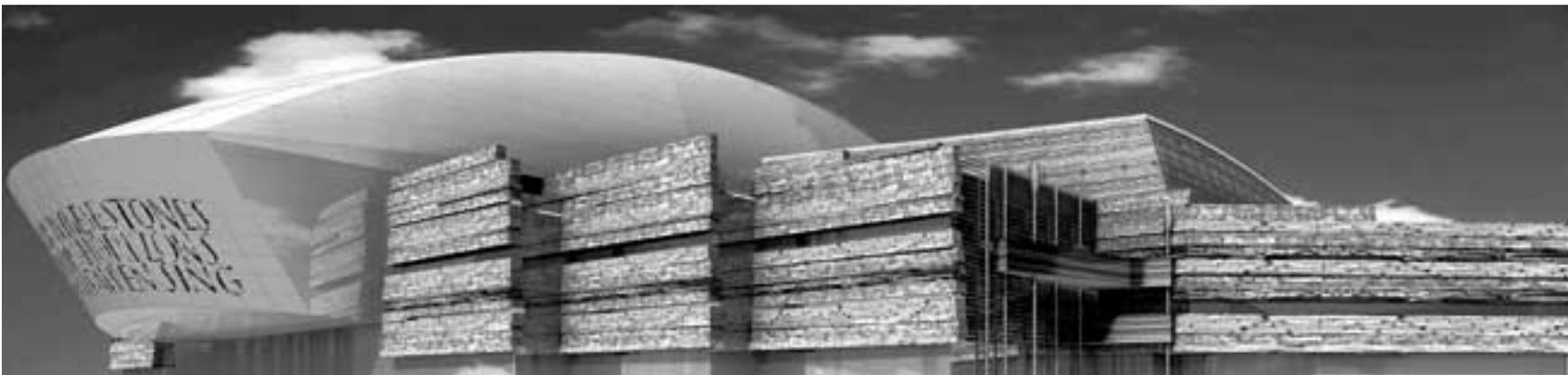
At the same time we are not quite there in terms of deciding what the centre of Cardiff should look like. Judges were swept off their feet by the city-centres of Bristol and Newcastle, both offering complete environments in which the new and old combined naturally. Cardiff's waterfront inevitably seemed unfinished and unresolved, whilst that gap between Callaghan Square and the Bay yawned menacingly.

The fact that the winning city, Liverpool, will now be working alongside the other short-listed cities means that in the run up to 2008 we will have a fuller sense of British civic culture as a whole. Certainly there are lessons to be learned in this respect. The point was often made that the Welsh National Opera was an integral part of the cultural scene in five of the six short listed cities. Meanwhile Liverpool unashamedly, and justifiably, played the Welsh card, missing no opportunity of reminding the judges that it was in part a Welsh city. Is it the

case that in recent years Cardiff has given insufficient attention to its role as a British city? Better football teams will now be coming to Ninian Park but we want the best club rugby sides too, and the best theatre and dance companies. It would be good if the world's great writers travelled beyond Hay. Meanwhile we give the rest of the country opera but what else? Have we turned our backs on Bristol and Birmingham instead of working with them? Yes, we need to develop Cardiff as a European city, but perhaps we need to improve our British credentials first.

It was a privilege for me to have gone through this whole process as a panel member for the Department of Culture, Media and Sport. I came out of it proud of the city that has effectively been my city for sixty years. But I am not yet confident that those of us who love Cardiff quite understand what it should amount to in terms of either its Welshness or its Britishness. Perhaps we need to walk before we run.

- *Peter Stead, a native of Barry, is Visiting Professor at the University of Glamorgan.*



Artists impression of the Millennium Centre to be unveiled in time for Cardiff's celebration of 50 years as the capital of Wales in 2005.

dispatches from Everest

jan morris weaves a tale that traces back 50 years to Base Camp and Katmandu

I was just The Messenger from the Mountain when Everest was first climbed in 1953. But I played a sort of allegorical part in the adventure, and perhaps allegory is the right way to look at it now. Somebody said that allegory is something that means more than it has any right to mean, but I think everyone would agree that the first ascent of Mount Everest, the top of the world, was an event that rose above the mere climbing of mountains. It really did come to mean more than it had any right to mean. It became, in fact, over the years, a grand and lovely allegory, and part of that allegory was mine.

I'm no climber, and I went to Everest simply as a special correspondent of The Times, which had had a special relationship with Everest expeditions for many years. John Hunt the expedition leader, having inspected me fairly dubiously, invited me to go along. My job was just to make sure that the news from the mountain got home safely and exclusively to the paper in London. I planned to get as high as I could on Everest, without making a nuisance of myself, to see and learn what I could, and get the news home as fast as possible, rebuffing by means fair or foul all rival attempts to intercept it.

My first problem was that we weren't allowed long-range radios on the mountain, for fairly hazy security reasons. All we had was a bulky kind of walkie talkie, with an unreliable range of a mile or two. But it was 180 miles from the mountain to the nearest cable office, which was at Katmandu, the capital of Nepal. We had a man based in



Edmund Hillary being congratulated at Camp IV in the Western Cwm by James Morris, the Times correspondent, after successfully reaching the summit of Everest in 1953. Photo George Lowe.

Katmandu, and he would see that my messages were cabled home. The problem was, of course, that gap of 180 miles between him and me, 180 entirely roadless miles in those days. In fact they were wheel-less miles, if only because there weren't any roads, and there were no telephones, certainly no aeroplanes.

In London, before I left, we dreamed up all sorts of solutions to bridge that gap. We thought of floating my dispatches down some convenient river. We thought of sending them by carrier pigeon, or beacon fire. What about telepathy – couldn't I get some transcendently gifted Buddhist monk to think my news to Katmandu? But in the end we realised that I'd have to rely upon Sherpa runners, going backwards

and forwards between the mountain and the cable-head – one of the very last times, perhaps the last time, that news dispatches went, so to speak, on foot.

My second problem was that the competition for this news story was bound to be fierce – savage in fact. The whole world was watching the expedition, and every news outfit hoped to be first with the story. The route to the mountain became infested with my rivals, and in Katmandu there were people who hoped to bribe my runners or even tap into the cable company's networks. It was no holds barred.

Well I was terribly ambitious myself, you know, as ruthless as anyone, and I was absolutely determined to beat the

lot of them. If anyone had turned up at the mountain with a radio transmitter I was perfectly ready to smash it with my ice-axe. In the meantime what I did was this. I arranged a simple code, in which key words in my despatches could be disguised. If somebody was killed, for example, I would describe them as having been 'Uxbridged'. Failure of the expedition because of avalanches would become 'Popcorn Crackpots'. And so on – elementary stuff, but I hoped it would be enough to baffle anyone who tried to corrupt my runners or subvert the cable authorities.

But as it happened when I got out to Katmandu I learnt that some 20 miles from the foot of Everest there was an Indian police radio post, set up to watch traffic from over the nearby frontier with Tibet. It was in constant touch with the Indian Embassy at Katmandu, so on my way to the mountain I made a detour to see if its presence there might help me. Sure enough, the officer in charge kindly agreed that if there was some particularly dramatic event on the mountain he would transmit a message for me, to be passed on to the British Embassy in Katmandu, and by them sent on by radio to London. This rather altered everything, so I decided to save this unexpected resource for the final dramatic news – of a last failure perhaps, but preferably I hoped, of the first ascent of Mount Everest.

Now I liked those Indians, but I knew I couldn't afford to let them know what that message would mean. I was quite sure that once the expedition got underway competitors of one sort or another would be attracted to that radio post like bees around honey, and the news I was sending would be in every rival news room in no time. On the other hand the Indian policemen were unlikely to transmit a message they didn't understand – couched in that first childish cipher, for example. So I devised a second and much more Machiavellian code, which would

surely have flummoxed Bletchley Hall itself. In it any message made perfect sense, only it was the wrong sense. Now, if I wanted to report that the expedition had failed, I would not say "Popcorn Crackpots", but "Wind Still Troublesome" – sense, but the wrong sense. A copy of this devilish device I sent home to London, and went on my way to Everest.



Breconshire born Sir George Everest (1790 – 1866). Under his leadership the Grand Trigonometrical Survey completed its topographic work of the Indian sub-continent – a remarkable achievement that laid the foundation for the measurement of the Himalayan peaks. However, Sir George, who is buried in Crickhowell churchyard, never lived to see the mountain which bears his name.

The next few weeks I spent on the mountain, while the expedition geared itself for the assault upon its summit. I had my own base at its Base Camp, but from time to time I climbed higher up the mountain, through the Khumbu Icefall, to see for myself what was happening, and to describe it all in flowery and purple prose – my speciality then as it is now. Off my despatches went, week after week in the hands of my corps of Sherpa runners, who were intercepted sometimes but never let me down. The Sherpas are a marvellously tough and reliable people,

and the system worked like clockwork. The faster they ran with my despatches the more I paid them, and in the end they ran so fast they nearly broke the bank. The journey was supposed to take ten days. Their basic fee was about £10 – call it £40 or £50 now. If they did the journey in eight days they got an extra £5. If they did it in seven they got £10. If – miraculously – they did it in six days they got a bonus of £20. Time and again they did it in six days, and the two best of them did it in five – imagine, that's about 35 miles a day over the most rugged country imaginable, crossing three mountain ranges more than 9,000 feet high, with a gradual diminution of altitude from 18,000 feet to 4,000 feet. No wonder that 15-year-old Sherpa girl was able to nip up to the summit of Everest the other day. I don't know what the Times accountants thought of my expense account, when I claimed for all this, but they didn't turn a hair when I claimed for a yak one day, and anyway legend said they'd paid up when one of my predecessors, in Ethiopia, charged them for his personal slave. The Times was The Times in those days.

So, over the weeks and months, my despatches laboriously winged their way home. But what was really important was that last dispatch, the big message, which is what I was really there for, at least in my own mind. My moment as the allegorical Messenger came on May 30. I had climbed up that day through the Icefall into the Western Cwm, and waited there with most of the climbers for Ed Hillary and Tenzing to come down from their summit attempt, the day before, and tell us if they'd got there.

Of course you know they did – I don't have to keep you in suspense. I was already conscious that this expedition was a last symbolic exploit of the old British Empire, then clearly fading as one by one its world-wide possessions achieved their independence, and the very notion of Empire was discredited. I was a sort of aesthetic imperialist – I didn't approve of

the basic principle, but I loved the swagger and the colour and scale and the humour of it – trains sweeping across Indian plains, battleships at Malta, lean feral frontiersmen, miscegenation, all that kind of thing.

Our expedition was, at least in my mind, a late display of that tradition. It was a party of sahibs with their native bearers. Its leader, John Hunt, was a regular army officer whose family had served the Raj for generations. A Gurkha officer was in charge of the logistics, and the most experienced of the Sherpas, Tenzing Norgay, rather like a native officer commissioned into the old army of British India, had been promoted out of porterdom to be one of the climbing party. The sahibs still treated the bearers with a fond paternalism that might be thought a bit patronising, but was certainly never consciously racist. The bearers treated the sahibs always loyally, and indeed affectionately, but perhaps a little less respectfully than they used to.

The team included two New Zealanders, in those days thought of simply as overseas Britons, and was the usual upper bourgeois imperial mixture. There were scientists of one sort or another, two surgeons, a bee-keeper and a couple of schoolmasters, one of them also being the requisite poet. They sported all the conventional imperial idiosyncrasies, the wide variety of hats, shirts and walking-sticks, the well-known peculiarities of temperament, the eclectic reading matter from airport thrillers to the Oxford Book of Greek Verse. The deputy leader was a Cymro Cymraeg, and most of

them spent half their time reminiscing about an appalling institution called the Climbers Club Hut at Helyg.

It was half a century ago, you know, another age, another Britain. I always remember as a sort of paradigm of the time something that happened at the official banquet we all attended when we got back to London. Tenzing came with us, and of course was one of

the stars of show – not just an exotic figure from the far Himalayas, but one of the first two men ever to reach the top of the world. I sat next to the courteous old aristocrat who was the sort of major-domo of the event, Lord somebody-or-other – long since dead and gone, like almost all his kind. Opposite me sat Tenzing, who had never been out of Asia before, who could write no more than his own name, but who was one of nature's princes, a really splendid and patrician figure. Well the old boy on my left said he hoped I would enjoy the claret. He



Sir Edmund Hillary with Tenzing at Base Camp after the climb – taken from *Man of Everest: The Autobiography of Tenzing* (George G Harrap, 1955).

said it was perhaps the last of that particular, and very fine, vintage in existence anywhere. As you may imagine, I was very impressed, and drank it with respect, and I looked across at Tenzing, over the table. He had certainly never tasted anything like before – he'd probably never tasted wine before, and he was knocking it back with delight. The lackeys were filling and re-filling his glass. He was radiant with pride and pleasure – a delight to see. "Ah", said the dear old fellow beside me, "Ah yes, how good it is to see that Mr Tenzing knows a decent claret when he has one."

There spoke one aspect of that old Empire. There were many less endearing of course, and even my own presence on the mountain, it seems to me, with my skull-dug code and my ice-axe at the ready, was a bit like something from the old Great Game, when rival Empires glowered at each other across this very frontier, Gatling guns cocked – if you had to cock a Gatling.

But as I waited there in the Western Cwm that day, watching the distant figures of Hillary and Tenzing approaching us out of the white mountain mass behind them, I was reminded that another symbolical event of British history event was just about to happen – the Coronation of Queen Elizabeth II on June 2, just three days time. It was fondly thought then that this would mark the beginning of a new Golden Age for the British. The Empire was clearly on the way out, but there would be a second Elizabethan Age to make up for it – an age of rejuvenation and fresh hope for a people battered and impoverished by their epic achievements in the second world war, and all too conscious of their lost imperial power.

Now I am a Welsh republican, as I told the Queen herself at the London celebration to commemorate the 50th anniversary of the ascent of Everest. But just as I was an aesthetic imperialist, so I was a sort of aesthetic monarchist too. I was an artist of sorts, after all, and of course I responded to the poetical, Shakespearean side of it all, the

mysterious side, and as it still was then, the symbolism. I was moved by the thought of the young Queen and her sailor husband clip-clopping across London in their gilded coach. And I thought to myself then, if I could bring together these two fascinating abstractions, on the one side a grand old Empire fading, on the other a rejuvenated monarchy to revive the confidence of the nation, and bring pleasure to the world, the two images romantically merging, as it were – well, that would be more than a mere scoop, wouldn't it?

Three days to get the news home! I heard the story of the triumph that afternoon, from Ed and Tenzing themselves, and it dawned upon me that if I rushed down the mountain that same evening, and made use of that Indian radio station, I might conceivably get to it into the paper for the day of the Coronation. I'd only come up the Icefall that morning, and I was very tired, but the climber Mike Westmacott volunteered to come with me, and we set off into the gathering dusk.

I'll tell you, I was quite, quite hopeless on this rather theatrical descent. My boots kept coming undone, my crampons came off, I kept dropping things, I fell down all the time and I banged my big toe so hard on an ice-block that for decades afterwards, every five years, the toe-nail came off. Never mind, Westmacott dragged me on, and long after dark we made it to Base Camp at the foot of the mountain.

There I banged out the magic message – the deceitful, Great Game message, on my typewriter. SNOW CONDITIONS BAD, is what it said, ADVANCED BASE ABANDONED. AWAITING IMPROVEMENT. ALL WELL – which really meant, of course, that Everest had been climbed by Hillary and Tenzing, and that we were indeed all well. At dawn I gave it to the most trustworthy of my runners and paid him very well to take it to the Indian radio station, and soon afterwards I left for Katmandu myself.

I had no way of knowing if my message had got through safely, if the Indians had declined to send it after all, even if my runner had been intercepted. I hadn't told him what the message really meant, but I dare say he had guessed. Anyway, two nights later I camped in a river valley somewhere, and when I woke up in the morning I turned on my portable radio receiver. It was Coronation Day, June 2, and the BBC bulletin led with the news that Everest had been climbed, and by a British expedition. The crowds waiting in the rainy streets for the Queen's procession had laughed and cheered to hear it. And this news, the announcer said, bless his heart, had arrived in a dispatch from the mountain from the Special Correspondent of The Times.

But it had really come, of course, from all of us on the mountain that day – from Hunt, from Hillary, from Tenzing, from all the climbers of that expedition, European or Asian, British or Nepali – and perhaps from all the climbers who had tried before. We had all of us sent that message to the young Queen, to the crowds in the streets of London, to the British people on their morning of celebration. The message went on to ring the world, and 50 years on it's still giving innocent pleasure, is it not – even out here in the last colony of them all.

For Everest '53 was an innocent adventure, after all, as great adventures go, and even for us republicans the coronation of that young queen at Westminster all those years ago was, as the poet had it, touching in its majesty. God knows too many of our hopes that day turned out to be illusions, but at least my sweet allegory was real.

- *Jan Morris's latest book, A Writer's House in Wales, was published by The National Geographic Society in 2002. This article is based on the presentation she made to an IWA event, Barbecue on Everest, held at the end of May to celebrate the 50th anniversary of the ascent. The IWA is very grateful to member Richard Cuthbertson for hosting the event at his home Plas Penmynydd, on Anglesey.*

katie gramich reports on how the National Endowment for Science, Technology and the Arts is making waves in Wales

plain sailing

the award-winning, bilingual poet Gwyneth Lewis is taking her writing in a new direction with a challenging four year odyssey in a yacht around the globe. During her voyage she will research the network of ports that contributed to making Cardiff a cosmopolitan city. "This voyage will affect everything I write for the next ten years," she said. "The sea has always fascinated me. My father was in the navy and my husband in the merchant navy. If I'd been a man, I'd have gone to sea much sooner. Now I have this miraculous opportunity."

Regarded by many as one of the most promising Welsh poets of her generation, she learned how to sail before embarking, with her husband Leighton on a physical and creative voyage around the world in a two-handed yacht. During the voyage she will visit the network of ports which were associated with her native Cardiff during its heyday as the largest coal port in the world. The voyage will be the means for her to explore the nature of seamanship, as well as the culture of port cities around the world and the trade routes that built them. One of her

communities in Wales. Her project aims to help to broker new cultural relationships as well as raising the profile of Wales around the world.

Her odyssey is among the more imaginative projects sponsored by NESTA whose mission is to support and promote talent, innovation and creativity in science, technology and the arts. Its initial income came from the interest on an endowment of £200 million from lottery funds when it was founded by the Government in 1998. In February 2003 it received an additional £50 million, bringing the endowment up to £250 million. Since 2000 NESTA has made more than 320 awards worth more than £34 million.

The sorts of people that NESTA is interested in hearing from are those who are prepared to go out on a limb, challenge and change things, make new connections or test new approaches. Above all, it wants to develop an environment where creativity can flourish and risk-taking is embraced, where people with ideas are celebrated and rewarded.

It is a UK-wide organisation and has already made awards to a number of Welsh individuals in the fields of science, technology, the arts, and education.

Another Welsh innovator who has benefited from NESTA backing is Osborn Jones, a biochemist from Gwynedd and managing director of Picosorb. He has developed a device which, if successful, could mean a major breakthrough in the treatment



Osborn Jones, a Gwynedd bio-chemist, has developed a technique for the early detection of bacteria that often cause fatal illnesses such as E-coli and Salmonella.

The opportunity was made possible by the National Endowment for Science, Technology and the Arts, NESTA for short, which awarded Gwyneth £75,000 years to undertake the venture. "Being awarded the Fellowship is such a vote of confidence," she said. "I can concentrate entirely on the project – it allows me to do what I hoped to do, but to the power of ten."

earliest ports of call was Bilbao from where iron ore was first exported to Cardiff. The Spanish community that resulted in Wales subsequently sent many soldiers to the Spanish Civil War.

Gwyneth already has a contract with Flamingo to write a book about her travels. During the voyage she will use new technology to maintain links with

We went to live on Jameeleh in June 2002 and were moored in Milford Haven while we got the boat ready for the start of our trip. We tried to leave the UK five times before we successfully crossed the Channel. It must be some sort of record. On the first attempt, in August, we left Milford Haven for Bayona, Spain. Hilda, the autohelm went berserk. On the second attempt we left Milford for Bayona but had high seas and no wind, so took shelter in the Scillies. For the third attempt we left the Scillies for Bayona but were blown into Falmouth. At this point we were going backwards. On the fourth attempt we left Falmouth for Brest and a block crumbled, breaking the gooseneck, which holds the boom to the mast. This is a proper sailing injury! At the fifth attempt we crossed the Channel at night and made it to Brest.

During October we hopped down the Breton coast and, summoning all our courage, launched across the Bay of Biscay from Lorient. This took three days and four nights of sailing and was magnificent. We had high seas but good wind. I liked the night watches best because you couldn't see the swell coming at you. The whole process was violent, but we both agreed it was one of the most amazing things either of us had ever done. We reached La Coruna with six low pressure systems around us, so I'll never question our good luck again.



gwyneth lewis regarded by many as one of the most promising Welsh poets of her generation, and husband Leighton Davies, left Milford Haven in 2002 heading for Spain. Before leaving on their voyage around the world, they learned how to sail their yacht the jameeleh. Printed here are early extracts from the ships log.

At La Coruna, it was a privilege to meet John Dennis, who was taking part in the Around Alone single-handed race and who'd put in for repairs. He was the oldest skipper taking part in the race and a diabetic. We finally crept past the mighty Cape Finisterre at the beginning of November, though Leighton swears we passed it twice, having been pushed back, despite the area's benign aspect. Much celebration when we finally reached gorgeous Bayona.

We were just starting to relax and work our way down the Portuguese coast when our engine failed to start. This was in Lexioes, the commercial port just north of Porto aka Dead Rat Marina. First we thought it was one thing, then it was another.... Our mechanic, Paulo, was stunned when he took out the heat exchanger. It looked

like a Roman soldier's leather pouch, it had decayed so badly. Paulo decided to keep it for shock value. His patience and kindness in this difficult situation made all the difference. He even cried, once, with me.

We were in Lexioes for three months while Paulo rebuilt the engine. If it hadn't been for the people there, we would have quit. The marina is open to south westerly swell and the prevailing wind and gales there are... south westerly. Each gale I'd have to take seasickness tablets, even though we were tied up alongside a pontoon. We were in Lexioes for the terrible storm that sank the Prestige not far north. I'd never expected to be afraid in port, but we really thought that we'd suffer damage in that storm.

We finally left Lexioes in the middle of February. We sailed down to Nazare with a dead engine and had to be towed into Cascais by the Policia Maritime, who charged us a fortune for the privilege. We moored in beautiful Cascais, at the mouth of the Tagus, half an hour outside Lisbon.

Of course, it turned out that we were cheated in Lexioes. After being arriving in Cascais we discovered that the hydraulic pump was completely seized and that there was no redress to be had. A harsh lesson in Portuguese business practices for us. In the end we sent to the UK and had a completely new pump made for less than the price of the botched repair. All in all, the whole Lexioes nightmare has haunted us for a long time.

Cascais, however, proved very restorative, and the marina staff hugely kind and helpful. While the boat was being repaired I started on my next book about the sea and wrote three chapters very quickly. There's no doubt that bad experiences look much better in hindsight. It will take some time to get some perspective on Lexioes, however.

As I write, we now have a working engine again and we're preparing to head south, aiming for Gibraltar. Keeping Mum, a new book of poems, came out in June. Currently I'm taking part in a Celtic Connection tour in Germany while Leighton kits out the boat for the next leg of sailing. After that, the plan is to head for the Canary Islands via Madeira and then to face the prospect of an Atlantic crossing later this year.

One thing made us feel much better: Ellen MacArthur and the crew of Foncia were towed into Cascais, sitting on their overturned trimaran. At least our boat was the right way up ...

- *Progress of the Jameeleh can be monitored on the following website www.gwynethlewis.com During the winter 2002/2003 she sailed down the coast of Portugal and has just arrived in Gibraltar Later this year she will sail to the Azores and the Cape Verde Islands from where she will cross the Atlantic to the Caribbean. She will then go through the Panama Canal, into the Pacific, down to Australia and then on towards the Middle East. Passing through the Suez Canal she will cross the Mediterranean and thence back to Wales.*

of food poisoning. Originally codenamed 'Lab in a Matchbox', and now marketed as PicoPak, it is designed for the early detection of the four common bacteria that cause often fatal illnesses such as E-coli and Salmonella.

The Little Infinite Frequency Expander (LIFE), a hand-held synthesiser created by Grant Stevens from Powys has also won NESTA backing. It creates many of the same effects as those achieved by a recording studio crammed with expensive equipment. Yet it is hand-held, easy to use and should be low-cost. Earlier models – each hand-made by Grant – sold out within months.



Grant Stevens, from Powys won NESTA backing for a handheld synthesiser.

More than 400 people are waiting for the new model, even before marketing begins. "I'm selling a dream," says Grant. "So many people want to be pop stars and LIFE enables more people to make music in a different way. It's accessible to everyone because it's easy to use and within most ordinary people's financial grasp."

Petra Koppers, also from mid-Wales, has received NESTA funding to produce a ground-breaking CD-ROM resource to help people experiencing mental illness begin their own community artwork. Called Sleeping Giants, it shows how anyone can organise and create arts-based projects. The aim is to empower people, particularly those living in rural areas of Wales and other countries where access to support can be limited. Petra, who herself uses crutches or a wheelchair, says: "I want people to realise that it's not always appropriate to approach disability from the mindset of tragedy. The images surrounding mental health are especially negative. I want to change the image of who

disabled people are, and reveal the fascinating stories we have to tell."

The National Assembly as well as the government at Westminster have placed education at the top of their agenda, but the tendency has been to focus on key skills

acquisition at the expense of experimental, creative approaches to learning. NESTA was explicitly formed to foster highly innovative approaches to learning and understanding about creativity for people of all ages. There is an ambitious desire to break down barriers between disciplines and to add value to the curriculum.

One example of innovative work funded by the NESTA Learning programme in Wales is a project run by actor Alice Krige and film director Paul Schoolman, who have been running drama workshops with prisoners and prison officers in three Welsh prisons, in preparation for filming a movie about the early life of Julius Caesar. NESTA's support enabled Alice, Paul and a number of actors and drama specialists to conduct four weeks of workshops at Swansea, Parc, and Cardiff with the prisoners and prison officers who will perform in the feature film. As Alice and Paul point out: "There's such an extraordinary reservoir of talent in prisons that's not given the space to express itself."

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single choice on the currency

neil kinnock **says the Euro will be with us whether we join it or not**



In the debate over the UK and Monetary Union, recognition of three fundamental realities is imperative. First, the Euro will always be the currency of the EU and the Single Market. Second, the UK is in the EU and the Single Market to stay. Third, the case for being in the euro is, consequently and basically, the same as the case for being in the EU and the Single Market. Those who say “Europe yes, euro no”, are simply saying “grass yes, green no” or “water yes, wet no”.

Of course, it is sensible for the British Government to have made a thorough analysis of the perspectives for UK participation in the euro. There is no need – and there would be no justification – for euro membership to be a simple leap of faith. It is also right

that the Government now actively pursues a course that can overcome the remaining political and economic hurdles to joining the euro as quickly as possible. Not being in the Monetary Union during its early years means that the design stage and infancy of a major European project has, once again, been left to others – but, if the absence is temporary, it will not result in any major or lasting disadvantage. Extended absence over a period of several years would, however, carry different prospects:

- It would mean that Wales, and the UK as a whole, continued to endure serious disadvantages in the Single Market in terms of currency competitiveness and economic stability.
- It would mean further deterrence of investors from outside and inside the UK who naturally want the least currency risk, lowest cost access to that Single Market.
- Extended absence from the euro would mean that the UK continued to be excluded from crucial economic policy development and, consequently, from political powers that need to be exercised inside the EU.

It is also relevant to recognise that while prolonged absence would bring all those disadvantages, it would not provide any compensating advantages. This is simply because being outside the euro does not and would not insulate Wales and the UK from the realities of being directly affected by the decisions and strategies of the Eurozone.

In short, to be in the EU but not in the euro is to bear all of the obligations of membership, and to feel all the consequences of the currency, but without having any influence over monetary decisions or the policy effects flowing from them. A United Kingdom that stayed out of the euro might have fiscal and monetary separation, but it would not have meaningful fiscal and monetary sovereignty – the effective power of self-determination. The reasons for that are obvious.

First, the monetary fact of life is that a UK outside the Eurozone cannot afford any great incongruity from Eurozone interest rates. UK rates that were continually much higher than Eurozone rates would push the pound up and further erode British international competitiveness. UK rates that were much lower than Eurozone rates would make the pound volatile and Britain more prone to inflation. In short, outside the euro, the UK will have to emulate Eurozone monetary policy without having authority in monetary policy.

Second, the fiscal fact of life is that – in or out of the euro – sound policy requires Government revenue and Government expenditure to be in reasonable balance over the economic cycle, and – in or out of the euro – public borrowing must be for investment, not consumption. The UK cannot therefore afford any great divergence from Eurozone fiscal standards without taking ruinous risks

with credibility and with market confidence. The result of that reality is that, outside the euro, the UK will have to emulate Eurozone fiscal policy without having authority in fiscal policy.

I know that recognising the need to accept Eurozone fiscal standards produces assertions from some quarters that participation in the euro would require reduction in the financing and quality of public services and infrastructure. In Wales and in the UK, where there is strong and justifiable public concern about the condition of those services and infrastructures, those claims obviously have potency. But they are not justified in objective terms, for three reasons.

- First, public services and infrastructures are at least as good or better in Eurozone countries like the Netherlands, France, Germany, Austria, and Finland.
- Second, no-one can claim that euro participation makes the Governments in those countries willing, obliged, or intending to cut good standards of provision in, for instance, education and healthcare.
- Third, and absolutely vital in the British context, for decades sustained investment in public services in Britain has been sabotaged by currency volatility. Governments of every kind have offered two arguments for refusing to invest: either that the higher investment could not take place without reducing confidence in the pound and inviting instability; or they have pleaded that the investment would have to be postponed or cut in order to maintain confidence in the pound and avoid instability.

Everyone knows the results. Wales, and the rest of the United Kingdom, is starting this century with massive accumulated needs in public services and huge deficiencies of investment in infrastructure. Adopting the euro will effectively end currency instability with our key trading partners. The result will be to enable successive governments to keep sustained financing for the

public services – particularly health and education, transport and other public infrastructure. The additions won't come in tidal waves. They don't have to. Cumulative but dependable continuity of investment is the real need – and that is what has been missing.

In short, to get sustained improvement in vital public services, we need sustained and sustainable currency stability. To achieve consistent currency stability, we need to join the euro.

Chronically low public investment is not the only consequence of currency volatility, of course. Businesses of every size – whether they export, import, or buy and sell in domestic markets – have continually had to cope with the systemic volatility and costs of an economic environment which ebbed and flowed with the currency tide. That's why, "Stop-Go" and "Boom and Bust" became part of our basic economic vocabulary in Britain.

Inside the Eurozone, such conditions in the public and private sectors are less likely to be repeated. Outside the Eurozone, such conditions are more likely to be repeated. And I do not say that because of any lack of faith in the UK, I say it because of some abiding truths about the relative vulnerability of the sterling economy. The realities are:

- Nearly 90 per cent of the foreign and domestic business of the USA is transacted in dollars.
- More than 80 per cent of the trade of the Eurozone economy is in euro.
- In both cases, these huge economies are much less prone to external currency volatility and speculation than the United Kingdom which conducts less than 70 per cent of its business in pounds.

The realities resulting from these systemic conditions are significant for the whole UK. But for the Welsh economy – where manufacturing counts for over a quarter of GDP and 71 per cent of exports go to the rest of the EU – the realities are

particularly crucial. Moreover, when international capital moves with increasing ease, and millions of jobs depend upon export price stability, the increased risk of volatility outside the euro becomes a serious danger.

Public investment practicalities and the business environment mean that the prospect for a UK that was caught between the dollar bloc and the euro bloc would be of more instability, not more independence. As Professor Robin Maris graphically put it: "If we have a floating pound we have no control over our destiny. All we have is a symbol".

No-one has to be a historian to understand the relevance of these issues for business of all kinds, for employment, and for investment.

Inward investment is obviously particularly important for Britain. Foreign-owned companies employ two million people and account for 40 per cent of manufacturing investment. But since the euro's launch Britain's share of foreign investment in the EU has fallen sharply – from an average of 29 per cent in the 20 years up to 1999, to an estimated five per cent in 2002. Official figures from the European Union Statistical Office meanwhile detail the equally grave reality that up to 1998 Britain typically received over 50 per cent of all investment from non-EU countries into the EU. By 2001 that had fallen to 24 per cent. Some of the change in investment share could be attributable to reduction in the size and frequency of takeovers – but that certainly cannot account for the scale and speed of damaging decline or, therefore, of the reduced volume and value of inward investment.

The slide in investment obviously has implications for future employment. But currency pressures have already meant a toll of job losses – and that has come very close to home already. Since the introduction of the euro to the financial markets in 1999, there have been a series of employment cuts in Wales which have been attributed in

part to Britain's absence from the euro and the resulting effect on the relative value of the pound.

British Alcan Aluminium in Rogerstone, Corus in Llanwern and Ebbw Vale, Bosal Industries in Tredegar, Owens Corning in Wrexham are just some of the companies which have cited the uncompetitive level of the pound as a significant or main reason for closures or job cuts. Manfred Seitz of Bosch says that his company's attitude to investing in the UK would become "more negative" if absence from the euro was prolonged. Ford, Toyota, BMW, Sony, Siemens, Unilever and a host of other companies convey the same message. And behind the global names – many of them with crucial and substantial operations in Wales – are countless numbers of locally established component and service suppliers whose future depends largely upon the vitality of the multinationals.

Workforce availability, skills, adaptability and productivity are clearly major determinants of company decisions to locate and remain in Wales and no-one should underestimate the significance of those factors. But even the magnetism of labour with quality and loyalty is not enough to attract and retain investment if currency pressures impose chronic disadvantages.

These considerations do not, of course, relate only to the massive enterprises that have specialist production facilities in Wales so that they can enjoy economies of scale and exploit the opportunities of the EU Single Market and wider world markets. Currency volatility has imposed serious wounds on agriculture in Wales and elsewhere. For the tourist industry it is a curse. The high pound which makes exporting difficult also deters international visitors from coming to Wales and the rest of Britain. Stability is essential for the flow of goods and services outwards and the stream of tourists inwards to be consistent sources of prosperity.

None of this is to suggest that the euro is perfect or that its governance is incapable of improvement. For example more pragmatic interpretation of the "close to balance or in surplus" Stability and Growth Pact rule is needed. Greater account should be taken of the realities of different phases in the economic cycle. Countries with low debt-to-GDP ratios should not be treated as if they were still having to use up public revenue in servicing high debts. And borrowing for essential public investment should be distinguished more clearly from borrowing for consumption.

As I've argued for six years, and the Commission has proposed since last year, the operational rules of the Stability and Growth Pact could – and should – take more direct account of these critically important factors.



There are also serious arguments to be had about monetary policy management. More transparency in European Central Bank decision-making through, for instance, publication of the minutes of its monthly meetings (as the Bank of England does) would be an advance. The ECB could emulate the US Federal Reserve Bank and the Central Banks of Canada, New Zealand and Australia and have promotion of growth and employment as well as price stability as its aims. A more symmetrical inflation objective instead of its 0 to 2 per cent target would encourage attention to deflationary as well as inflationary tendencies.

There are serious debates to be had about all of those items and more. But there is no serious way of evading the reality that those arguments for change in the system governing the Euro can only be put with full authority and effectiveness from inside the Eurozone, or – at least – put by countries with a firm and manifest intention of entering the euro without undue delay.

I do not argue, of course, that participation in the Euro will mean no pressures and no possibility of downturn or disadvantage. Plainly, that would be unrealistic. The euro is a currency, not a cure-all. I'm advocating monetary union, not monetary Utopia. And the reality is that, in or out of the Euro, Wales and the UK will obviously have to continue to work and trade competitively for a living. There are no choices about that. There are, however, serious choices between two different courses:

One course would require sterling, UK interest rates, UK inflation and borrowing and revenue performance to continue to be aligned with the Eurozone because any significant divergences would dissolve competitiveness and confidence. In other words, in practice, staying outside the Euro for a prolonged period would mean accepting "one size fits all" policies but without having any right of influencing the size that has to fit.

The other course available to the UK is to join the Euro and have the advantages.

- Greater currency and investment stability.
- Increased trading with the rest of the Single Market – because sharing a currency inside a Single Market multiplies trade volume as US experience profoundly demonstrates, and Eurozone experience is already proving. Since 1999 German trade with the rest of the Eurozone has increased by 15 per cent and France's by 12 per cent. Britain's trade with the rest of the EU has stagnated or

gone down slightly. The comprehensive Treasury Assessment found that joining the euro would boost UK trade with the Eurozone by up to 50 per cent over 30 years (trade with the countries of a smaller EU has risen by 40 per cent in the last 30 years). For Wales, where trade with the Eurozone is even more significant than it is for the UK overall, those gains can only be proportionately greater.

- Productivity, choice and cost benefits that come with greater trade volume and greater price transparency. Supermarket basket prices are now 11 per cent lower in Germany and 15 per cent lower in France than they are in Britain.
- Extra growth which even conservative estimates put at £15 billion a year.
- Access to a home market of 364 million consumers that is not only free of trade barriers but also free of over £1 billion annual transaction costs for buyers, sellers and travellers.
- Avoiding the currency disincentives to inward investment that are already becoming evident and serious.
- Gaining Britain's full and rightful share in decision-making on stability and growth strategies and on interest rates and wider monetary issues.

My view of the best course for Wales, and for Britain, is obvious. When the electorate faces the choices in a Euro Referendum, I hope that it is the course taken. If the country decides on the basis of realism about its economic and political interests, realism about competitiveness, realism about modern sovereignty, it will be.

- *Neil Kinnock is Vice President of the European Commission.*

the pound in their pockets



'Yes' Campaign logo in the 1975 referendum

denis balsom
anticipates how the forthcoming euro referendum campaign will be fought

Even though the Government will have endorsed British entry to the common currency prior to the launching of any referendum, it seems likely, given the present disposition of opinion, that the campaign for or against the Euro will be fought largely through umbrella groups. Where parties are divided they are unable to mount a clear campaign, hence the emergence of umbrella groups under which unlikely coalitions can shelter until normal party politics reassert themselves.

It was Tony Benn who introduced the idea of referendums in 1970 when he proposed to the Labour Party National Executive that a referendum be held on

the Common Market. This novel device was not adopted immediately, but future Prime Minister, James Callaghan noted at the time that 'Tony has launched a rubber life-raft into which the whole party may one day have to climb'.

Whilst ostensibly staking out the democratic and moral high ground, referendums have invariably only ever been invoked when a party or a Government is irretrievably divided on an issue. Recourse to a referendum allows resolution of a matter that in other respects would have split the party. The 1975 referendum on Europe and the Welsh and Scottish Devolution referendums in 1979 and 1997 all fall into this category. In 1975 the Cabinet formally endorsed continued British membership of the Common Market, but the Prime Minister suspended collective responsibility to allow some junior Ministers to campaign for a 'No' vote. Similarly, some senior Conservatives advocated a withdrawal from Europe in defiance of their Leader and the policy of their recent Government.

Equally important are the positions taken by the key interest groups which would generally support, and finance, their respective political parties. In 1975, the trade union movement was largely against continued European membership, whilst business was predominately in favour. Today, currency union may split these key sections of our society slightly differently. Businesses in manufacturing and the financial

services sector appear likely to support the Euro, but a powerful campaign against the common currency has already been financed and orchestrated by a number individual, independent and wealthy entrepreneurs.

The trade union movement is also divided and the attitude adopted by particular union leaders may also be important. The tribalism of British politics will ensure that the anti-Euro trade union vote will align under an umbrella organisation, but is unlikely to openly support an official Conservative 'Vote No' campaign. In this respect some business groups, or individual industrialists, will sit far more comfortably with the Labour Party leadership, in support of the Euro, than their trade union opponents would with the Tory leadership in opposition.

In 1975 the Government also set out to inform the general debate by commissioning and distributing to each home information leaflets giving the case for a Yes or a No vote. A further leaflet explained the Government's support for a Yes vote and the case for continued British membership of the Common Market. Similar information leaflets were not made available for the devolution referendums, nor was any State funding allocated as had occurred in 1975. Whilst the State contributions to the umbrella groups were modest, together with the information leaflets, they endorsed the principle of objectivity and even-handedness. Campaign expenditure of the umbrella groups was not restricted to the State subvention however, and the 'Yes' campaign proved to be hugely more resourced than their opponents. Notwithstanding this disparity, the referendum apparatus itself, endeavoured to be fair and equitable.

Unlike previous referendums in Britain, the coming referendum on the Euro will be overseen by the Electoral Commission. Established by the Political Parties, Elections and

Referendum Act 2000, the Commission has specific responsibilities for referendums. It will vet the wording of any proposed referendum question for intelligibility and express a view on the fairness of any preamble included on the ballot paper.

Following the registration of political parties for election purposes, the Commission also requires any organisations participating in the referendum to be registered. A grant from public funds of £600,000 will be available to the designated lead organisation on each side, together with the usual electoral benefits of free postage for a referendum address, free rental of public buildings for meetings and assistance with referendum campaign broadcasts. The Electoral Commission will also be responsible for the count and certification of the result of the referendum.

Although any referendum held in Britain is only advisory, in reality the device removes the political decision from the Whitehall/Westminster axis. How the votes are counted is therefore significant. Whilst only the total aggregate result is valid, be it for the UK or, in the past, for Wales, Scotland or Northern Ireland, the count is organised locally and generally declared. Referendum declarations have generally been made on a County or Borough basis for the specific reason that they do not usually align with boundaries for any other elected post. An MP given the freedom of a referendum to vote and campaign against the prevailing wisdom of his party does not necessarily want to be reminded that his views may differ from those of the majority of his constituents.

However, great attention will be paid in the coming Euro referendum if, say, Wales or Scotland, were to vote against the overall national, UK, trend. In 1975 all the constituent parts of the United Kingdom voted in favour of continued membership of the Common

Market, though by slightly differing margins, giving rise to a genuine unanimous result. If a referendum result were to divide the United Kingdom between the nations and regions considerable political instability could result. However, in a state-wide referendum of this kind the potential risk cannot be avoided.

The need for a united decision suggests that the campaign will not be formally organised on a devolved basis. Whilst the embryo pressure group 'Wales in Europe' currently operates as the lead, of what will probably become the principal 'Vote Yes' umbrella group, the campaign will inevitably be UK focused and UK led. This begs the question of what role there will be for the National Assembly and the Welsh political leadership.

One can anticipate that the official line of both the Conservatives and the Liberal Democrats in Wales will echo that of their parent parties. Plaid Cymru have long advocated membership of the common currency, if for no other reason than to demonstrate the interdependence of European nations and the inability of London to stand alone.

However, the position may be more difficult for the Welsh Labour Party. While Rhodri Morgan yearns to put 'clear, red, water' between Welsh Labour and New Labour, on this issue will he endorse a pro-Blair, pro-Euro stance, or will he be drawn towards a more traditional Labour view, one likely to be adopted by many trade unionists? Will the Labour Party conference in Wales be allowed to take a different view from one expressed by Labour in London? Will the Assembly Government Cabinet unanimously endorse a position on the Euro? Will collective responsibility be temporarily suspended? These and many related questions remain to enliven our politics in the months ahead.

Following the 9 June statement by the Chancellor, the holding of a

referendum remains a possibility for this Parliament. Those currently engaged in the debate have a planning horizon of Autumn 2004, ahead of a likely general election in 2005. Of course, this timeframe could be longer since a general election is not required by law until June 2006. Whilst we are led to believe that Mr Blair wishes to secure a referendum victory before making any decision concerning his own political future, Gordon Brown remains the arbiter of 'the five tests'.

Outside of the City and the so-called Westminster 'village', it remains to be seen whether a referendum on the Euro will capture the electorate's attention. In 1975 over 66 per cent of those in Wales voted, a level of engagement that towers over the 38 per cent that recently voted in the Assembly election. Adopting the Euro – or, for the opponents, 'abandoning the pound' – is, at one level, hugely technical; at another, emotion and sentimental. Unlike in our recent election, the London Press will be fully engaged and both sides will set out to attract the widest support.

Any public information campaign may not include the 17 Treasury studies that assailed Cabinet Ministers, but efforts will be made to inform voters. In the end however, it may be the actual campaign that makes the difference. In 1975 it was the stylish, union-jack, dove logo that captured the imagination with its slogan to 'Keep Britain in Europe'. At the time, such political marketing was new. Now all politics is highly focused, slick and more animated. In this contest one suspects that the 'Yes' campaign will have the deeper pockets.

nick bennett flags up a threat to future EU regional spending in Wales

treasury stands in Brussels path



In contention: Chancellor Gordon Brown and the Brussels Commissioner for Regional and Cohesion Policy Michel Barnier.

by the Treasury's own reckoning the gap between the rich and poor regions of the UK is greater than that of any other existing EU Member State, and almost twice that of the US. It is to be welcomed, therefore, that earlier this year the Treasury published its proposed response to the next reform of the Structural Funds, post 2006. A Modern Regional Policy for the UK (March 2003) it advocates that the Treasury's proposed EU Framework for Devolved Regional Policy should form the basis for the future of the EU Structural and Cohesion Funds:

"Under this Framework, EU Member States would agree common principles, but delivery of regional policy would be substantially devolved and offer greater flexibility to Member States and regions. EU support, both

financial and institutional, would be refocused on those poorest Member States that will benefit most from direct EU involvement. For other Member States, regional policy would be resourced nationally and delivered according to national priorities, with greater freedom than under the current regime.

Modern regional policy must be locally led, which means substantially devolved. The Government has already introduced devolution in Scotland, Wales and Northern Ireland and is increasing decentralisation in England. It is now time to modernise the European dimension to regional policy and ensure that locally led initiatives have the freedom to make use of the full range of appropriate instruments."

- Denis Balsom is Editor of *The Wales Yearbook*.

This proposed reform of the Structural Funds is of great significance to Wales. As a poorer component part of the UK, EU Structural Fund receipts account for more than 15 per cent of total UK Structural Fund receipts and 1 per cent of Welsh annual GDP. The Treasury proposes that future EU Structural Funds should be restricted to those Member States with less than 90 per cent of EU GNP, the existing Cohesion Fund criteria. It says the role of the Commission should be restricted to four dimensions:

- Co-ordinating policies that impact on regional development.
- Ensuring transparency in national implementation,
- Helping the poorest Member States administratively and financially.
- Facilitating the exchange of best practice, perhaps with the continued use of Community Initiatives such as INTERREG, which promotes inter-regional co-operation, and EQUAL, which tackles inequality and discrimination in the jobs market.

Central government would then supplement the Structural Fund gap with increases in regional policy spending, perhaps equal to the transitional funding anticipated post enlargement. This would be spent in the regions and devolved nations according to local priorities (it is not clear how this expenditure would be calculated in the absence of a Commission calculation of transitional funding). Whitehall is also keen to see a reform of existing "inadequate" state aid rules, whereby the European Commission focus on the most economically significant areas of state aid and market failure.

These proposals will have a certain attraction to all those who have been either victim or beneficiary of EU Structural Fund and state aid micro-management over the past decade. The government consultation document makes it clear that the reform must keep the strengths and abandon the weaknesses of the existing system. However, if successful, these proposals will effectively "re-nationalise" regional policy in the UK, and could significantly weaken the scope and application of economic development policy in Wales.

Existing Structural Policy is built upon a number of principles, including concentration, partnership and additionality. The Treasury proposals remove the Commission from any "guarantor" role in Welsh regional policy. For example, a future devolved Welsh administration, faced with a "Barnett squeeze" and increased pressures on health and education budgets could find itself forced to raid the coffers of regional development post 2006. If the Treasury ideas win through there would be no Commission presence on any Welsh structural programme partnership to protect regional policy expenditure let alone ensure additionality. In the aftermath of the political upsets of Objective 1 it is easily forgotten that it was under the last Conservative Government that 1994-99 EU programmes in Wales were suspended for a suspected breach of additionality.

The UK proposals, which received the support of both Sweden and the Netherlands at the last informal Ministerial Council in Halkidiki, have been valued at 0.25% of EU GDP. However, Michel Barnier, the Commissioner for Regional and Cohesion policy has argued that Cohesion Policy resources of less than 0.45% of EU GDP would mean no credibility for future EU wide policy.

The government proposals commit to increased domestic spending for areas with high unemployment and low GDP, but then slip into the usage of Blairite mantras such as "Regional Policy for the Many not the Few". If the UK government is serious about closing the massive regional prosperity gap then it has to increase opportunities for growth in the very poorest parts of the UK- the North East, Northern Ireland and west Wales and the Valleys. This should be the prime objective for any new regional domestic policy. Yet some recent fiscal policy innovations – such as the expanded Research and Development Tax Credit may in effect act as a cross subsidy from the poorer regions to the R&D rich South and East.

The removal of the Commission from UK regional policy would also have consequences for Wales on the EU stage. Alliances and partnerships that Wales has built up with other nations and regions of the EU would be arguably narrower with the absence of a common regional policy.

The government's proposals would also deny Wales the opportunity of benefiting from the proposed "Objective 1 b" for regions that lose eligibility post 2006 as a result of the statistical effect of enlargement. Studies suggest that in all 18 regions across the existing EU would be affected. Perhaps the most fundamental questions to ask are:

- 1) Will these reforms be sustainable should we see a change in Government at Whitehall?
- 2) What future for regional policy should a tax and expenditure cutting government return to office?

The government's proposals were out to consultation until July 2003. It remains to be seen how far this is a serious policy offer, and to what extent they are meant to have a tactical use in the bargaining that lies ahead in the Council of Ministers. Commissioner Barnier, of course, remains keen to sustain an EU-wide Cohesion Policy.

Former regional policy Commissioner Monika Wulf Mathies promised simplification and concentration during the last reform – yet Wales emerged with two thirds of the country qualifying for Objective 1 and partnership committees ten-a-penny. The development of a UK position on the next reform of EU regional policy, this early in the game, together with the differing positions of 15 Member States means that Wales will have to play a wily game of three-dimensional chess.

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communicating in Europe



john gray describes how the different Welsh interests competing to be represented in Brussels have sorted themselves out

In February 2002 I was asked by Sir Brian Smith, Chairman of the Wales European Centre, to undertake a Review of the organisation. The wording of the commission was left deliberately wide in order to give maximum flexibility. The background was a growing sense of unease among the stakeholders of the Brussels Centre about the conduct of business and the relations between the Centre's staff and the stakeholders, collectively and individually.

The unease reflected the different expectations of the stakeholders. Those paying the larger subscriptions felt that

they were not getting their money's worth and that too much attention was being paid to those paying the smaller subscriptions. Against this the smaller stakeholders felt that they were being marginalised. Everyone felt that communications between the Brussels-based staff and the stakeholders needed improvement if their real needs were to be met. Adding spice to this cocktail was the tension created by the admission of the Welsh Assembly Government as a member of the Centre and the subsequent establishment in the same building in Brussels of a self-contained Office representing the Government.

Had the situation remained unchanged my recommendations would have been relatively straightforward: improve communications between the Brussels office and the stakeholders; provide more 'insider' background information on developments in Brussels; create a new supervisory committee under the Board to strengthen control over day to day work and priorities; redistribute portfolios among the Brussels staff so as to more accurately reflect the interests of members; encourage secondments, and so on.

However, two major spanners were thrown into the works within days of my accepting the commission: first the Welsh Local Government Association and then the Assembly Government gave twelve months notice of their intention to withdraw from the Centre (and, in the case of the Government, to expand its own existing office). Since these two bodies represented a very large part of the Centre's subscription base this was potentially a severe blow to its continued viability. And when, following this, the WDA began to indicate that it too might withdraw, the future for the Centre looked very bleak indeed. Inevitably the Review became

more a question of whether, and if so how, the Centre should continue than a simple matter of reform.

It was clear to me from the conversations I had had with stakeholders other than the Welsh Local Government Association and the Government, that most of them thought the Centre fulfilled an essential role in representing a wide range of Welsh public and semi-public bodies in Brussels. If the Assembly Government, the Local Government Association and the WDA withdrew funding from the Centre this role would be threatened and wider Welsh interests in Brussels jeopardised. The Government was slow to take this point. It was not until May 2002 that Rhodri Morgan, under pressure from AMs across the parties (including some in the Labour Party), stated publicly that he was sympathetic to the concerns expressed. Even then, however, the impression created was that this matter could be left to civil servants to sort out within existing budgets; and that most of the stakeholders' interests could be met through the expanded Government office.

This was not a suggestion welcomed by most of the stakeholders themselves – including the Welsh Local Government Association, which seemed to be seeking an autonomous but privileged relationship with the Government office rather than the considerably more expensive option of complete independence from it. The civil servants suggested that the increased number and portfolios of officials in the new Government office would be able to satisfy the legitimate needs of the stakeholders for information and lobbying. In this context, since most of the stakeholders were Assembly Supported Public Bodies, 'legitimate needs' meant aspirations that accorded with Government policy.

However, the response from the stakeholders was that there were, in fact, areas of legitimate interest which would not be covered by the Government office. Even in those where the Government office could be helpful, the stakeholders would be looking for firm assurances that this help would be forthcoming – something akin to the Service Level Agreements which they had negotiated with the Centre in the past. At first the civil servants were not prepared to give these assurances or to recognise any legitimate gaps in the cover they could provide.

In my review, published in June 2002, I suggested that, vital though its expansion was to Welsh interests in the EU, the Government office would not be able to meet all the demands which the stakeholders had previously put on the Centre. I recommended that a solution might be found through maintaining the Centre with a reduced payroll and with continued participation by the Local Government Association. To ensure adequate funding the Government should take over responsibility for the Centre's building and allow a reconstituted Centre free use. Information-sharing should be firmly established between the two offices. Finally, the WDA should continue to contribute to the Centre's funding, though on a smaller scale than hitherto.

The first reactions to this from officials in the Assembly were not encouraging, while the attitude of Local Government Association was ambiguous. Sir Brian Smith subsequently asked me to extend my mandate to help find a solution. A further round of consultations with most of the stakeholders showed that the overwhelming majority, whilst happy to work with Assembly departments and the expanded Government office in Brussels, still felt that they had legitimate interests that only the Centre, in some shape or form, could satisfy.

The Local Government's position was less clear. It hankered after autonomy but was not sure how it could be financed. A considerable boost to the Centre's position came from an indication of continued support from the WDA, though on a reduced scale. For its part, the WDA could see that many concerns in the Welsh economy and society which they were set up to address could be at risk. Unaltered the proposed changes might mean that smaller stakeholders in the Centre could no longer look to it for information and advice of the sort to which they were accustomed.

For many weeks there was little change in the attitude of Assembly officials except to assure stakeholders that there would be no pressure on them to withdraw from the Centre if they saw

Wales's Brussels embassy at 20 Rue Joseph II. After some diplomatic niceties y Ddraig Goch waits for a continental wind.



value in remaining and could find the necessary funds from their existing budgets. In time, however, the politicians began to take an interest – particularly after Mike German's return from the wilderness and appointment as Minister for Wales Abroad. My hunch is that a possible charge of neglecting the wider Welsh interest in Brussels was not something that the coalition Cabinet would have welcomed in the run up to the recent election.

Whatever the reason, from July 2002 the atmosphere among officials began to change. Senior officials became involved and things began to move slowly towards the solution that has now, I understand, emerged and which looks not dissimilar to that proposed in my Review. The most difficult question to deal with, as it turned out, was how to fit the Welsh Local Government Association into the new structure. In the end they hung out for their own representation housed within the same building as the Government office and the Centre but with all three bodies pledged to co-operate with each other to avoid duplication of effort and encourage exchange of information.

Assuming this solution is implemented in good faith then it should provide a good basis for ensuring that a wide spectrum of Welsh interests in the EU is safeguarded. But it was by no means self-evident this time last year that things would work out this well. There are many lessons to be learnt from this saga but perhaps the most important is the need for Government Ministers and officials in the Assembly to consult widely before announcing new policies from which it is difficult to row back and always to have an exit strategy prepared in advance should events turn against them.

- Sir John Gray, former British Ambassador to Belgium, is Chairman of the Welsh Centre for International Affairs.

our asylum test

tom cheesman calls for better treatment of displaced persons in Wales

The riots in Wrexham's Caia Park estate in late June foregrounded the presence of asylum seekers in Wales. There was some irony in that the attacks were against around 20 Iraqi Kurds who were refugees rather than asylum seekers, a distinction that escapes many media commentators. "They think they're entitled to do as they like," was one reported comment. Indeed refugees are so entitled (within the law) – just like anyone else, but not asylum seekers (or prisoners in jail). These are not entitled to work, nor to study more than 16 hours a week, nor to travel away from their allotted homes for more than two nights without permission. Popular ideas about their privileges are grossly exaggerated.

Like many local authorities Wrexham unwisely chose to house these

particular refugees – they could easily have been asylum seekers – in otherwise unwanted properties, on an estate already lacking amenities. Often the motive is to gain credit with central government for sharing the refugee/asylum seeker load, and to pull down grants to renovate vacant housing. Such a policy is a mingled mix of principle, cynicism, and naivety.

The lessons are clear. Don't house refugees or asylum seekers in impoverished estates and whatever you do, make sure there are adequate support networks serving both newcomers and the indigenous population at the same time. Any community identified as a home for asylum seekers and/or refugees must be thoroughly informed about what to expect, and why it is happening, and must see immediate advantages for themselves: improved amenities for all. Otherwise the combination of local BNP activism and populist UK media will guarantee more Wrexhams.

Around 1,900 asylum seekers have been dispersed from the English South East to Wales since 2000 (see Tables 1 and 2 for asylum seekers distribution

across the UK and within Wales). In addition nearly 50 people claimed asylum in Wales itself each month during 2002. All levels of government need policies for receiving, welcoming and integrating refugees and other immigrants. Globalisation makes this an inevitable necessity. What we are confronted with, however, is a climate of fear and suspicion.

This needs to be vigorously challenged. We have no alternative but to accept our share of the world's displaced. In any event, we stand only to gain by doing so, socially, culturally and economically. Yet politicians give the impression of being intimidated by tabloid and doorstep intolerance. As a result they are often afraid to insist on respectful treatment for displaced persons.

In some respects our politicians have a good record. In 2001, some AMs were instrumental in ending the arbitrary detention of asylum seekers in Cardiff gaol, and were prominent in the campaign against the voucher system. Several are active behind the scenes, lobbying the Home Office to improve conditions for asylum seekers. Meanwhile the Assembly's Equal

Western Mail front page headline, 24 June 2003.



Opportunities Committee keeps an eye on the issue.

The Assembly Government seconded a new director, Marilyn Enfield, from Race Equality First to the Welsh Refugee Council, and has also backed the Refugee Doctors Programme. This is run by the Welsh charity Displaced People in Action, a pioneering project which, so far, has helped two dozen refugee doctors to practise in Wales, and will soon be extended to other healthcare workers.

Despite all this the Assembly is still doing too little. Where is the debate, beyond the usual cries of 'swamping!' and 'racism!?' In 2000, the first 200 'dispersed' asylum seekers arrived. According to research carried out by the Wales Media Forum, this small number generated 195 press and media features: such a big fuss for so few people, and most of it counter-productive.

Most aspects of asylum arrangements are outside Welsh control. The Assembly Government cannot give asylum seekers work permits, the single best remedy for their misery. It cannot speed up the decision-making process. Nor can it increase the cash allowance which makes asylum seekers the lowest-income social category in the UK. Those aged under 25 receive just £30 a week while others get £38. Some stay for a year or more in 'emergency accommodation', on bed and board, with no cash whatsoever.

The Assembly Government has no say in where 'dispersees' get sent to live. That is the prerogative of the Home Office's National Asylum Support Agency (NASS) and contracted accommodation

providers. The biggest providers, private firms, needn't tell anyone where their houses are and who's in them, except the NHS. Consequently education, social services, and other agencies are unable to make appropriate plans. The Assembly Government must find ways of sorting out the mess.

'cities of asylum' project

This is an international network of civic and regional authorities offering sanctuary to individual persecuted writers. In 2001 I wrote to the Assembly Culture Minister, Jenny Randerson, to recommend that Wales join. She replied that the Assembly had no powers over immigration, so could not consider doing so. In fact members of the scheme include such non-sovereign authorities as Tuscany, Ile-de-France, Barcelona, Stavanger, a dozen other cities and European regions, Lagos and Las Vegas. Joining this low-cost project would send strong signals of human rights commitment throughout Wales, and buy us into a global network of public authorities supporting artists in exile. Now Yr Academi Gymreig backs the proposal, and has recently elicited signs of Assembly interest. See "Cities of Asylum" at www.autodafe.org for details of the network.

Accommodation providers differ greatly in their basic facilities. To its shame, at least one council in Wales, with a NASS contract for scores of family houses, provides neither television sets nor washing machines. Private firms provide both, or at least a TV. This council boasts that it entered the contract in order to do its bit for the humanitarian cause. Providing homes without such basic facilities by modern standards is hardly humanitarian. The Assembly Government should set standards for asylum seeker accommodation, and for support services.

'Dispersal' involves a web of contracts between NASS, accommodation providers, and the Welsh Refugee Council. The confidential accommodation contracts apparently call for the provision of support and guidance, without specifying what kind of service. Often it amounts to giving out a mobile phone number, and popping in every couple of weeks –

more to check on the state of the accommodation than on the needs of the residents. Interpreters are very sparingly used. I've met asylum seekers who'd been in Swansea for months without hearing of the Welsh Refugee Council's 'one-stop shop'.

Ironically, however, the Welsh Refugee Council's contract with NASS is to provide emergency accommodation and advice for in-country claimants and successful claimants – that is, people 'moving on' from the NASS system. Their remit is not primarily to serve 'dispersees'. Case-workers, facing daily queues of dispersees, sometimes seem unclear whether they should help them or

refer them back to the accommodation providers. 'Service users' are sent from pillar to post to find someone to help with a myriad of needs. These might include translation of a lawyer's letter, advice about English courses, contacting NASS to ask why an allowance hasn't arrived, or interpretation of the latest Home Office regulation.

In general services are either absent, under-resourced or badly organised, particularly outside Cardiff. Yet dispersal is to be extended further, to areas with even fewer specialist services, where schools, colleges, health and other agencies have still less experience, with less access to interpreters. This will exacerbate one major problem faced by asylum seekers which the Assembly does have powers to address: the problem of transport.

The Children's Commissioner should take a special interest here. Over 1,300 of the 1,900 dispersees that have so far come to Wales are in



Above – Swansea World Stars football team, Summer 2002.

Below – Santa visits a party for refugee children in Swansea.



Below – Rashid Shahid and Anahita Alikhani, volunteers with Swansea Bay Asylum Seekers Support Group.



families with children. Nearly half of the families are headed by a woman: 160 female-headed families comprising just over 600 people; 175 male-headed families comprising 730 people. Dispersed to the hilly, rain-swept outskirts of Welsh cities, and soon also in Valleys towns, geographic isolation compounds social isolation.

Buses are unaffordable. Some children are walking three miles to get to school. Lack of transport stops adults from taking opportunities to integrate, to learn English and other skills, let alone access legal advice, healthcare and practical guidance. They can't get to city-centre shops where their money goes further, or to ethnic shops selling familiar foodstuffs. Many are subsisting for months on end on nothing but boiled rice.

They can't develop a social life. Tensions in families cooped up together become disastrous. Disorientation, homesickness, trauma, anxiety and depression are compounded by under-nourishment, isolation and boredom, with severe effects on mental and physical health. Refugee Council research shows that most asylum seekers' health declines dramatically between arrival and the determination of their claim. This problem may well be especially severe in Wales, and transport is a key issue.

We must find ways to let asylum seekers use public transport at much reduced rates, or for nothing. If the over-60s can have free bus passes, why not asylum seekers? The numbers involved would not break the bank. Is this not politically feasible?

On the other hand, a headache for asylum seekers' advocates is that services for most low-income Welsh residents – from classroom support to trauma counselling – are so poor, we can hardly ask for special deals. But can asylum seekers be included in a package offering reduced cost bus

travel to a range of low-income groups? Failing that, can funding be found for schools and colleges to offer transport subsidies to asylum seekers (and anybody else on sub-poverty level incomes), preferably in such a way that people are able to use public transport whenever they need it?

Asylum seekers' troubles don't end when they get a positive decision – usually 'leave to remain'. Their NASS allowance stops, and they get a seven-day eviction notice, usually with no advice on the mainstream benefits, jobs and housing system. The Welsh Refugee Council's offices are under-staffed. Support through this transition may be provided by dedicated English teachers, health workers and other unsung volunteers. It can take 60 days for a National Insurance number to arrive. Until then, of course, no benefits can be paid. A young single person will have few housing 'points', so local authority

accommodation is almost impossible for this category of applicant. Some don't realise they have to 'move on' until it's too late to arrange anything. Others do everything they ought to, but fall victim to some bureaucratic cock-up. Without a local social network, they end up on the streets.

Every month in Swansea, for example, people are made homeless in this way. Some come to Swansea Bay Asylum Seekers Support Group to borrow money for food. The suffering in this 'limbo' period is infuriatingly unnecessary. Discussions are in progress between the different agencies involved, to close the gap.

Can the Assembly Government help expedite these negotiations?

Meanwhile the brutal indifference of the mainstream system, after a year or more in the dismal but by now familiar NASS system, is the last straw for some. The Medical Foundation for the Care of Victims of Torture reported recently on rising numbers of suicide attempts in the weeks after people have been granted leave to remain. How fast and fair is that?

Much can be done to give people choices, to make sure the indigenous community appreciates what is going on, and frankly to use asylum seekers and refugees as a funding lever to improve services and opportunities for everybody. And as we improve asylum seekers' conditions while they're billeted here, we should encourage them to stay here after they get status, as the majority eventually will.

This should be the aim of an enlightened Assembly Government asylum policy: to make it attractive to remain in Wales. We need them: their youth, their enterprise, their qualifications, their skills, their energy, their resourcefulness. We need them to help us thrive, to teach us about the wider world, to help us develop global trading and cultural networks. In fact, we need to invite them to become our own people. So let's start treating them like our people now.

how to be made illegal

Many whose asylum claims are refused cannot be deported. This is because no deportation agreement exists between the UK government and the government of their country of origin – if indeed it has a government. NASS evicts them, and the Home Office merely gives them details of a private company which can arrange a free flight 'home'. If their country is officially recognised as 'unsafe', they may be offered a small cash incentive as well. However, their country being unsafe is not sufficient grounds for leave to remain in the UK.

Most choose, probably wisely, to remain in the UK. They are committing no crime, but on the other hand they have no status: ineligible for benefits or housing; unable to study or work legally; unable to get legal aid and therefore legal representation. In fact they have been made illegal. This recently happened to several Congolese people I know, including a young woman eight months pregnant. The only beneficiaries of this set-up are criminals seeking desperate recruits for the sex, drugs and trafficking trades. A civil case must be mounted to see if such treatment can be ruled a human rights abuse. The Welsh Refugee Council is creating a hardship fund, but will be hard put to address the scale of the need.

Living in their terraced houses scattered around town, asylum-seeking families and singles inhabit a post-modern open prison, with a key to their own door (shared with their 'warders'), but no power over their own fate. The longer they wait and the better their English becomes, the more they get to know their neighbours and learn about opportunities for training and working. They don't just see the racism, which of course is there, but also the other side: the kindness, curiosity and helpfulness of a great many Welsh people. At the same time this only serves to make more excruciating the uncertainty and the enforced inactivity.

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election special i

the importance of welshness

analysing the fall-out from the 2003 Assembly election richard wyn jones and roger scully question how far it saw Wales 'come home to Labour'

The National Assembly's second election in May 2003 lacked both the interest and the novelty-value of the inaugural contest four years previously. A generally uninspiring campaign was followed by a low turnout, and results that were less dramatic than those of 1999. Yet the electoral fortunes of the parties certainly matter for the future of Welsh politics. And the electoral future of each also depends, at least in part, on their learning the appropriate lessons.

That turnout for the Assembly election fell to 38.2 per cent (from a still hardly impressive 46% in 1999) was particularly disappointing given the expansion in postal voting that has occurred in the UK in recent times. Yet even though voting had become easier, fewer bothered to participate in the electoral process. This was despite Wales being a country of historically

high rates of electoral participation. Throughout the twentieth century, general election turnouts in Wales were consistently around 2 per cent higher than in England and Scotland.

That turnout fell in Scotland by a similar (indeed slightly greater) extent might seem initially encouraging. At least this is not a specifically Welsh 'disease'. Yet the Scottish example also blows out of the water the argument – made, for instance, on election night by Plaid Cymru's Carmarthen East MP Adam Price – that giving greater powers and status to the Assembly is an almost automatic means to engender substantially greater public interest and participation. Furthermore, research conducted since the election by NOP for the Electoral Commission paints an even gloomier picture. When confronted with various potential ways to make voting easier, or possible

stimuli to electoral participation, large numbers of people appear impervious, and indicate that none of them would make them more likely to vote. For instance, 46 per cent of a representative sample said that it would make no difference to their likelihood of voting even if "the outcome of the election seemed likely to be close and I thought my vote might make a difference".

Yet we must be cautious about quite how we interpret the message of low turnout. Research conducted by the Institute of Welsh Politics on voter turnout and attitudes to Assembly elections suggests that while there is a widespread (and probably growing) alienation from electoral politics, and also a widespread public perception that the Assembly lacks powers and has thus far failed to 'deliver', this has not produced any desire to get rid of the Assembly.

Low electoral turnout does not indicate a fundamental crisis of legitimacy for devolution in Wales. Indeed, support for taking devolution further has grown considerably since 1997 and 1999. Low turnout does raise troubling questions about representative politics in general. This is particularly the case given that turnout tends to be lowest, and falling most quickly, amongst the more marginal elements in society, who are presumably those most in need of the political system acting to help them. However, it does not necessarily raise many specific problems for devolution as such.

Table 1. Vote Shares and Seats (Change from 1999), 2003 election

Party	1st Vote	2nd Vote	Seats
Labour	40.0% (+2.4%)	36.6% (+1.1%)	30 (+2)
Plaid Cymru	21.2% (-7.2%)	19.7% (-10.8%)	12 (-5)
Conservatives	19.9% (+4.0%)	19.2% (+3.2%)	11 (+2)
Lib Dems	14.1% (+0.6%)	12.7% (+0.1%)	6 (-)
Others	4.8% (+0.1%)	11.8% (+6.9%)	1 (+1)

Table 2. Plaid and Labour Vote Shares in Wales, 1992-2003*

Party	1992	1997	1999	2001	2003
Labour	49.5%	54.7%	36.6%	48.6%	38.3%
Plaid Cymru	8.8%	9.9%	29.5%	14.3%	20.5%

* Vote shares for 1999 and 2003 Assembly elections are derived by averaging the first and second vote totals.

The extent to which the 1999 election had transformed the Welsh political landscape was illustrated a week before the 2003 poll, when Prime Minister Blair made a high profile visit to what the media described as ‘the key marginal of the Rhondda’ – a seat that no sane person would have described in such terms prior to Plaid’s shock win in 1999.

It is hardly new to observe that much of politics revolves around perceptions. Yet rarely has that truism been more pertinent than in the aftermath of the Assembly poll. The extent to which expectations of Welsh electoral politics were transformed in 1999, and the degree to which the 2003 results were interpreted through the lens of 1999, has done much to drive the perceptions of who won and who lost in 2003. Only in this context have Labour been able to trumpet the results as indicating that Wales has ‘come home to Labour’ (see Table 1). In fact, Labour won control of the Assembly, and recaptured the key ‘heartland’ seats, despite only making quite modest gains on its ‘disastrous’ 1999 performance. In the process it attained a vote share that was almost 10 per cent below what the party achieved in Wales in the 2001 UK general election (which was itself down 6 per cent on that of 1997).

Meanwhile Plaid Cymru have been plunged into despondency – and Ieuan Wyn Jones into resignation – despite achieving one of their best vote shares ever across Wales. If we look at the 2003 results in only slightly greater historical perspective – as in Table 2 – then we might view the ‘triumph’ of Rhodri Morgan, and the ‘failure’ of Ieuan Wyn Jones, at least a little differently.

Before Plaid Cymru supporters start to salvage too much good cheer from this year’s results, we should point out that the 2003 results fit very much within what appear to be an emerging pattern. We have previously argued



Rhodri Morgan in Holyhead taking stock of the ‘clear red water’ separating him from New Labour in London.

that the results of earlier elections, and detailed evidence from post-election surveys, suggest a strong tendency in Wales for differential patterns of voting to occur between National Assembly and Westminster. Specifically, we have found that both Labour and the Conservatives appear to do systematically better in Westminster elections than those for the National Assembly, while for Plaid Cymru, the opposite is the case. In both good times and bad for the party, Plaid’s level of electoral support for the National Assembly (in the detailed surveys conducted by the Aberystwyth team) has been at least double its Westminster support.

The principal factors underpinning these patterns are voter perceptions of the core concerns of parties, and their relevance in different electoral environments. The British parties, especially Labour, did their best to project a greater Welsh identity. Not

only that, the Iraq war, which was ‘successfully’ concluded not long before the election itself, undoubtedly had some impact in raising the salience of ‘Britishness’ in the period immediately preceding the poll. But despite these factors, the differential voting thesis was strongly endorsed by the 2003 results. Labour and the Conservatives (in a good year) fell below their 2001 general election vote share; while Plaid (in a bad year) did substantially better than two years previously.

As the 2003 results were announced, successful Labour candidates, doubtless primed by party headquarters in Cardiff, used their victory orations to reiterate the mantra that Welsh voters had ‘come home to Labour’. And yet re-branded ‘Welsh Labour’ is an ostentatiously different political animal from the party that fought the 1999 election. In a series of high profile speeches in the run up the

Assembly election, Rhodri Morgan identified 'clear red water' separating Welsh Labour from New Labour in London, in a direct response to the rhetoric deployed by Plaid Cymru in 1999 when it had presented itself as more 'Welsh' and left-wing than New Labour.

To the extent that Welsh voters did 'come home' to Labour, it was only after that party had moved to an address previously occupied by Plaid. Nor was Labour alone in this: the other main parties also reacted to Plaid's 1999 success by attempting to project a more distinctly Welsh identity.

At the same time, it is important not to be too Welsh. Plaid Cymru's opponents, and Welsh Labour in particular, have striven to present the party as extreme, with controversies surrounding the cultural impacts of large scale in-migration from England into poorer, largely rural and traditionally Welsh speaking areas being used to associate Plaid Cymru with racism and 'anti-Englishness'. The largest selling newspaper in Wales, the Labour supporting Welsh Mirror, and notably its Political Editor Paul Starling, has been being a particularly virulent proponent of the 'racist Plaid Cymru' thesis. Plaid were very probably hurt by these attacks, particularly in the overwhelmingly English-speaking south Wales valleys. If they are ever to recover seats like Islwyn and Rhondda, and make ground elsewhere, they will need to find a way to counter such attacks.

One underpinning of the National Assembly's much vaunted 'inclusivity' was its establishment as a 'body corporate', which blurred the distinction between executive and legislature. In practice, however, all parties have been happy to see a clearer distinction develop between them – a process that culminated in 2002 with the Assembly cabinet being re-labelled the Welsh Assembly Government. It is doubtful whether the

electorate have yet begun to distinguish between the National Assembly qua institution and the ruling administration in that body. But Labour's decision to form a single-party government should, in future, serve to make the distinction between government and Assembly more clear – and possibly pave the way for those disillusioned with the performance of the Assembly to demonstrate their dissatisfaction by voting for an opposition party rather than by refusing to vote.

However, while greater differentiation between executive and legislature may in one way undermine the Government of Wales Act, the election result will probably render futile attempts to secure more far-reaching de jure changes to the Assembly. Labour's decision to form a government on the basis of only 30 seats means that party unity is at a premium. One likely casualty of that is the forthcoming Richard Commission report on the powers and electoral system of the Assembly. This independent commission was established as part of the partnership agreement between Labour and the Liberal Democrats (the latter being strongly committed to a Welsh parliament).

The Commission, due to report in early 2004, is widely expected to recommend moves in the direction of primary legislative powers, as enjoyed by the Scottish parliament). Since the election, Labour have announced that they will not give evidence to the Commission, making itself the only major party in Wales to so refuse. Given that the issue of more powers for the Assembly is a hugely contentious one in Labour ranks, and the over-arching need to maintain party unity, the Commission report seems increasingly likely to be ignored.

Devolution is increasingly accepted in principle by the people of Wales, but it can hardly be said to have enthused

them. Of those who participated in the minority sport of voting in the Assembly election, a sufficient number upported Labour to give the party control of the Assembly in its second term. This result will place considerable onus on Labour to deliver on the various populist pledges that littered its election manifesto.

For Plaid Cymru, the election produced a setback that will require a re-evaluation of the party's direction under a new leader. If lessons are to be learned, and a more attractive alternative to Labour presented in 2007, Plaid will have to develop a maturity in dealing with defeat and disappointment that it has not thus far displayed.

The Conservatives' relatively strong performance has boosted party morale, and the standing of its Welsh leader, Nick Bourne. However, it remains to be seen whether the Tories can become anything other than a permanent 20 per cent minority force. The circumstances in which the Welsh Tories might actually assume a governing role in the Assembly are still difficult to imagine.

For the Liberal Democrats, modest gains in electoral support have been out-weighed by the party returning to the status of a marginal and marginalised fourth party. The challenge for them is to become something more than simply a 'coalition partner in waiting'.

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election special ii

stirring up apathy



david williams reveals how far the press and media got through to the electorate in the Assembly campaign

Half way through the Assembly election campaign I was in a taxi en-route to a manifesto launch in Cardiff when the driver asked me about the likely outcome. After two weeks of what had been a very dull campaign it was refreshing to find someone genuinely interested in, and apparently knowledgeable, about politics in Wales. This was someone whose opinion was worth cultivating, particularly given that all around the only other thing stirring in the campaign was apathy.

The journey became more interesting by the mile. The taxi driver informed me that he'd been a keen observer of the

devolution process during the last four years and now intended to register his verdict on which political party he felt best reflected his views. The conversation got even more interesting when he explained that after years of loyal affiliation to one party he intended to vote for another. Did this reflect a significant swing in public opinion? Was it a pointer of things to come? This was clearly a man with his finger on the pulse and worth talking to some more. Given that he was going to switch allegiances with the first vote, how was he going to use his second vote? Was it going to be a tactical placement of a cross for a different party? That's when the dialogue came to a shuddering halt and I realised that we in the media should never take anything for granted. "Ah the second vote," said my new friend. "The wife hasn't decided yet!"

This is not intended to be a cheap shot at the taxi driver's expense, but rather a salutary reminder to all of us involved in informing the electorate that we cannot repeat often enough the information which guides and informs that group during an election campaign. For goodness sake, we at BBC Wales had been banging on about the election and explaining the voting system for weeks, but we hadn't fully reached someone who was actually keen to take part in the democratic process. It forced me to rethink what we in the media are about.

If we couldn't properly inform the converted, what chance did we have of reaching those who seem increasingly switched off by politics. At the BBC we had already been involved in a prolonged period of navel gazing following the low turnout at the last UK 2001 general election. Conscious that we stood accused of talking at, rather than to ordinary people, we set about making

our political programmes and items about politics on radio and television, in Welsh and English, more accessible. The Assembly election was the first test of whether or not we were succeeding.

We were acutely conscious that the turnout could be low and that apathy – always difficult to report without being accused of stirring it up – would prevail. In the event, the turnout was low and now the political classes, including the media, are asking what more should we be doing to address a phenomenon affecting most western democracies. For our part at BBC Wales, we decided to find out how people got their information during the election campaign. We commissioned Beaufort Research to conduct a telephone survey of 500 adults aged 18-plus in Wales and asked them about their sources of information on the campaign and results of the Assembly Election. The fieldwork ran from 2p.m. on Friday through to Saturday evening of the 2nd and 3rd of May, 2003. For one-off events such as this, we have never previously known how many listen to our results services on Radio Cymru and Radio Wales or look at the results online or on teletext. Online is becoming increasingly important as a source of information during elections. We were also interested to discover the combined reach of all BBC Wales services for a single broadcast event such as the elections coverage, which goes across so many services. The main results are shown in the table below.

These results confirm what I have long suspected about how people get their political information. It is particularly reassuring that the BBC in Wales plays such a prominent role, but the results also pose fundamental questions as well. Sure, the BBC is to the fore in providing election information, but in the absence of what I

bbc wales post election poll

Awareness and Claimed Voting

Almost all respondents (97 per cent) claimed to be aware that an election had happened in Wales in the previous day or two and 79 per cent had obtained some information on the campaign prior to election day.

58 per cent claimed to have voted, much higher than the actual turnout of 38 per cent, mirroring the over-claiming of likelihood to vote in BBC Wales NCA's pre-poll survey, and HTV's NOP eve of poll survey.

Despite this over-claiming, the respondents' shares of poll for each of the four main parties were close to the actual election outcome.

A quarter claimed to have seen some results on the night and 60 per cent (a further 35%) had seen some of the results up to the time of interview.

Sources of Information on the Campaign

Before polling day, the main sources of information about the election were the candidate leaflets (mentioned by 71 per cent) and the polling card (55 per cent) delivered to all homes.

After these, BBC Wales had informed almost half the respondents in some way (45 per cent), well ahead of any other source of information.

The BBC Wales sources used were BBC1 Wales (42 per cent), BBC2 Wales / 2W (9 per cent), Radio Wales (6 per cent), S4C (4 per cent), Ceefax (4 per cent), Radio Cymru (3%), BBCi Wales (1 per cent) and Cymru'r Byd (0.2 per cent). [As a rough guide, 1% is equivalent to 25,000 adults in Wales.]

For comparison, other sources used were HTV Wales (25 per cent), Welsh Mirror (9 per cent), Western Mail (7 per cent), Daily Post (5 per cent) and Teletext (4 per cent).

Among Welsh speakers, S4C was used by 9 per cent, Radio Cymru by 8 per cent and Cymru'r Byd by 1 per cent.

Obtaining Election Results on the Night

25 per cent of respondents claim to have seen or heard some of the results on the night itself, although it's probable that many of these only heard the studio discussions before any actual results came through after 1am.

Most of these (17 per cent of all respondents) had seen the results on BBC1 Wales, then HTV Wales (5 per cent), Radio Wales (2 per cent), S4C, Radio Cymru, Ceefax, Teletext (all 1

per cent), Digital text (0.4 per cent) and BBCi Wales (0.2 per cent).

Across all services, BBC Wales attracted 19 per cent of the adult population (450,000) to its results services on election night.

Among Welsh speakers, S4C was used by 3 per cent and Radio Cymru by 2 per cent on the night.

Obtaining Election Results in the Day or Two After the Election

By Friday/Saturday, 60 per cent claim to have seen or heard some of the election results.

BBC1 Wales was by far the main source of information, with 34 per cent, followed by HTV Wales (17 per cent), Welsh Mirror (5 per cent), Radio Wales, Ceefax, Teletext (all 4 per cent), Daily Post (3 per cent), Western Mail, S4C and 2W (2 per cent each), BBCi Wales and Radio Cymru (both 1 per cent).

S4C had been used by 5 per cent of Welsh speakers and Radio Cymru by 3 per cent.

In total, BBC Wales sources had been used by 38 per cent of respondents (900,000) to inform them of the election results in the day or two after polling.

would call a national press in Wales – I always get into trouble when I suggest this – there's even greater pressure on the BBC.

We don't complain about that responsibility, but it is, in my opinion, less than desirable that so much of it should be placed at one door. This is something that all us PJs (Political Junkies) should be aware of. Before we descend into the usual bout of glorious self examination, perhaps we should consider how we can all help

extend the reach of information to that other, arguably more important group, the BBs (Big Brothers). These are the people who rarely watch political programmes, but that doesn't mean they're uninterested in the politics which affect all our lives. It's just that they come at it from a different angle. Their opinions are worth cultivating. Indeed it is vital that we do just that. Remember, these are the people who vote in their millions to evict individuals from a television house. Just imagine how turnout

out would rock if they could be persuaded to engage with the political process and vote people into one of the many houses which provide shelter for those who aspire to rule us. Maybe the wife of that taxi driver I encountered during the election campaign is poised over her remote control ready to vote. It's just that we need to reach her ... and him.

- *David Williams is Political Editor of BBC Wales.*

election special iii: plaid cymru's future

in the wake of Plaid Cymru's poor election, helen mary jones and rhodri glyn thomas – competing for the leadership of the Assembly Group with leuan Wyn-Jones – debate what the party is for

free and equal in Europe

helen mary jones says devolution is not a process or an event that should be supported by nationalists



At its heart Plaid Cymru has always had a straightforward purpose: to obtain for Wales the freedom to participate as a full partner in the international community, and to build a nation where all our people are enabled to contribute and the vulnerable are protected. Historically we have tied ourselves into knots in the search for the right formula to describe that freedom. We have talked about self-government and full national

status. We have rightly avoided using the term independence with all the outdated insularity that the term implies. There is nothing basically wrong with the term 'full national status', and there is certainly nothing wrong with the detailed constitutional policy that sets out how we attain that status. However, the term has become tarnished by implications of our "ducking the national issue." Perhaps it is time to reframe the discourse in terms that are more straightforward and easier to understand.

Let us begin with freedom and equality. The reason for Plaid Cymru's being has always been to set the nation of Wales free to play its full and unique part in the affairs of the world as a nation equal to others. This is a simple aspiration, but it is an enormous one. We hold this aspiration for two reasons. Firstly, because now more than ever we must have the right to speak for ourselves in an increasingly dangerous and divided world. Welsh MPs at Westminster voted overwhelmingly against the war with Iraq, and yet we found ourselves drawn in. With Europe rapidly evolving, the need for Wales to be free to make common cause with the other smaller nations and regions to counterbalance the power of the larger nation-states, becomes an even stronger imperative.

The second reason is the desperate need for the National Assembly to be completely transformed. A proper Parliament is the first step for Wales to

acquire the power we need to change our nation into one where its citizens and communities share the freedom and equality to achieve their potential. We must have the power to free communities and individuals from poverty; economic poverty of course, but perhaps worst of all, poverty of aspiration. We have to have the power to develop communities in which we can enjoy, celebrate and understand our differences, develop our potential as citizens of a new Wales – wherever we came from in the first place, and however long Wales has been our home.

The words we use to describe this freedom do matter, but it is possible to get too bound up in the semantics. I believe we should talk in terms of freedom and self-government, but be relaxed if others want to describe it as independence. A defensive reaction to the term risks looking "shifty" as if we have something to hide in our constitutional policy. Which we don't, and never have.

So if these are our aspirations – and I don't believe that they have fundamentally changed – what has gone wrong with Plaid Cymru since devolution? I believe that our first mistake was to allow ourselves to be tied in to the concept of devolution itself. To express support for devolution is by implication to recognise the legitimacy of the central

power, and its right to devolve – and therefore to withhold – power. Plaid Cymru has always maintained that sovereignty, legitimate power, rests with the people of Wales. Therefore, whether devolution is a process or an event, it is not our process, and it is not our event.

Despite attempts to take a backroom role in the devolution referendum in 1997, we were almost imperceptibly drawn into the invidious position of defending Labour’s half-baked proposals and, worse, after 1999 into trying to make them work. The Plaid Cymru Group in the National Assembly knew we could not trust Labour with the national project. We knew that the public saw the Assembly as very much Plaid Cymru’s baby, and we struggled to protect its reputation in the teeth of the ineptitude of the Labour administration and the manifest inadequacy of the institution itself. This was doomed to failure. We should have known that the centralising pull of the Labour machine would prevent any organic growth of the Assembly into the Parliament Wales so desperately needs.

We should have known that there was only one political party that will deliver Wales its freedom – Plaid Cymru the Party of Wales. Time spent struggling to improve Labour’s feeble policies was time that we couldn’t spend building the Party and making the case for self-government. We must not make that mistake again. So, what do we need to do now?

We need to pull together an agreed national strategy, prioritising above all the message that Wales needs to be a free and equal partner in the European Union if we are to be able to deliver the progressive community socialism we need. All elected politicians in Europe, at Westminster, in the National Assembly, in local government must take every opportunity to drive home the vision of the nation and the communities that we can be. There is

nothing wrong with the strong policy base that the party has developed over the last five years. We have the constitutional policy that sets out clearly the process that will take us from dependency to full partnership in the European Union. We have the policies that will enable us to rebuild our communities.

However, detailed policy will never be enough unless it’s communicated in the context of the vision that generated it. And wherever we find ourselves in power under the current constitutional set up – whether in local government or in the National Assembly in 2007 – we must never forget that, while using that limited power to do the best we can for communities, our real purpose is to get for the people of Wales the freedom and power they need and deserve. We need to rediscover our campaigning traditions as a Party, to work with people in communities on issues that matter to them. We need to demonstrate our relevance.

There has been much talk of Plaid Cymru attempting to be all things to all people, to be different parties in the rural ‘heartland’ and in the Valleys. This has always been nonsense. The policies needed to protect and strengthen community life in Blackwood are basically the same as those that are needed for Bethesda. Ours is a nationalism based on citizenship, a Welshness that includes all those who choose to be part of it, wherever they were born, whatever their native language. We have our own unique language, which belongs to us all whether we speak it or not, and a wealth of cultures and traditions to celebrate and enjoy, including a strong tradition of Welsh culture expressed through the English language. We have so much going for us! We have no need to be timid and cautious in our politics.

We need to recapture the big idea about what Plaid Cymru is for, and we need to engage hearts as well as

minds. To those who have traditionally supported us we need to get across the clear message that Plaid Cymru is what it has always been, the only true Party of Wales, the only Party that can and does put the needs of communities first. For many others, voting Plaid Cymru is not and will not be for some time a ‘safe’ option. The Labour culture of dependency has the great advantage of being comfortable. We are used not to not think for ourselves. We have become used to whingeing. It is easier to blame others for our misfortunes than to take responsibility for putting them right, and we should not underestimate the extent to which Labour hegemony is woven into the very fabric of public life in Wales. So in asking people to vote for us, we’re asking them to make a difficult decision that may feel dangerous. We’re asking a lot.

The people of Wales will only respond to that request if we succeed in engaging imaginations, in communicating a sense of excitement and passion for the Wales that can be. To do that, we have to believe in it ourselves, to re-engage with partners in the national movement, with cultural, social and educational organisations that share our aspirations. We have to be bold and open, clear about our values and vision, about our commitment to the future of the Welsh language and to justice and equality. We actually need to make people feel uncomfortable with our traditional dependence, and inspire in them a sense of what a non-dependent free Wales could achieve and be. I’m confident that we can do this, as long as we all remember, in the day to day hurly-burly of political life, what Plaid Cymru is for, and why we joined it.

- *Helen Mary Jones is AM for Mid and West Wales.*

rhodri glynn thomas advocates a new way forward for achieving greater autonomy for Wales

sovereignty without separation



a country where 33 per cent of children live in poverty, where a third of our elderly survive under the poverty line, and where the wealth divide amongst individuals and regions is increasing, needs a powerful government committed to a progressive agenda. If Wales is to escape the cycle of decline we need a government which is pursuing a progressive agenda of re-distributive policies.

It is all very well to talk about 'clear red water' between Wales and Westminster but we need the powers to put initiatives in action, which will make that difference. Redistribution doesn't exist in New Labour terminology, and the Tories occupy an even further right political platform. The key battleground for Plaid Cymru is to expose New

Labour's appalling record and to unite the cause of social justice in Wales and the progression of the devolution process.

Voting for Plaid Cymru should not only be seen as voting for an alternative government. It must be seen as voting for a different political environment which is promoting Wales as a confident nation ready to play its part in developing a truly pluralist and inclusive political system, here in the British Isles and on mainland Europe.

The key to achieving our constitutional aims is to clearly outline why Wales needs extra powers. However, the new constitution of Europe leaves little room for the influence of the small countries and regions of Europe. Instead it places all the powers in the hands of the large member states. Plaid Cymru has already begun the process of re-visiting its policy of Wales as a small nation within a federal Europe. Wales needs the powers to play its full part on the European stage. It needs those powers not for power's sake but to represent the needs and interests of the people of Wales.

Logistically Wales is and will always be a part of the United Kingdom. But we need a more equal partnership based on free association, which will give us sovereignty without separation. It would allow us to develop as a country

while sharing many common interests with other countries in the UK. It is a model which is seen throughout the world. Moreover, it would answer that age old question: Is there any other country which is not independent but which has a seat at the United Nations? Historically the Ukraine and Belarus were founding members of the UN though they were in reality little more than puppets of Moscow.

There are three members of the United Nations today that are not independent in the conventional sense of the term. In fact they enjoy the internationally recognised legal status which is a halfway house between full-blown independence and full integration – known as free association. This is very much in the realms of "not many people know this", but I am indebted to Adam Price who has given me an advanced copy of a detailed paper he has written on the free association.

Free association dates back to 1960 when the United Nations General Assembly approved resolution 1541 defining three legitimate options offering full self-government. These were set out in Principle 1V of the resolution as integration, independence and a third option called free association. Most countries going through the decolonising process have opted for independence. But in the 1990s a number of former United States territories – the Marshall Islands, the Federal States of Micronesia and

Palau opted for free association with the US instead.

Freely associated countries are allowed to maintain their own international relations, have seats in the UN and can enter into treaties with other nations.

The Cook Islands adopted a free association with New Zealand in 1965, is a member of the World Health Organisation, International Olympic Committee, UNESCO and although it has not yet applied for full membership of the UN it would be entitled to do so.

Freely associated countries essentially decide to share their sovereignty for an indefinite period with other countries in certain mutually agreed areas. In the case of the American examples – these areas include foreign affairs, defence, telecomms, immigration, environmental protection, currency and other matters. Interestingly all three chose to join Bush's Coalition of the Willing – though under their constitutional position they would have been entitled not to have supported the war.

The free association model of self-government would provide Wales with a status between devolution and independence allowing for internal self-government and as much external autonomy as the people of Wales want.

So in answer to the question can Cymru claim its seat between Cuba and Cyprus in the United Nations without being an independent state is yes. And to those who ask do we want to break away from the United Kingdom the answer is no. I am a sovereigntist not a separatist. We want the principle of the democratic sovereignty of the Welsh people enshrined in an independent Parliament for Wales. We want a relationship with the nations of these islands based on partnership – an alliance of equals in a new confederation – not a hierarchical state dominated by Westminster.

There is nothing new for Plaid Cymru in this. Every leader in the history of this party has set their minds against the notion of independence. Who can forget Dafydd Wigley's famous declaration at the 1999 elections. From Dafydd Elis Thomas' Europe of the Nations and Regions to Gwynfor Evans' Britannic Confederation the party has always rejected separatism – while seeking to find a wider context within which Wales can chart its own course and find its own voice.

Saunders Lewis could hardly have been clearer on the matter: "Above all", he said in Egwyddorion Cenedlaetholdeb, "Let us not ask for independence for Wales. Not because it isn't practical, but because it isn't worth having..."

"Let us not ask for independence. Not because it isn't practical, but because it isn't worth having..."

Unfortunately, the debate about the constitutional future of Wales often degenerates into an argument about the current state of public finances. Some Labour politicians, keen to drive fear into the hearts and minds of the people of Wales, argue that the sky would fall in and the sun wouldn't rise in a self-governing Wales. We are too poor, too small, and too peripheral to ever entertain the notion of governing ourselves.

We don't have reliable figures of the Public Finances of Wales – any more than we do on Welsh economic growth

over the past few years. New Labour prefers to keep this debate at the level of the abstract – playing on the fears of the Welsh people without too much care about the facts.

Plaid Cymru's estimate, worked out by my colleague at Westminster Adam Price, shows that Wales was in deficit in 1999, the last year for which figures are available, to the tune of £1.5 billion.

There are three serious points to make. The first is that we have to have an honest debate about Wales' future. Part of that honesty is admitting that Wales' economic position has been weakened and that it will take a generation of effort to put that right. We are where we are.

Secondly at around 4.5% of our GDP Wales' deficit is less than the 4.75% deficit of the UK in the last full year of the Tory Government and only slightly worse than the 2.7% deficit for the UK last year or the 3.8% deficit of Germany which is in a comparable position to us in the economic cycle. It is interestingly much lower than the average deficit of OECD and the European Union during the 1990s.

The truth is that we can have endless debates, backed by conflicting statistics, about the size of the deficit or the surplus in the public finances of Wales. The really interesting debate is why are we in this position. It is down to mismanagement of the Welsh economy by successive Westminster and now Cardiff governments. If we ever achieved the ambitious Assembly Government target of 1% higher growth rate than the rest of Britain we would be talking about a Welsh surplus and how to spend it. But those targets are like everything to do with this Assembly administration: all spin and no substance. We must never again allow them to do Wales down by making us dependent on the ever-dwindling charity of another country's capital.

• Rhodri Glyn Thomas is AM for Carmarthen East and Dinefwr.

clive betts bemoans efforts to curtail the work of the Committees in the National Assembly

downsizing debate

Labour's attitude to the work of the Committees in the opening months of the Assembly's second term, gives the impression that they are intent on dumbing down one of the most valuable asset of our fledgling parliament. Their first move was to suggest that committees should meet just once a month rather than fortnightly. This was quickly followed by pressure for some sessions of the Committees to leave the Assembly for informal meetings around Wales. In contrast, committees in Belfast meet weekly, and those in Edinburgh as frequently as necessary, which generally means between once and twice a week.

As members of the National Assembly's Environment, Planning and Countryside Committee discussed venues and the topics they might pursue the chairman, Plaid Cymru's Alun Ffred Jones, remarked, "If you have a list of hotels around Wales, I would like to see it!" From the other end of the room came an interjection by the Conservative's Mid and West Wales AM, Glyn Davies, "Europe!"

The proposals for informal meetings outside the capital were presented by the chairpersons to all the committees' inaugural meetings in such similar terms that they smacked of a prior briefing at the informal (and private) panel of chairs. This brings together the

chairs of the seven Subject and seven Standing Committees in the Assembly.

One would have expected that these changes now being forced through by Labour's Business Minister Karen Sinclair, against strenuous opposition, would have been presented after careful discussion with the other parties. That was what used to happen with Mrs Sinclair's predecessors: Carwyn Jones and Andrew Davies. However, what was obligatory for new-style Welsh Labour is totally unnecessary for an Old (councillor) Labour. Mrs Sinclair, who doubles up as Labour's whip. She has scarcely uttered a word of defence of her scheme in plenary sessions.

The new Subject Committee Chairs in the National Assembly

Chair, Committee



Peter Black
Education and Lifelong Learning



Ann Jones
Local Government and Public Services



David Melding
Health and Social Services



Christine Gwyther
Economic Development and Transport



Rosemary Butler
Culture, Welsh Language and Sport



Alun Ffred Jones
Environment, Planning and Countryside



Janice Gregory
Social Justice and Regeneration

Like Commons Select Committees the Assembly's Subject Committees scrutinise what the government has been doing. Secondly, they take detailed evidence from experts and others to help form government policy. Lastly, taking over the role of former Welsh Office Ministers and their civil servants, they interrogate the Assembly-sponsored Public Bodies, as ELWa has recently been finding to its cost.

No doubt connected with their urgent desire to turn the Assembly into a parliament, Plaid Cymru has been critical of the Committees for having Government Ministers as members and for having so many tasks. Economic Development Minister Andrew Davies disagrees with this view, strongly backed by the Conservatives and the Liberal Democrats, a fair number of Labour AMs, and even some among the Plaid Group.

Mr Davies defended the present set-up to the Richard Commission currently taking evidence on the Assembly's powers and electoral arrangements. As he said, "I do not want to see the committees change into a select committee model where it is largely scrutiny of government decisions. I think having both roles is beneficial and has added hugely to the capacity of the Assembly to make policy." Liberal Democrat leader Mike German also sang the praises of the committees' role during the first term, particularly their investigations into longer-term issues.

On the other hand Gareth Jones, the former Plaid AM for Conwy, who chaired the previous Education Committee argued that the Committees need more time to carry out their work properly. This was especially the case in their investigations into the operations of the ASPBs. Likewise his colleague, Carmarthen East and Dinefwr AM Rhodri Glyn Thomas who has chaired several committees, regretted the lack of time – what he termed "the capacity problem". Meanwhile, the new chair of the Health Committee, Conservative David Melding completed the agenda of his first meeting only through the adoption of extremely sharp manoeuvres.

Only one reason has been put forward by Rhodri Morgan and his party for their move to curb the committees. He said they needed to reduce formal meetings so they could make policy through getting out and about in informal sessions. However, this reason doesn't stand up. Under the old order, the Environment Committee under Richard Edwards, former Labour AM for Preseli, not infrequently hired a coach to visit a remote location – taking minute-takers and an officer from the Assembly Government policy unit along with them – as did others.

Mr Morgan wants informal meetings, where notes are not taken, on which new policies can be constructed. However, AMs can easily fail to attend an informal meeting. On the other hand, if they missed a formal session they would risk a sharp word from the Presiding Officer.

Another – more political – reason for the change may have been accidentally let slip by Labour AM Peter Law. After listening to complaints about the proposed cuts, he replied, "I do not know why we listen to all of this. We now have a majority. We should act as we think is right." Mr Law's preference went as far as removing the scrutiny task from the committees and handing it to the plenary sessions. Yet in plenary session Ministers can easily dodge awkward questions. This is less easy in a committee where the responsible civil servants sit alongside the Minister and often provide answers to difficult questions.

Labour forced the changes through at the debate on the Assembly's timetable at the end of June. In an unusual move, however, the timetable only covers the summer term, not the entire year. Another statement will have to be tabled in the Autumn. By this time, some more progressive Labour AMs will hopefully have caught on to what is happening and staged a quiet, behind-the-scenes revolt.

- *Clive Betts is a freelance journalist based at the National Assembly in Cardiff Bay.*

Clive Grace outlines the role of the new Wales Audit Office



The new Wales Audit Office signals a major development in the distinctive character of Wales' institutional infrastructure. The Public Audit (Wales) Bill that will establish the new Office from April 2005 will bring together the present National Audit Office and Audit Commission in Wales to:

- Audit all public expenditure by the Assembly, its associated bodies, the NHS in Wales, and local government.
- Tackle value for money issues as well as the stewardship of public funds.
- Maintain a focus on continuous improvement in local government.
- Join up with other key inspectorates in Wales, and especially Estyn, the Social Services Inspectorate Wales, and the Health Improvement Unit Wales.

Comparison of English and Welsh public services by the Audit Commission reveals a mixed picture, with Wales stronger in education but with more

wicked issues

problems in housing and health and social care. The picture within Wales is even more mixed, with some outstanding examples of services which have transformed themselves and operate at the level of excellence, but many more which are failing to serve people as well as they should.

Perhaps the biggest challenge will be to confront the 'wicked' cross-cutting issues such as sustainability, social exclusion, inequality, and drug and alcohol misuse. All of them are contested and controversial in terms of their causes and potential solutions. To be tackled successfully they require action from a wide range of governmental and other bodies.

The main responsibility for improvement has to lie with the public service bodies themselves – that is their right, as well as their duty. At the same time the regulators who audit and inspect can:

- Help identify and analyse problems, and point to useful practice elsewhere.
- Inform the public and users about how services are doing, and whether they are getting better from an objective and independent viewpoint.
- Provide feedback and analysis to policy makers at both national and local level about what is working best and what might be the implications of doing things differently.

In all of this a key issue for local government is that it is kept at arm's length from the Assembly. Local authorities are rightly concerned that one level of government is not seen to be directly or indirectly auditing another level. The Bill makes specific provision to maintain this principle.

Currently, the Auditor General for Wales (who is also the Comptroller and Auditor General for England) audits the Assembly and its associated bodies, principally

through the resources of the National Audit Office in Cardiff which has a staff of some 50 people. The Audit Commission in Wales (a distinct but still integral part of the Audit Commission for England and Wales), audits the Local Health Boards and the Trusts, and both audits and inspects local government. Its staff of some 250 is distributed throughout Wales, with offices in Cardiff, west and north Wales, and a physical presence in many of the audited bodies. Both bodies undertake work on value for money issues, as well as traditional audit.

The new Wales Audit Office will bring these two operations together under the office of the Auditor General for Wales. The Bill through which this is being achieved is 'minimalist'. That is to say, it brings together the powers and responsibilities of the constituent bodies, and it does not extend or revise existing audit and inspection powers significantly.

Nonetheless, the proposed Wales Audit Office has huge potential. It will make it possible to look at value for money issues in a seamless way – from the Assembly, and its national objectives, through the health and local government bodies responsible for delivery, and onto the customer and citizen. It will also be easier to look at cross cutting issues which involve numerous agencies at national and local level.

Moreover, the Wales Audit Office will be firmly part of the overall design for governance in Wales. It will be a strongly Wales-focused lever for change and improvement in the search for excellence in Welsh public services.

The role of the regulators in promoting improvement in public services is still developing, and raises some important questions. In particular, can they be an integral part of the system for improving services when it is their very

independence and objective standpoint which makes them valuable? And must they always concentrate on criticising failure after the event, rather than helping things get better in a more timely way?

The modern principles of external review have been set out in the Public Sector Productivity Panel report on *The Role of External Review in Improving Performance* (December 2001) This sees external review as having an explicit role in supporting the leaders of public service bodies in 'effecting change'. It is a perspective that fits well with Wales' own emerging style of public service regulation which concentrates on the following:

- Strong user/customer focus.
- Emphasis on self assessment and self improvement.
- Comparison for learning, rather than naming and shaming purposes.
- Looking for the cause of problems, and possible solutions, rather than just describing the problems.
- Evidence based, honest and robust.
- Striving to optimise change.
- Addressing whole systems and the 'wicked' issues, and not just narrow service problems.

Inevitably, there are dangers ahead, with three major concerns. The first is whether the very close working relationships which the size and governance of Wales makes possible might blunt the independence and objectivity of the regulators. The Wales Audit Office is in a unique position both to 'join-up' regulation and to work closely with the Welsh Assembly Government. At the same time it needs to resolutely maintain its independence.

The Office of the Auditor-General for Wales has its independence enshrined in statute as a Crown Appointment. Both the Audit Commission and the Welsh Local Government Association believe that an Advisory Body to the Office of the Auditor-General for Wales would

help broaden its governance. It would be a further bulwark for independence and could promote the highest standards for the external review of public services.

The second concern is the issue of comparison. There is a need for continued comparison between England and Wales, and, indeed a need to widen comparison to include Scotland and Northern Ireland and a wider European context as a matter of routine. The purpose should be to learn and change. Wales has taken a different approach from England on targets and on 'naming and shaming'. Both approaches are legitimate, and their difference reflects the potential divergence which is inherent in devolution itself.

Thirdly, it is important to ensure that the Wales Audit Office takes the best of the Audit Commission and the National Audit Office in terms of its powers and methods. The approaches of the two bodies are currently different, although not inconsistent. In health, in particular, there is a danger that the value for money focus at the level of the individual health body which the Commission's Auditors apply through the Code of Audit Practice may be lost in the Bill as currently drafted. That needs to be addressed.

That said, the Audit Commission supports the creation of the Wales Audit Office. It should be a major step forward in building public service regulation into a new Design for Governance for Wales in the 21st Century. This is a tremendous opportunity to create a framework for public service regulations in Wales which would be amongst the most modern and progressive in the world, let alone the United Kingdom. Potentially, it can be an influential 'lever of change', especially if it is aligned with other key levers – focussed policy direction, management capacity and direction, citizens and customer engagement, and effective feedback and monitoring. It deserves to succeed.

- *Clive Grace, formerly Chief Executive of Torfaen County Council, is Director-General of the Audit Commission in Wales.*

getting to grips with drugs

iestyn davies
suggests the Assembly
Government should
re-assess its policy on
substance misuse

Substance misuse is a fact of life in all our deprived communities. The link between crime, drugs, poor education and social deprivation is so clear as to have become a truism and leads even the most careful commentator to fall into the trap of a glaring stereotype of simply linking drugs with deprived communities in locations like the Valleys, inner cities and some seaside towns. This is not to deny that the legacy of post-industrialism coupled with geographical isolation has led to the creation of micro-communities where chronic poly-drug use (the use of multiple categories and types of drugs), is an accepted but unwelcome fact of life. Stereotype or not, the fact remains that drug abuse, and in particular the use of heroin, cannot be divorced from the reality of post-industrialism and profound social changes in the nature of our communities.

However, there is a second far more subtle challenge facing the Assembly Government which has handed responsibility for drugs misuse to the newly created Department for Social Justice and Regeneration. The new department will have to come to terms with the fact that drug use amongst an increasing number of people is actually a life-style choice – something akin to choosing to shop in H&M rather than M&S. Since strategies have traditionally placed alcohol to one side of policy and lumped all illegal drugs to the other this will probably prove the biggest challenge. It will probably be as difficult for the Assembly Government as engaging emerging generations of voters in the democratic process.

It was in 1999 that I first began to work in the area of drug policy and the wider arena of social exclusion. According to the Welsh Office statistics, in that year 38 per cent of Welsh teenagers had experimented with cannabis. Around 14 per cent had experimented with amphetamine and one would have been tempted to take comfort in the fact that only slightly more than one per cent had experimented with heroin. That is, of course, until you realise that one per cent accounts for around 15 to 20 pupils in the average comprehensive school.

In many ways these figures reflected the received understanding prevalent at that time, which still prevails today, that there were 'hard' and 'soft' drugs'. The former were deemed highly addictive but thankfully only used by a small number of people, while the latter, in particular cannabis, presented no real cause for concern except to the more morally and socially conservative of social commentators and opinion formers.

The current classification of substances under the Misuse of Drugs Act 1971 goes some way to support such a theory. Working with politicians, opinion formers as well as parents and young people, I have tried to avoid falling into the trap of arguing for or against particular substances based upon what is actually a fairly meaningless dichotomy. For instance, the hard/soft distinction cannot cope with the nation's drug of choice, alcohol; nor can it cope with the fact that drug policy cannot and has never been a reflection of relative harm.

Before I try to suggest some principles upon which to base future Assembly Government drug policy it is worthwhile to reflect on the way it came to treat this particular agenda during its first term. Following the much promised but little realised 'bonfire of the Quangos' one of the first acts of the National Assembly

(this was of course prior to the Westminster-like separation of powers) was the closure of the Welsh Drug and Alcohol Unit. The Unit was a peculiar mix of Public Body and a joint venture between two substance misuse charities. It had quite successfully advised Welsh Secretaries and civil servants and developed a Welsh response to substance misuse that addressed both legal and illegal substances.



Social Justice and Regeneration Minister Edwina Hart needs to answer the question: "What do you do, if you live 20 miles from the nearest call-centre and dropped out of education at 14?"

However, for many the Unit had failed to connect fully with large areas of the field. To its credit its strengths lay in the interface between alcohol agencies, social services and the health service. Nonetheless, in 1999, despite the presence of five area and 22 local fora, Wales did not have an effective structure for joint working across the health, social services, education and criminal justice agendas.

Following the publication of Westminster's ten-year drug strategy which included the appointment of Keith Hellawell as Drug Tsar in 1999, it was decided that Wales would need to rewrite its policy to fit more closely with England. It was resolved, for instance, that the Assembly's drugs policy would tackle both legal and

illegal substances. Alcohol, prescription medicines, illegal drugs would all be targeted in one catch-all strategy. This endorsed the principle that addiction and harm (chronic or acute) were to be the key principles behind the Welsh strategy. No false distinction would be made between hard or soft drugs, nor between legal or illegal drugs whose status was more of an historical accident than rationally acquired.

When AMs first discussed the newly published but little altered strategy 'The Partnership Approach' it was not long before the Welsh Drug and Alcohol Unit was seen as one particular Quango that could be abolished without too much trouble. The Unit is now a memory of pre-devolution Wales. Its functions and officers have been subsumed within various offices of the civil service. Thankfully, however, the spirit of co-operation between most if not all agencies continues. Despite this, two major difficulties continue:

- There is a lack of reliable evidence as to the true nature of Wales' drug problem.
- Policy is being developed based on ill-defined goals and aspirations.

There are two clear priorities. The first is to tackle heroin and poly-drug use within socially disadvantaged communities as part of a wider remit of rebuilding a sense of purpose for our post-industrial, post-modern Wales. To address this problem the new Minister for Social Justice and Regeneration, Edwina Hart, needs to answer the question "What do you do, if you live 20 miles from the nearest call-centre and dropped out of education at 14?"

Secondly all within the Assembly, whether within the executive or the legislature, must begin to redefine Wales in terms of interdependent relationships. Why? Because it must answer the second question, which is simply, "Why do an increasing number of young people choose a

drug-induced euphoric sense of belonging based on ecstasy use while many more binge drink not just at weekends but regularly during the week?"

Drugs have always and probably will always be abused within society. Traditionally we have attempted to ameliorate the harm this has caused by a mix of coercion and social seduction. We have simultaneously appealed to people's better natures whilst using the law and economic necessity to condition behaviour. However, such traditional approaches have missed the point that the real reason why most people "do drugs" is that in the short-term at least they make them feel just that little bit better. The real question is and will remain why do they feel this way in the beginning?

What can be done to begin to address drug use in Wales? In the first instance we must build on the work already undertaken in most cases by the voluntary sector. Here as in all areas of their work voluntary agencies need to be securely funded. The training needs of staff should be addressed in the context of ongoing professional development. Staff retention is a key issue. Fixed and short-term contracts lead to high staff turnover in what are inevitably stressful jobs. To tackle this problem the Assembly Government should establish a National Treatment Agency to ensure all service provision follows recognised best practice and that service delivery is consistent across Wales whilst remaining sufficiently flexible to address local need and priorities.

Secondly a commitment must be made to establishing a sound evidence base. As things are we simply don't know the true picture of drug use in Wales. All research points towards an upward trend in use of heroin and crack cocaine in disadvantaged communities against a background of general poly-drug use. General use seems to be levelling out amongst young people

where the emergence of specific trends surrounding use depends more on fashion than on underlying social and economic factors of disadvantage.

...drug use amongst an increasing number of people is actually a life-style choice

At the beginning of this article I quoted statistics relating to 1999. The main reason is that accurate and up to date figures simply don't exist with sufficient credibility. Currently the Assembly Government simply counts the number of people presenting to agencies. Reference to 9, 12 and 18 month waiting times for treatment is largely anecdotal as are accounts of the number of drug related deaths. Where statistics do exist they are largely out of date.

In this situation the Social Justice Committee should immediately undertake a review of service provision and demand up-to-date reliable statistics. However, such a review should not be used as an excuse to place policy development on the back burner. The Assembly Government should build on the work carried out towards the end of the first term, including establishing a base line for expenditure on drug-related services in the reorganised NHS.

Finally, elected members more widely should re-assess the way they deal

with this contentious issue. In my opinion the media has largely held a more balanced view of drug use than local politicians. Notable exceptions have included Assembly Members such as the GPs Brian Gibbons and Dai Lloyd as well as Peter Black and David Melding who together formed the All Party Working Group on Substance Misuse. The former Assembly Member and chair of this group, Geraint Davies, proved that sympathising with the condition of individuals and families affected by heroin use in the Rhondda far from distancing politicians from the community placed drug policy squarely on the agenda during the recent election campaign. Leighton Andrews, Rhondda's new AM will need to demonstrate that 'New Old Labour' can deliver on this policy front for the people of this particular community.

Unfortunately the hue and cry in 2000 surrounding the proposed opening of a Detox unit in North Cardiff by the Salvation Army proves that politicians are happy to join in the demonising of drug users, as they remain truly ignorant of the reality of substance misuse in Wales.

The sobering thought is, of course, that by themselves the three specific action points recommended here cannot win the oft-quoted 'war on drugs'. Perhaps the final thing that the newly elected Assembly can do is help us all realise that drug use is a fact of life. Whether or not we see drug use and abuse as legal, an illness, a libertarian right to self expression, or as the cause of social change, we need to move beyond hyperbole to integrating treatment into the everyday business of health, economic and social policy.

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flying start

john osmond and jessica mugaseth investigate the Assembly Government's Early Years education policies

Recognising that pre-school education is crucial for later development the Assembly Government is investing £34 million in expanding provision over the next few years. So far, however, the Assembly Government appears to have less than a firm grip on how its ambitious plans are being rolled out across Wales. Three main initiatives are being put in place:

1. Free pre-school education for every three-year-old in Wales by September 2004.
2. Establishing a pilot integrated early years centre in each of the 22 Welsh counties, giving 'wrap around' care for pre-school children, by September 2004.
3. Developing a new approach to the early years curriculum for children up seven years of age – The Foundation Stage

These three initiatives, currently being implemented by the Assembly Government, were first recommended in a report prepared by the National Assembly's Pre-16 Education Committee in March 2001 *Laying the Foundation: Early Years provision for Three-Year-Olds*. This found that early years education varied widely across Wales and recommended the strategy that is now taking shape in terms of extra provision for three-year-olds and the development of integrated Early Years Centres.

Latest figures indicate that more than 75 per cent of three and four year olds are receiving pre-school education in Wales – some 55,000 nursery places in

primary schools, and around 34,000 places in day nurseries or playgroups, most being part time. What is far from clear, however, is the consistency and standard of provision, both between the public and private sectors and between the 22 local authorities across Wales.

By September 2004 the Assembly Government wants all three-year-olds to have access to at least a part-time place in an early years environment. The Assembly Government provided £12 million in 2002-3 towards this objective and commissioned an audit to identify current provision and estimates of future demand in Wales across all sectors.

However, the £200,000 audit has so far remained unpublished, though it was completed during 2001. This suggests that officials feel it did not provide

them with a sufficiently robust piece of analysis on which to base future projections, either about the quantity or the quality of provision across Wales. What is certainly clear is that the September 2004 target will not be met everywhere. For instance, speaking in May 2003, Blaenau Gwent's Early Years co-ordinator Marjorie Sheen was confident they would have a place for all three-year-olds in her county by September 2004. On the other hand Bridgend's co-ordinator, Susan Harry, was more uncertain about meeting the target date.

In 2002 the Assembly Government asked each local authority to submit proposals to establish a pilot integrated early years centre. It is hoped that each local authority will have established a centre by September 2004. The first have



Education Minister Jane Davidson plays 'Bab the Builder' with pupils from the new Intergrated Early Years Centre being piloted by Conwy County Council in Llandudno.

already been opened by Conwy and Flintshire County Councils with a further nine authorities approving schemes. Yet, this still leaves half of the Welsh local authorities without approved plans for a pilot integrated centre, suggesting that the September 2004 deadline for this target is unlikely to be achieved as well.

As well as providing pre-school education, it is anticipated that the integrated centres will provide a practical means for tackling deep-rooted social problems such as poverty, teenage mothers, and adult illiteracy. They will supplement early years education with wrap-around day-care together with a range of support services from pre-natal parenting through to adult learning.

The third early years objective was to develop proposals for a new foundation stage for three to seven year olds. The aim is to eliminate the cut-off point between pre-school and school education and introduce an element of continuity in a child's early years education up to age of seven. A new foundation 'curriculum' will also ensure that nurseries from the voluntary and maintained sectors have a common approach to educating the children in their care.

This will build on the 'Desirable Outcomes' developed by the Welsh Qualifications and Assessment Council (ACCAC) which currently advises nurseries on the experiences pre-school children should have to enable them to know, understand and do certain things by the time they are of compulsory school age. The curriculum will be based on seven areas of social and personal development rather than the traditional formal based education system practised in the UK (see Box 1). As Education Minister Jane Davidson put it in July 2002:

"I want to focus on a much wider idea of a foundation curriculum that is less formal and more child-centred. My personal view is if we had a far less formal curriculum, we would allow young people to be emotionally more developed and better able to survive the formal education system."

In Wales, children will follow the Foundation Phase up to the age of seven while in England the early years curriculum will only cover pre-school education. The abolition of standard assessment tests (SATs) for seven-year olds by the Assembly Government has already removed the pressure on

teachers to introduce formal education at an early age.

A report published in October 2000 by the Education Committee's Early Years Advisor Margaret Hanney, of the University of Wales Institute in Cardiff, noted that concerns had been expressed that children were being introduced to formal learning

too early. This appears to be the provenance of the new Foundation curriculum now being developed. Quoting examples of different approaches being followed in New Zealand and Italy, Margaret Hanney commented:

"What is evident from studying these countries is the strong commitment to a philosophy which has been carefully thought out, underpinned by values rooted in a cultural heritage of which the country is proud. While we will always be able to learn from others, we have to review our own priorities and beliefs and re-state them in a way which reflects the cultural heritage of Wales and the long tradition of early years education which has existed in some parts of Wales."

The Minister followed up these conclusions with fact-finding missions to the Basque Country, Tuscany, and the Netherlands in search of international best practice from which the curriculum in Wales could be developed. As she added in the above interview:

"One of the things that is striking about European regions is that there is far more similarity between Wales, a bilingual country, and European regions, than there is with England or Scotland or Northern Ireland. I feel we've got a real opportunity now, as a devolved country, to go to other countries and say, 'well what are you doing? And why are you doing it?'"

In addition to the international research, Jane Davidson also responded to the Education Committee's report by appointing an Early Years Advisory Panel (see Box 2). In turn this established a number of task and finish sub-groups to draw up proposals on issues such as training,

Box 1. Foundation Phase Curriculum in Wales



curriculum and Welsh medium education.

The Advisory Panel comprised 19 'experts' from the Early Years sectors, including representatives of the maintained and non-maintained sector, training providers, ACCAC, Estyn, the Welsh Language Board, the Welsh Local Government Association along with others with an interest in developing provision in this area. Despite this spread of expertise there were concerns that there was insufficient input coming from practitioners on the ground, and a lack of Wales-wide co-ordination of the initiatives and policies that the Assembly Government was developing. As Ian Jones, a member of the Advisory panel and Education Development Officer with Powys County Council put it, "We felt more weight should be given to those on the ground with the knowledge of what is going on." As a result, the all-Wales Association of Representatives of Early Years Development Partnerships, known as AWARE, was established as a self-help networking group which is now recognised by the Assembly Government for consultation purposes.

In addition to the international research and the in depth consultation through the Advisory Panel and evidence given to the Education Committee, the Minister appointed an expert adviser, Shan Richards, seconded from Estyn to assist in producing the Assembly Government's consultation document on the early curriculum. Entitled *The Learning Country: The Foundation Phase*, this was published in February 2003 and has received almost 1,000 responses. The final report will be published in September 2003. Following that pilot curriculum projects are planned, together with training initiatives and the production of a Foundation Framework for Children's Learning.

At the outset of this whole initiative, in her September 2001 policy

Box 2. Membership of the Early Years Advisory Panel

Name	Organisation
Louise Roberts (facilitator SEN/ Cultural/ Children's Right Sub-group)	Special Needs Advisory Panel
David Watcyn Jones (Facilitator Curriculum Sub-group)	ACCAC
Ian Jones (Facilitator Appropriateness, Regulation and Management of Settings sub-group)	Education Development Officer Powys County Council
Meirion Prys Jones (Facilitator Curriculum Sub-Group)	Welsh Language Board
Sian Wyn Siencyn	Course Director, Trinity College
Margaret Hanney	Assembly Education Committee Expert Adviser
Kate Crabtree	Fforwm
Hywel Jones	Mudiad Ysgolion Meithrin
Ruth Coward	Headteacher, Grangetown Nursery
Irene de Lloyd	Early Years Advisory Group
Wenna Williams	Children in Wales
Gwenan Owen	Higher Education Wales
Anne Allan	Wales Pre-school Playgroup Association
Barbara Parkinson	Wales Pre-school Playgroup Association
Shan Richards	ESTYN
Sioned Bowen	Welsh Local Government Association
Pat Evans	National Childminding Association
Dr Claire Watkins	Primary Adviser, Newport LEA
Pat Davies	Basic Skills Agency

document *The Learning Country*, Jane Davidson declared: "We aim to give every child a flying start. We seek to plant ambition and high expectation early on." As important she identified the improvement of early years provision with the development of basic skills. In Wales a high percentage of schoolchildren are failing to achieve the literacy and numeracy skills expected for their age at both primary and secondary levels, with the position worsening the older children get. As Jane Davidson told a plenary debate in the Assembly as far back as February 2001:

'We have a problem with basic skills in Wales. Too many children are at risk in their early years. Teachers of young children will tell you that as soon as they start school, some children are already at a disadvantage because they

will not have socialised as much with children of their own age as their peers have done, and their parents will not have read to them. At the end of Key Stage 1, one in 10 of our children do not achieve a level that demonstrates good understanding, which is a basic skill."

There is no doubt that an appreciation of the importance of early years education, extending from pre-school to age seven, is now deeply embedded in the minds of policy makers in the Assembly Government. What is not so evident, however, is a strong grip on the manner and extent to which early years provision in Wales is being implemented.

• John Osmond is Director and Jessica Mugaseth Research Officer with the IWA.

reaching higher

david grant asks who will pay for university education in Wales



Education Minister Jane Davidson has announced that there will be no variable fees charged by higher education institutions in Wales before 2007. In addition she is pressing for the authority for student support for Welsh domiciled students and Welsh Universities to be devolved to the Assembly Government.

If the situation develops where institutions in Wales are prevented from charging variable fees whilst comparator institutions in England do, it will be imperative that the Assembly Government meets the inevitable relative shortfall in funding that would arise. This point was acknowledged by Secretary of State for Education and Skills, Charles Clarke. When asked about the potential impact of the White Paper on institutions in the devolved administrations he said:

"Funding per student has been flat for a long time across the UK and the only way for Wales and Scotland to address this is by getting more money from the Scottish or Welsh Executives or going down some form of fee regime such as the Government is proposing".

Universities in Wales argue that for many years they have been funded substantially below universities in England and Scotland. This is still evident, for example, by lower staff : student ratios in Wales. Actions by the Assembly Government in recent years have been helpful to universities in Wales. However, if the Assembly Government does not equal or improve upon the proposed increases in funding to English universities the gap will widen quickly.

Twelve per cent of students in universities in Wales are from overseas and there are as many full-time first-degree students from England as there are from Wales. Research strength, and the funding that fuels research, is governed primarily by the international ranking of university researchers. At the all-Wales level there are many good networks of collaboration. However the harsh reality is that across the UK, universities compete with each other more intensively than ever for students, for staff and for funds. The domicile of students studying in Wales is shown in the Table 1.

Universities in Wales attract many students domiciled outside Wales, and there is evidence that Wales gains longer-term economic benefits because many students choose to stay in the country after graduation. Universities in Wales employ many members of staff formerly from other parts of the UK or overseas. Again, there are substantial social and economic benefits due to these staff members working in Wales.

The key policies that influence the long-term future and contribution from universities in Wales are described in 'Reaching Higher, A strategy for the higher education sector in Wales', published by the Assembly Government in March 2002. More recent policy proposals for UK universities were published by DfES in a January 2003 White Paper, 'The future of higher education'. The Paper notes that its scope is primarily for universities in England.

"Our strategy covers Higher Education in England. Some issues are 'reserved' matters for the UK Parliament, and where the document deals with these, it will also affect Scotland, Wales and Northern Ireland".

In recognising the historical under-investment in universities and the ambitious plans for future development, the White Paper explicitly sets out the need for greater diversity of income sources to fund the sector. In particular, it argues for the benefits of shifting some of the increasing costs of higher education from the general taxpayer on to the graduate through the introduction of an income-contingent loan. The Paper includes many proposals for changes in England that will directly or indirectly influence universities in Wales. Of particular note are the following:

- A new Higher Education Grant of up to £1,000 per annum for lower-income families payable from 2004.
- Continuation of the Student Loan Scheme (currently up to £3,905 a year).
- Abolition of up-front fees for students from 2006 and the introduction of variable fees (up to £3000 pa, set by individual universities and subject to an 'Access Agreement'), to be repaid

in later employment through the tax system.

- Incentives to pay higher salaries to attract and retain members of staff.
- Selective financial support to the best and largest research-intensive universities.
- Financial support for widening-access initiatives.

Today, students in England and Wales pay an up-front tuition fee of £1,100 a year for all courses. The remaining costs are paid to the university by the Funding Council (HEFCW in Wales) to a level determined by subject and in the range from £1,850 to £11,650. Students from low-income families get some or all of their tuition fees paid, and currently 40 per cent of all students have their fees fully paid and a further 20 per cent pay a reduced fee.

In 2002, the Assembly Government introduced a Wales Learning Grant providing up to £1,500 a year for Welsh domiciled students with low incomes. Students can choose to study in Wales or elsewhere. The recent DFES White Paper includes proposals for a Higher Education Grant of up to £1,000 a year for students in England with low family incomes. This grant will be introduced in 2004.

Perhaps the most significant proposals in the White Paper are plans to abolish up-front fees and replace them from 2006 with fees set by individual universities for each course, and in a range up to £3,000 a year. The new fees are often referred to as 'variable fees'. The fees will be repaid through the tax

system when the graduate is earning more than a threshold amount (£15,000 proposed). It is argued that this fee proposal is more equitable than the current system because it does not call for up-front payments and will recover monies when a graduate is most able to make the contribution. The Paper confirms that the Government will continue to pay tuition fees of up to the current level of £1,100 a year to students from low-income families.

Over 75 per cent of universities in England have already said they are preparing to introduce these fees. It is likely that all Russell Group universities in England will charge at the maximum level allowed. The Russell Group includes Birmingham, Bristol, Cambridge, Cardiff, Edinburgh, Glasgow, Imperial, King's, Leeds, Liverpool, LSE, Manchester, Newcastle, Nottingham, Oxford, Sheffield, Southampton, UCL and Warwick. English Russell Group members and other universities in England will each benefit from greatly increased fee income, perhaps £20 to £30 million a year. They will use this income to improve teaching quality and provision, for example improved staff : student ratios. Universities will also use some of this income to fund student bursaries for widening-access initiatives. Widening-access objectives and plans will be described in each university's 'Access Agreement'. In England these will be monitored by a new Office for Fair Access, OFFA.

If the Welsh Assembly Government does not allow universities in Wales to

raise income from variable fees there are a number of issues to be resolved:

- How will student choice be affected by the availability of substantial bursary and support packages at English universities?
- Will universities in Wales be swamped by applications from English domiciled students seeking lower-cost higher education?
- Will this influx make it more difficult for Welsh domiciled students to be educated in Wales?
- Will the Assembly Government fund universities in Wales to the same level that comparable English universities will earn from variable fees? Estimates of the variable fee income that Welsh universities in total could earn are in the range of £40 to £80 million per annum from 2008 onwards.
- If funding in Wales is at an even greater disadvantage compared with the rest of the UK can Welsh universities retain their most talented staff and continue to attract international-quality researchers and lecturers?
- What impact will all this have on the recruitment of overseas students?
- Is there a viable funding model that keeps universities in Wales on a par with comparator universities in England whilst removing the need for fees, in part or in total, from Welsh domiciled students? If there is an alternative to 'variable fees', what will be the situation for English domiciled students studying in Wales?

These are just some of the key issues facing universities in Wales today. Welsh universities are fully committed to the Assembly Government's 'Reaching Higher' strategy. Understandably, however, they are equally anxious to ensure that they are not at a disadvantage to universities elsewhere reaching even higher.

Table 1. Distribution of full-time first degree/sandwich students in 2001/2

Domicile of Student	Location of Institutions				Total
	England	Scotland	Wales	N. Ireland	
England*	652,708	14,759	23,251	205	690,923
Scotland	5,652	76,649	216	37	82,554
Wales	17,080	429	23,221	6	40,736
N. Ireland	5,509	4,853	265	22,533	33,160
Total	680,949	96,690	46,953	22,781	847,373

* Includes Channel Islands and Isle of Man
Source: HESA HE Planning Plus 2003 – Student 2001/02 XPSR01

• Dr David Grant is Vice-Chancellor of Cardiff University.

health borders



jon owen jones
examines divergent
paths taken by the
NHS in England and
Wales

When Labour came to power in 1997 it inherited a health service that was slower and less responsive than any other Western European system. It was also cheaper. Since then we have made a massive investment in healthcare, both in England and, since devolution, in Wales. Yet neither system shows an increase in performance to match the increase in investment, as graph 1 shows for England, and graph 2 shows for Wales.

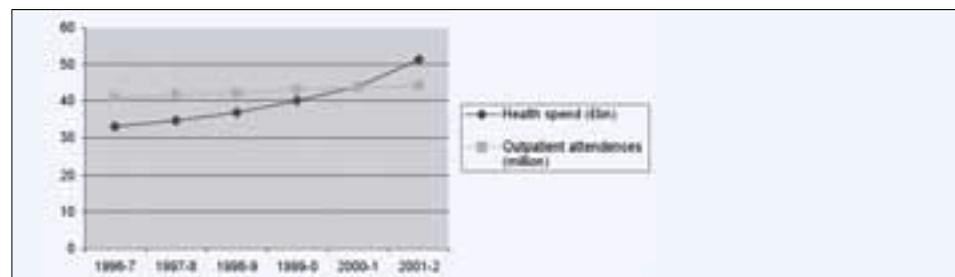
There are now many extra hospital consultants in England. However there has not been a corresponding rise in consultant episodes. The average consultant is only 85 per cent as active, in NHS work at least, as in 1995. In Wales consultants in 2001-2 were only 87 per cent as productive as they were in 1997-8 (see Table 1 below).

While we should expect activity to lag behind investment as capacity is built, nevertheless there is worrying evidence of dropping productivity. On neither side

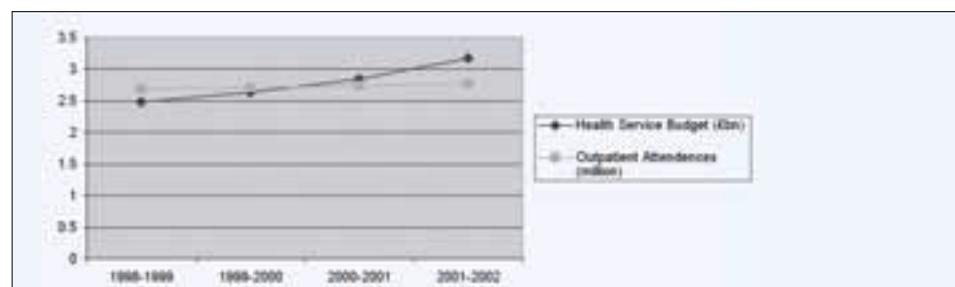
of the border is there any doubt about the need for reform so that the NHS delivers an increase in performance to match that in investment.

Both England and Wales have embarked on structural reforms to their health services. In many ways both are informed by the same principles and aims, but they also have important differences. The main feature of the reforms is an attempt to devolve power and responsibility within the health service to a lower level. In Wales the focus of reform and devolution are the new Local Health Boards, which are responsible for securing frontline services. In England the focus is the new Foundation Trusts, which are also responsible for delivering frontline services. The Government has set a target of all trusts becoming Foundation Trusts within five years.

There are a number of key differences emerging between the health services as they are developing in Wales and



Graph 1 – England Performance vs. Investment Increases.



Graph 2 – Wales Performance vs. Investment Increases.

Table 1. Consultant Productivity in Wales

Year*	Finished consultant episodes	Number of consultants in Wales*	Consultant productivity (1997/8=100)
1997-8	315,081	1,217	100
1998-9	301,458	1,270	92
1999-2000	311,822	1,326	91
2000-1	318,851	1,386	89
2001-2	319,549	1,422	87

* Figure for number of consultants in Wales is based upon the calendar and not the financial year.

England. A number of them have some worrying implications for the delivery of the health service in Wales, and focus on the following four themes:

- Organisation
- Targets
- Audit and Inspection
- Foundation Hospitals and Crossing Borders

The first key difference is that in Wales the devolution of power has concentrated on those who contract the services, while in England it is those who provide them.

Both these new types of bodies are designed to be more rooted in their local communities. The Local Health Boards will contain representatives of range of medical professions "selected in a way that secures legitimacy of representation and holds the trust and respect of those they represent" – to quote the words of the National Assembly website. They have up to four representatives from local government, and a chair appointed by the Assembly Government Health Minister. Foundation Trusts in England will be run in a complicated way by a board elected by 'members', who are staff or patients of the trust, and a chief executive appointed by the board and confirmed by a general meeting. The structures of the two health service are illustrated below:

Due to the greater size of England it is not surprising they have an extra tier of bureaucracy, but apart from that these structures look quite similar. However, there are some important differences in

philosophy. The Assembly Government's watchword is partnership, encapsulated in the Local Health Boards' belief that if every medical profession in the health service is involved in decision making then the service will run more smoothly and efficiently.

This belief in partnership is also reflected in the relationship with local authorities, which territories are coterminous with the Local Health Boards. Up to four representatives of local government will sit on the boards. The Assembly Government believes this partnership will help reduce bed-blocking, one of the scourges of the health service, where typically elderly patients are left in hospital beds when they could more properly be cared for in the community or by social services.

In England the approach is more abrasive, with less emphasis placed upon

partnership. Foundation Trusts are to be chosen by the level of their performance. Their chief executives will be vulnerable to being deposed by irate members of the public, while local authorities will be penalised through fines if they fail to take into social services care people blocking beds in hospitals.

In England the emphasis is also placed more on a consumerist approach, increasing patient choice, and hoping the resulting competition will drive up standards. Consequently the English NHS plan states as one of its four main principles: "Greater diversity of provision and choice for patients – so that care can properly be designed around individual needs."

On the other hand, in Wales the emphasis is placed more on equity. In Rhodri his November 2002 'Clear Red Water' speech' First Minister Rhodri Morgan explicitly rejected consumerism, calling instead for "universal provision rather than variation of provision." This approach may come under pressure from the European Union and European Court of Justice, both of which are pushing for greater powers for European Union citizens to be treated in countries not their own, and to have more ability to choose their provision.

Health Service Structure in Wales and England

wales

- National Assembly: strategy, funding, national standards
- Local Health Boards: securing services that meet public need, agreed standards and value for money
- NHS Trusts: providing services

england

- Department of Health: policy, regulation, inspection and intervention
- Strategic Health Authorities: 28, covering 1.5m population each, ensuring coherence, building capacity
- Primary Care Trusts and Care Trusts: planning and securing services, improving health, integrating social services
- NHS Trusts/NHS Foundation Trusts: providing services

The Assembly Government also makes clear that they are not responsible for the delivery of services, only providing the resources and strategy. In contrast, in Whitehall the traditional approach of the buck eventually ending with the Secretary of State, is still in place. England and Wales are also developing different approaches to targets. In 2000 the Assembly Administration policy document *Improving Health In Wales: A Plan For The NHS With Its Partners'* announced:

"It is the National Assembly's firm intention to exert continued downward pressure on waiting times. It is committed to ensuring that Welsh residents should no longer face waits greater than people elsewhere in the United Kingdom. Targets will be agreed on an annual basis to ensure that Welsh waiting times quickly fall to levels that compare with the best, the first to be issued early in 2001."

As far as I can find out, the targets have not been updated since 2001. While the English NHS is trying to meet the target of no-one waiting more than six months by 2005, as of 31 March 2003 there were still 5,200 people waiting more than 18 months in Wales. Now, according to the 'Frequently Asked Questions' section of the Assembly Government's Health Plan Online:

"The Welsh approach is based on the Framework for Continuous Improvement, which does not try to encapsulate performance in a few indicators. The aim of the Framework is to look at the situation in the round – not only current performance but also the resources and pressures locally, and it tries to assess future changes in performance. It does not simply give good or bad marks but instead provides a strong steer to every health organisation to sustain good performance and,

where needed, make improvements over time. The approach adopted in Wales allows progress across the range of factors that influence waiting lists – to strengthen the NHS ability to reduce waiting times and keep them low. The new approach has been implemented with increasing effort since April 2002."

This makes it clear that from now on targets, or at least headline targets, will not be central to the Assembly Government's effort to improve the NHS. By contrast, in England the Department of Health states, on its website:

"The publication of NHS Performance Indicators 2001/02 for Primary Care Organisations represents a further step in delivering a more open and accountable National Health Service. Patients and the public have a right to know how NHS organisations are performing. In April this year, the Government announced a further substantial increase in funding for the NHS. Future publications of NHS Performance Ratings will enable the public to see the impact of that extra funding on their local services."

And despite many criticisms, headline targets such as no-one waiting more than six months by 2003, or no-one waiting for more than three months thereafter, still appear to be a key part in England of attempts to improve the NHS.

The Health and Social Care Bill sets up a Commission for Healthcare, Audit and Inspection to replace the existing Commission for Healthcare Improvement – incidentally, chaired by the former Chief Medical Officer for Wales, Dame Deidre Hine. This comes from the Wanless report the Chancellor commissioned into the future of the Health Service. It was very clear in its recommendation that the NHS should remain state-funded and state-

provided, but argued that such a system also required a rigorous system of audit and inspection to be effective..

Initially it was proposed to have a body for both England and Wales. However, following negotiations between the Assembly Government and Whitehall it seems that we will have a hybrid system with the Commission for Healthcare Audit and Inspection undertaking some audit and inspection functions in Wales, and the Assembly Government undertaking others – they propose to set up a body of their own to undertake their functions.

I am concerned about the duplication of expertise here and feel that one body would perhaps be best. However, my main concern is in ensuring comparability. As the English and Welsh health services diverge it is important that we are able to learn from best, and worst, practice on either side of the Severn. Under the system that is now mooted I am afraid that it will not be easy to assess the impact different policies have.

Since devolution joint England and Wales legislation such as the Health and Social Care Bill have often legislated to give extra powers to Wales to implement various measures or choose not to do so. For example, the act setting up specialist and faith schools gave Wales the power to decide whether or not to proceed with them, and Wales chose not to. Again powers were given to disband Community Health Councils but it was decided by the Assembly Government that it would be best not to exercise those powers.

However, Foundation Hospitals have been treated differently. This is an England-only provision. Wales will be given no extra powers or the discretion of whether to use them. This, it seems to me, has some important implications. The Bill places a duty on Foundation Trusts "... to provide goods and services for the purpose of the health service in England." There is no duty to provide services to Welsh patients. Of course this

doesn't prevent the treatment of Welsh patients but it does prevent them from being compelled to do so.

In 2002, the last year for which figures are available, 12,476 English-resident patients were treated in Wales. For 2001-02, also the last year for which figures are available, 40,983 Welsh patients were treated in England. The English NHS has reason to look unkindly at the number of patients coming across the border for several reasons. The Department of Health would wish to reduce the figure of Welsh patients coming to England perhaps out of fear that they will affect their ability to meet politically sensitive headline targets. English patients in border hospitals would also benefit if the numbers reduced since more capacity could be used for them.

The border hospitals themselves are under pressure to meet waiting list targets that are considerably more exacting for English patients – no one waiting more than six months by 2005. They might find it easier if Welsh patient numbers were reduced. They might also find it easier to achieve the performance levels necessary to achieve Foundation status, for which there is now quite a strong incentive.

The current wording of the Bill provides a mechanism to restrict Welsh patients, when almost everybody in the NHS in England has an incentive to do so. I see this as a serious problem for my constituents. There is no practical benefit for Wales in treating Foundation Hospitals as an England-only option, and I sincerely doubt that any Welsh politician would wish to make it more difficult for Welsh patients to access earlier treatment in English hospitals.

The English and Welsh Health systems are highly integrated with extensive movement of staff, goods and patients across the border. This integration will be necessarily limited by the extent of variation between systems. In particular a model that increasingly offers extensive patient choice and early



Foundation Hospitals evoke an essentially emotional response.

treatment will co-exist uneasily with its neighbour if treatment times and ability to choose continue to diverge.

I am concerned that the lack of an effective joint audit body will make it difficult to compare policies and best practice, further insulating the systems from each other. I am also concerned that if legislation cuts off foundation

trusts from Wales we will increasingly see Wales marginalised within what is still our National Health Service.

- *Jon Owen Jones is Labour MP for Cardiff Central. He is a member of the Standing Committee for the Health and Social Care Bill that is introducing Foundation Trusts in England.*

trish buchan reports on a study that has been surveying health provision in rural Wales

remoteness and access to health care

around one third of the population of Wales lives in sparsely populated 'rural' regions. Although there are specific health issues related to agriculture, rural people experience the same spectrum of chronic and acute illness as their urban counterparts. Rural young people are also growing up with illnesses such as cystic fibrosis, epilepsy and asthma. They are not immune to the high-risk health behaviours that are associated with urban youth culture. For rural residents, especially those living in isolated and/or remote situations, access to health care is a key issue and for service providers working in regions with low density, dispersed populations there are challenges to the equitable and effective provision of health services.

The Welsh Assembly Government commissioned the Rural Health Intelligence Programme to support the development of a robust evidence base for rural health and well being in Wales. The programme was undertaken by the Institute of Rural Health, an independent charitable organisation, based at Gregynog in rural Wales with a UK remit to optimise health and well being in rural communities. Evidence was sought from

- Datasets on mortality, morbidity and deprivation
- Datasets on social determinants of health
- Published research studies
- Reports from statutory and voluntary agencies in Wales



The needs of rural mid-Wales are often met from over the border. Here a Shropshire Ambulance collects a patient from Montgomery surgery. The patient had a heart attack and needed to be transferred to a District General Hospital in England.

- Appraisal of a selection of health and wellbeing policies to investigate how they were working in rural areas: The desk-based rural proofing was supported by interviews with professionals involved in the local delivery of the policies.

The research highlights the pivotal role of primary care (local surgery) and community services in rural areas. These services provide the link between the, often distant, secondary (District General Hospitals) and tertiary specialist care. Primary Care services are staffed by health professionals who are generalists, jack-of-all-trades, and who have responsibility for care across the age spectrum and across health disciplines. For example a rural general practitioner

may be involved in sexual health, diabetes, heart attack or minor surgery.

The research reveals that rural patients are often diagnosed and treated in primary care during early stages of illness when urban patients would be referred to a specialist service. Although most rural patients appear happy with local services, the lack of anonymity and choice can be a major barrier to accessing health services.

Young people aged between 16 and 18 often fall between the adult and children's specialist services. Dedicated young people's health services in the fields of mental health, substance misuse and sexual health are largely absent in rural Wales. Young people with underlying, untreated health problems have difficulty in achieving their full economic and educational potential. Case studies reveal that this impacts upon the effectiveness of programmes such as the New Deal that seek to move people from welfare into work.

In some medical emergencies, time is of the essence. The programme found no studies that measured the impact of remoteness on clinical outcomes for trauma patients from remote rural communities. Studies from other UK countries indicate that distance from services is associated with later access to health services and with poorer outcomes. This has been shown for a spectrum of chronic and acute

conditions including lung and bowel cancer and asthma deaths. The phenomenon is known as distance decay and is independent of other confounding factors. No similar research has been carried out in Wales.

The barriers to rural residents accessing health services appear to be related to both to distance and to non-physical barriers such as low expectations and transport difficulties. Case studies reveal that the barriers to access are greater for some rural residents such as the chronically sick and their carers.

The ongoing reforms to the NHS have been associated with the decline in the role of the generalist health practitioner. Although there has been some belated recognition of the importance of the specialist /generalist balance in the health service as a whole, cost-effective rural health services are heavily reliant upon a declining pool of generalist health practitioners. The UK shortage of GPs is now affecting rural areas and recruitment is especially difficult for practices where co-operative or deputising out-of-hours cover arrangements do not exist.

The lack of dentists in rural areas has also been of concern for some time. There are increasing difficulties, too, in recruiting allied health professionals such as physiotherapists, dieticians and

psychologists. These difficulties are, in part, related to professional isolation and lack of career development in rural health services.

Solutions to the problems of access include outreach and mobile health services, consultant-led outpatient clinics in community hospitals and surgeries, and the use of Telemedicine to diagnose, treat or review rural patients. The feasibility of administering thrombolytic "clot busting" injections to heart attack patients in remote areas prior to hospital admission has been explored as a means of reducing the critical 'call to needle' time. Some of this research has been carried out in Wales.

Voluntary transport schemes take patients without cars to health centres and hospital appointments. Regional transport strategies are now considering providing public transport from remote areas to healthcare facilities.

So far, however, rural health access initiatives such as Telemedicine have not become incorporated into mainstream NHS activity. Moreover, voluntary sector programmes tend to be staffed by older, often retired volunteers. Under these circumstances, the sustainability of the rural access initiatives is of concern. In general, too, the weight and quality of the evidence about access to healthcare in rural

Wales has not been sufficiently strong to influence health policy.

At the same time, the passage of the Health (Wales) Act 2003 providing for the establishment of the Wales Centre for Health as an independent body has produced a new and unifying dimension to Wales' health infrastructure. In addition, the Rural Health Intelligence Programme is providing a unique opportunity to enhance the rural dimension. Collectively these organisations have the potential to produce more robust evidence to identify health priorities; and, following that, provide a more equitable basis for resource allocation to make the health service more accessible and sustainable in all parts of Wales.

- *Trish Buchan works at the Institute of Rural Health, Gregynog, Newtown, and is lead researcher in the Rural Health Intelligence Programme. For information about the Institute, log onto www.rural-health.ac.uk*

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why we need a science policy for Wales

dylan jones evans argues that you cannot commercialise technology if there is little relevant technology to commercialise



though Wales is falling further behind in terms of research and development spending we do not yet have a focused approach to science development. Despite this Economic Development Minister Andrew Davies has rejected calls for a science policy that would put in place a strategic approach to research and development. He has stated that we already have a wide range of policies to promote innovation. Though keeping an open mind, he is not yet persuaded that a science policy for Wales would add sufficient value to be worth the effort.

It is true that a number of important initiatives are underway. The Innovation Action Plan and projects

such as the Science Techniums are important to the creation of a strong knowledge-based economy. However, to take advantage of such policy developments we need to have sufficient technology to commercialise. Unless we have a step change in our approach we face a growing research and development capacity deficit that will seriously affect our ability to compete in the coming years.

This is in contrast to many other UK regions, such as the North West of England, that have a more targeted approach to the indigenous development of their science and technology infrastructure. As the most recent data from the ONS shows, businesses in Wales spent only £136 million on research and development in 2001. This accounted for only 1.1 per cent of total business research and development undertaken within the UK. Only North East businesses spent less and, for the first time, spending by private businesses in Northern Ireland overtook Wales. Indeed, to reach the targets established by the Assembly Government in its economic development strategy A Winning Wales, private sector research and development spending would have to increase by approaching 100 per cent – more than £120 million a year.

Should this be surprising? Wales has never been strong in research and development intensive industries such

as pharmaceuticals and has failed to attract businesses that undertake substantial research. With the exception of a few firms, there are no significant research and development facilities within Wales in these sectors. Most of manufacturing employment is within 'branch plant' operations.

Given the low level of research and development undertaken within the private sector in Wales, universities have naturally been expected to be the key to the development of technological innovation. However, as Michael Porter recently noted in his review of the competitive advantage of the UK, it is vital that research – both basic and applied – is adequately resourced to fully utilise the potential of technology transfer as an economic force for development. What, therefore, is the state of research funding within Wales' academic institutions?

The most recent statistics suggest that for 2000-2001, Welsh universities received around £130 million in research funding from a combination of the Higher Education Funding Council for Wales (HEFCW) allocation and external research grants. In comparison, Scotland received £413 million and England £2.7 billion, which is not surprising given the larger size of their higher education sectors. If we examine the real measure of performance – the research income per academic member of staff – Wales

would need to generate an additional £25 million a year to catch up with England and an additional £38 million to reach the Scottish level. This is not only an issue for HEFCW but for each individual higher education institution in Wales, particularly in attracting external sources of funding. However, given that the Assembly is now responsible for higher education in Wales, there is also the need to persuade the Office of Science and Technology of the case for improved research funding as part of the overall Treasury settlement to Wales.

On this matter, let's consider the UK Government's main instrument for increasing research funding to the academic sector, namely the Science Research Infrastructure Fund. In 2001, the Government announced this new capital infrastructure fund of £1 billion for higher education in the UK – made up of £225 million from the Wellcome Trust, £475 million from the Office of Science and Technology, and £300 million from the Higher Education Funding Council for England. Of this £700 million non-HEFCE funding, Wales received £14 million in 2002-2003 whilst Scotland received £45 million.

In both Wales and Scotland, the funding councils quite rightly provided an additional sum – £10.7 million in Wales and £10 million in Scotland – to boost the infrastructure fund. This is not insubstantial, but only goes a small way towards addressing the years of chronic under-funding within the research infrastructure of higher education in Wales.

Despite this situation, Wales continues to accept the funding formula for the Science Research Infrastructure Fund, proposed by the Treasury and the Office of Science and Technology, which follows 'excellence' rather than need. Given the figures demonstrated above, this means that Welsh universities received only two per cent of the £700 million of funding being put up by the Office of Science and

Technology and the Wellcome Trust for research and development. If this rationale is accepted, then given current levels of funding, it is clear that Wales will never improve its position relative to other parts of the UK. Indeed, it is likely that it will fall further behind major research institutions in England.



Inductively coupled mass spectrometry at the University of Wales, Aberystwyth.

Given that the Government has recently announced an additional £1.25 billion of research for the UK by 2005-2006, it is even more imperative that Wales captures its rightful share of this funding if it is to maintain current levels of research. Both the Higher Education Funding Council for Wales and the Assembly Government need to put the case to the Treasury and the Office of Science and Technology that Welsh universities need to secure the maximum amount of funding to bring them up to the level of other institutions in the UK.

It would be surprising if Wales accepted the same situation for health. That is to say, that we would be willing to receive only two per cent of the total

UK health budget despite having higher morbidity rates. If Wales were to receive its pro rata population rate of five per cent of funding for science Welsh universities would receive an additional £21 million of research funding from central Government funds. Yet this is what the Barnett formula suggests for public funding elsewhere, and the case could be made for more given the current state of research in Wales.

In the last research assessment exercise (RAE) in 2001, which assesses the quality of academic work against international standards, Wales did better than expected. Eight higher education institutions improved their overall research rating since the last exercise in 1996. Unfortunately, in terms of developing a strong technological base, Wales did well in the wrong subjects. Whilst research quality is higher in Wales than in the rest of the UK in more than one third of the subject areas, these include psychology, town and country planning and civil engineering. Whilst the improvement in humanities and social sciences is to be applauded, this will do very little to support a strong science and technology infrastructure within Wales that will lead to a more competitive economy.

Detailed analysis of the RAE data indicates that there are major areas of weakness within the Welsh academic structure in subjects which form the foundation for important high technology industries. These include aerospace, opto-electronics, biotechnology and pharmaceuticals, sectors in which the majority of research and development is undertaken in the UK. They also include key scientific disciplines such as Biological Sciences, 30 per cent below the UK quality average; Chemistry, 14 per cent below the UK quality average; and mechanical, aeronautical and manufacturing engineering, 10 per cent below UK quality average. There are also serious

weaknesses in pure mathematics, applied mathematics and physics, where we have only 3.2 per cent of the total number of active UK researchers. Whilst efforts are certainly being made to improve this situation, such as the creation of the School of Biosciences at Cardiff University, the science base within Wales remains under-resourced and fragmented.

The single most important science statistic for Wales is the fact that the last RAE showed that there are only around 600 full-time research academics active in science, technology and engineering in Wales. The question is, what proportion of these individuals have time to engage with industry or establish their own spin-off businesses as the Assembly Government expects? The real challenge is not getting scientists to become entrepreneurs and create spin out firms. Rather it is to support them in what they do best and concentrate on developing mechanisms to transfer science efficiently into the market place. One example is the Technology Commercialisation Centre proposed in the Innovation Action Plan.

Perhaps the deal the Assembly Government needs to make with universities and academics is relatively simple. On one side the Assembly Government will provide the best resources and infrastructure to scientists in Wales and all new intellectual property will be protected – with scientists and institutions having an equity stake in the technology. In return, the technology will be exploited, using the best companies in the world, for the benefit of Wales and the Welsh economy.

Imagine the impact if Wales became known as the place in Europe where science was flourishing. It would attract the brightest and the best to its universities, create an environment where finance would be available for the high technology ventures needed to fill up the Techniums. As has

happened in technology hotspots such as Austin (Texas), Linköping (Sweden), and Cambridge (Massachusetts and England), large knowledge-based firms would be banging down the door to relocate here. They would be attracted by the science base and the qualified graduate labour force within world class universities.



Making materials crystal clear at Cardiff University.

To achieve such a scenario, the biggest challenge for Wales is not innovation alone, but to put innovation hand-in-hand with science to create a competitive, technologically-based industrial future. In this vision there would be an equal investment in the foundations of our technology-based industries as well as the instruments to stimulate greater innovation. Without the foundation of research and development within private firms, and especially universities, the drive for a more innovative Wales will be as sustainable as a skyscraper built on quicksand. As Louis Pasteur once said, there are no such things as applied sciences, only applications of science.

What steps do we need to take to ensure that science and innovation are treated as a partnership of equals? Having spent two years in Ireland on a large government project examining the competitive advantage of peripheral nations, the most striking example of forward thinking I examined in detail was the establishment, in 1995, of the Science Technology and Innovation Advisory Council. As many are aware, the mid 1990s was a time where the Irish economy was growing at around 10 per cent a year, thanks to a combination of focused inward investment, high funding for education, the lowest corporate tax regime in Europe and strong partnership between business and the unions. However, it was clear to many within government that this would not last. Ireland would need to become smarter to remain wealthier. This was why the Science Technology and Innovation Advisory Council emphasised the need for science and technology to be at the heart of government thinking and to be one of the drivers for competitiveness within the Irish economy.

As a result, the Irish Republic now has a clear strategic vision for the development of science, technology and innovation policy. Most importantly, the Irish Government has made a powerful financial commitment and allocated £1.6 billion in its National Development Plan up to 2006. It has also created Science Foundation Ireland, which is committing £400 million to establish a strong research capability in areas of biotechnology and ICT. Currently it is spending money scouring the world's universities to attract the best scientists and their research teams to Ireland to build up these two critical areas.

The development of a coherent science policy has also helped to concentrate government efforts in supporting other key sectors such as the Irish pharmaceutical industry. For example, a recent report produced by the

Science Technology and Innovation Advisory Council's successor – the Irish Council for Science Technology and Innovation – created a coherent overarching strategy for the future development of the industry embracing issues as diverse as tax credits for research and development, increased funding for key scientific areas and internationally competitive grants. In Ireland, the development of pharmaceutical science capacity is seen as important as the commercialisation of that science. They are not regarded as being separate issues.

The scale of the challenges facing us can be best expressed by the Welsh technical entrepreneur Sir Christopher Evans, speaking at a venture capital conference last December on biotechnology. He said:

“This is an almost unstoppable industry with \$30 billion annual sales, 3,000 biotech companies and 15,000 research and development programmes. The name of the game is to keep ahead of the science and bringing different technologies together”.

How can Wales, with a declining science base, even hope to compete with other nations unless the public and private sectors start investing now in the scientists and technology infrastructure that will give us the edge globally in ICT, biotechnology and nano-technology? I believe it is pointless in concentrating our national innovation strategy funding solely on commercialisation activities whilst the research and development base in academic institutions and private sector organisations is declining or, at best, standing still. In the end, you cannot commercialise technology if there is little relevant technology to commercialise.

The responsibility for knowledge exploitation has recently been moved from the education portfolio within the Assembly to the economic



Communications and information systems at University of Wales, Bangor.

development portfolio. The challenge facing the Minister for Economic Development is to ensure that whilst we are commercialising our existing limited scientific knowledge, we are also investing for the future by encouraging more graduates to pursue postgraduate study in scientific disciplines. At the same time we need to improve our research infrastructure (especially the quality of our laboratories) and incentivise the best academics and scientists to come to Wales. If the inward investment of large foreign firms is good enough for the WDA and the Assembly Government, then surely the attraction of leading edge scientists and technologists to our universities should be an equally high priority. After all, the currency of the modern competitive world is knowledge rather than factories.

In short, whilst the basic principles of the Innovation Action Plan should be supported, I believe they should be

balanced by an equal commitment to developing a strong science base from which technologies can be developed into commercial applications. To do this, we need a science policy for Wales or, at the very least, the creation of the equivalent of the Irish Science Technology and Innovation Advisory Council's to examine the whole issue of the development of science and prioritise actions for the future. As the former Deputy Minister Delyth Evans stated at her last committee meeting in the Assembly, a science policy would help to pull together all the good science going on in Wales and help to identify gaps in scientific provision. It would also raise the awareness of science and enthuse pupils and teachers in schools, encourage the scientific community to work together, and most importantly, assist Wales in establishing itself as a serious player at the UK and European level.

From the wide range of conversations and correspondence I have had since I put these arguments to the Economic Development Committee in the Assembly in November 2002, it is clear that there is widespread support amongst scientists and leading Welsh industrialists for a science policy. As a result, I hope that the Minister will continue to keep an open mind on the subject and, at the very least, discuss the issue with senior individuals within academia and industry.

- *Dylan Jones-Evans is Professor of Enterprise and Regional Development at the University of Wales Bangor. His e-mail contact is: dylan@bangor.ac.uk*

improving our living standards

james foreman-peck argues that the Assembly Government should have a more realistic target than raising Welsh GDP closer to the UK average

The Assembly Government aims to increase GDP per head in Wales from today's estimated 80 per cent of the UK average to 90 per cent by 2010. However, it is becoming increasingly clear that this aspiration is unrealistic. Comparisons with countries of similar size – for example Ireland, New Zealand and Singapore – demonstrate that the principal influences on the level of Welsh GDP per head cannot be changed in the short-term. These include

- Proportion of the population of working age
- Labour force participation rates
- Educational levels
- Hours worked

In addition, Wales simply cannot hope to match the concentration of facilities and expertise of South East England's high paying financial services sector, even allowing for the end of the boom of the last decade. Instead of focusing on closing the gap in GDP per head, the Assembly should concentrate on

improving the absolute level of 'well-being' of the people of Wales. In any event, an absolute level of average Welsh living standards would make more sense as a target, rather than a comparative measure, because it would be less influenced by UK developments.

Despite these unfavourable shifts, unemployment rates are a little higher than they were thirty years ago.

As far as we can tell, Welsh living standards, as measured by Gross Domestic Product (GDP) per head, have increased by more than one half over the last thirty years. With an extra 200,000 people now living in Wales as well, the Welsh economy has apparently grown quite healthily.

Since we cannot easily increase our consumption of milk or steel by one half, almost inevitably there must be structural change to accompany this growth of productivity. The job pattern of the early 1970s could not be sustained. In fact, the decline of coal

and steel was more radical because overseas competitors could produce them more cheaply. Despite these unfavourable shifts, unemployment rates are only a little higher than they were thirty years ago. There are three main explanations: (i) growth in the service sector, such as hotels and restaurants; (ii) foreign direct investment in manufacturing; and (iii) the expansion of public sector employment.

Wales' GDP gap with the rest of the United Kingdom provides much fuel to power preoccupation with economic shortcomings. Indeed, reducing this disparity is the underlying objective of the Assembly Government's ten year economic development strategy *Winning Wales*, published in 2002. As it says, "Success would mean Welsh GDP per person rising from 80 per cent to 90 per cent of the UK average over the next decade – with the ultimate aim of achieving parity".

In recent years it seems probable that Welsh GDP first declined compared with the UK average, thanks to the London finance boom. The caveat 'probable' applies because Welsh GDP figures have caused such problems that no numbers later than 1999 are available at the time of writing. Now it is likely that relative GDP will be rising, as international tourism drops and finance slumps in the dominant South East. Labour Force Survey data show employment expanding between the winters of 2001/2 and 2002/3 in Wales, where the economy was not suffering from these two negative shocks – just as it did not experience the earlier positive stimuli either. By contrast jobs

were being lost in London, the South East and the Eastern regions.

Yet, comparing relative GDP inevitably produces a flawed picture. One of the more fundamental and less advertised shortcomings is that money GDP figures do not accurately compare the purchasing power of regional GDP. This is because prices vary across the United Kingdom. Until the last budget, the British government appeared to believe that regional price indices should not be produced regularly to allow comparisons because of the possible political consequences of differences in regional inflation rates. However, an interest in regional public sector pay prompted the Chancellor of the Exchequer to announce in his most recent budget statement that these indices would now be published.

As an indication of what the numbers might show we can look at the official 'purchasing power parity' regional price index constructed for one year (see Baran D. and O'Donoghue J. (2002) 'Price Levels in 2000 for London and the Regions compared with the National Average' Economic Trends January 28-38). This measure shows that, ignoring owner-occupied housing costs but allowing for rents, the price index for Wales was 3.8 per cent lower than for the United Kingdom as a whole in the year 2000. Assuming this percentage is broadly similar in other recent years, the real GDP gap is rather less than the conventionally accepted number. Taking the 1998 money Welsh GDP per head to be 80.2 per cent of the whole United Kingdom's figure, this means that the real percentage is $(80.2/0.962 =) 83.4\%$. Allowing for the lower costs of owner occupation would further reduce the gap, as might other factors such as travel to work costs.

If we want to understand in more detail the reasons for disparities between Wales and elsewhere and discover remedies we can break down (real) GDP per head into its components:

- **GDP per head =**
 - proportion of population of working age x
 - employment rate x
 - average hours worked x
 - average GDP per hour

The first component, the proportion of the population of working age primarily depends upon the balance between birth and death rates which determines population growth, (when migration is insignificant). Rapid growth is associated with a high birth rate and a young population. When growth slows down, the 'centre of gravity' of the population distribution shifts forward in time so that a greater proportion are in the age range 16 to 64 and in principle available for work. Wales has a slower growing population than, say, Ireland and a smaller proportion in working age range.

...the Assembly Government's targeting the Wales-UK gap in nominal GDP per head will be unhelpful for policy

The second element, the employment rate, consists of the employed, and the self-employed as a proportion of the population of working age. The activity rate adds to this figure those registered as unemployed and seeking to work. A big change in the last half-century has been the rise of married women working. Since 1971 female part-time

workers in Wales increased by 100,000, equivalent to two thirds of the total increase in the workforce. The employment rate (as well as the activity rate) will also depend upon the number of students, the extent of serious ill health, and the unemployment and incapacity benefit regime. Multiplying these two ratios yields the proportion of the population working.

How long people work, the third element, will similarly in the long run be determined by preferences, custom, incomes and taxation. As most people have become better off they typically want more leisure to enjoy their income.

The final term, average GDP per hour, is a pure productivity effect, determined by techniques of production, skills, organisation and investment. It will also depend upon the composition of economic activity. Industries using more capital – financial or human- will have larger outputs per worker hour.

As a matter of arithmetic we can use this relationship to show how GDP per head would change if any of these four items were different. The Welsh economy is so closely tied in with the rest of the United Kingdom that comparisons of the terms of the GDP equation are naturally drawn with British regions. But now, with a devolved administration, looking around the world also makes sense.

The closest and most commented upon comparator is Ireland, with a population one quarter greater than Wales in 1998 (Table 1). On the other side of the world New Zealand is similar to Ireland in population size but is not the same extraordinary economic success story. As an agricultural exporter to Britain, New Zealand was damaged by Britain's entry to the European Union and adoption of the Common Agricultural Policy. Singapore, a very different economy, is closer in population to Wales, though still larger.

The employment/ population ratio in Table 1 combines the first two terms of the GDP equation above. Wales is similar to Ireland in the proportion of the population working; New Zealand achieves a ten percent higher ratio; and Singapore manages more than half the population in employment. Other things being equal, Singapore and New Zealand will generate a larger GDP per head than Wales or Ireland. Looked at another way, if Wales attained the employment/population ratios of New Zealand or Singapore, Welsh GDP per head would be higher.

Column three of Table 1 corresponds to the third term of the GDP equation, average hours worked in 1998. (Note, however, that these numbers – taken from the ILO Yearbook except for Wales – refer only to full time workers. They do not allow for differences between the countries in part-time workers and in their hours worked.) Wales appears to work longer than Ireland or New Zealand but Singapore puts in 18 per cent more hours per person.

The fruits of this labour are shown in column 4, GDP per head. Singapore was 45 percent richer than Wales. Ireland was also very much wealthier than Wales, but Wales was better off than New Zealand. The first figure for Wales is without the purchasing power parity adjustment. Both numbers are derived as a proportion of the UK figure.

To calculate the final productivity term of the GDP equation, first GDP per person working is obtained from columns 4 and 2. With this index of

productivity Ireland leaps ahead of Singapore. Next GDP per hour worked is found from columns 5 and 3. This brings Wales ahead of Singapore as well as New Zealand, but still lagging 21 percent behind Ireland. (The index number assumes that the same number of weeks is worked in all four economies.) Apparently if Wales could match Irish hourly productivity, with current labour force participation and hours worked, it would exceed Irish GDP per head. Alternatively if Wales achieved New Zealand's employment-population ratio and Singapore's weekly hours worked, with the same productivity, GDP per head would overtake Ireland's.

Ireland's greater productivity (Table 1 column 5) undoubtedly stems from massive inflows of foreign direct investment (FDI). In 1998 net FDI assets amounted to 10,000 euros per head of the Irish population or £6,000. By 2001 (helped by inflation) these numbers had risen to an astonishing 32,000 euros or, say, £20,000 per head. Compare with this the £1 billion Wales expects from European Union Objective 1 funding over several years, amounting to roughly £330 per head of the Welsh population.

Wales recorded 48 FDI 'project successes' (completed) in 1998/9 and 61 in 2001/2. However, it is reasonable to suppose that the sums involved were far smaller than in Ireland. To some extent this is a statistical mirage because an English investment in Wales would not be recorded as FDI, whereas for Ireland it would. Of course,

most of Ireland's FDI did not originate in the United Kingdom.

This remarkable performance has been attributed to, among other policies, wage restraint, a low corporation tax and greater speed of response and flexibility than the United Kingdom in responding to expressions of interest by foreign companies. In addition a good quality labour force has supposedly helped. Neither wage restraint nor corporation tax is within Welsh control and a greater speed of response to FDI proposals would require changing UK procedures.

But first we revert to the consequences of New Zealand/Singapore participation rates. The Assembly Government's strategy document adopts a British regional comparison, focussing on the second term of the GDP equation. If the Welsh employment rate was close to the UK average, 100,000 more people would be in work and Welsh GDP would be closer to the UK average, the strategy maintains.

Only 60 per cent of Wales' population was aged between 16 and 65, (Wales in Figures) compared with Ireland's 66 per cent and New Zealand's 65.6 per cent (OECD 2000). It follows from the similar employment-population ratios of Table 1 that Ireland's employment as a proportion of the population of working age was therefore lower than Wales'. The Irish female economic activity rate in 1998 was much lower (44 per cent 15+) but male economic activity rate is similar – the activity rate includes unemployment (ILO Laborsta). By

Table 1. Components of GDP per head: Wales in International Perspective 1998

	1. Population '000	2. Employment/ Population %	3. Weekly Hours worked per person employed	4. GDP per head 1990 International \$	5. Real GDP per person working \$	6. Real GDP per hour worked, index numbers
Wales	2933	40.7	40.2	15009/ 15627	38396	100.0
Ireland	3705	40.6	38.8	18183	44785	120.8
New Zealand	3811	45.1	38.9	14779	32769	88.2
Singapore	3490	53.6	47.4	22643	42245	93.3

Source: Calculated from Maddison A. (2001) The World Economy A Millennial Perspective OECD Paris; ILO Yearbook; Regional Trends.

contrast with Ireland, in some years in Wales there are more women employees than men. This gender difference is reflected in earnings and employment patterns. Most of the Welsh part-time workers are female, and females tend to work in lower paid jobs.

Arithmetically, raising the Welsh male employment rate from 71.2 to the UK average of 78.1 would add $\{0.069/0.712\} * 705 =$ 68,000 to the workforce, almost 10 per cent of males and 5 per cent of the work force. Boosting the employment rate to East and South Eastern region levels of 84 per cent would add $\{(0.13/0.712) * 705 =$ 128,000 to total employment, an increase of 10 per cent. If productivity did not fall (an important qualification) there would be a similar proportionate increase in GDP per head as well. However, achieving such employment rates will not be simple.

One of the roots of the problem, apart from the benefit regime, is most likely education broadly interpreted: not merely for skills but for extending horizons. In an international context the United Kingdom as a whole has been poor in providing education for the majority, though good in education for the élite (see Prais S. Productivity, Education and Training: An International Perspective, Cambridge University Press, 1995). Wales has the largest proportion of the workforce of any region in Great Britain with no qualifications; 19.2% (fig 1). Qualifications are not identical with skills but in a period of compulsory schooling they are indicative of a willingness and ability to acquire skills.

Suppose an enormous effort in education and training transformed these unqualified workers somehow into a skilled labour force, earning and producing 50 per cent more. If they were of Welsh average productivity then this would be equivalent to raising the workforce and therefore the output by $(0.19 \times 0.5 =)$ 9.5 per cent. Combining this effect with a raising of the employment rate, also associated

Table 2. GDP per head 2001 and Real Growth rates 1997-2001

	GDP per head US \$ PPP 2001	Annual average GDP per head growth rate 1997-2001
Ireland	30,000	7.0%
New Zealand	21,200	2.1%
Singapore	20,748*	1.0/1.6%**
United Kingdom	26,300	2.3%
Wales	? (0.834x26300) 21,200	? 2.3%?

Source: Calculated from OECD and Statistics Singapore

* Exchange rate conversion to US dollars.

** 'Total population'/'resident population'.

Note: The calculation for Wales includes the regional price adjustment. If Wales grew at the historical average over the four years 1997-2001 the gap with the UK would have widened perhaps 2.5%, leaving Wales behind New Zealand.

with higher skill levels, would take Welsh GDP above the UK average and close to the Irish level.

Obviously such an improvement is unlikely to be achieved rapidly. The passage of time brings younger, and formally better educated, workers into the labour force. The proportion of those leaving school with no GCSEs has fallen to around eight per cent in the years 1998/9-2000/1. This is less than half of the average for the labour force and so a slow improvement in this labour force skill indicator can be expected. But it will not be enough to bring about a spectacular improvement in a decade.

Had Wales maintained in 2001 the 1998 gap with the UK as a whole (adjusted for prices) then Wales would have matched the UK growth rate. At 2.3 percent this rate is much higher than Wales' 1971-1998 average and therefore would mark a considerable improvement. It would ensure Wales was well ahead of Singapore and level with New Zealand (see Table 2). Since Welsh relative wages declined over the period we can be sure this did not happen. On the other hand, now UK growth has slowed while Welsh employment continues to expand, it seems likely that at last Wales' growth rate exceeds that for the UK.

This suggests that the Assembly Government's targeting the Wales-UK gap in nominal GDP per head will be

unhelpful for policy – not only because of the continuing absence of official GDP statistics. The gap is as much influenced by the ups and downs of London and the South East as by Welsh developments.

Whatever decision is reached, when comparisons of productivity or well-being are made over time or between economies the appropriate price and cost of living indices are essential and none are yet available for Wales. Once these have been secured, the Assembly Government should consider aiming at a specified absolute improvement, but only when confident as to the policy instruments available to achieve the desired effect. The case of Ireland highlights the key role of productivity increases in long term rises in living standards. Unfortunately what steps Wales can take in emulation is far less obvious. This is where the Assembly Government should focus economic policy research.

- Professor James Foreman-Peck is Director of the Welsh Institute for Research in Economics and Development, Cardiff Business School.

eilidh johnston says we need a bridge between the environmental and socio-economic objectives of the National Parks

cosmetics versus conservation

The roots of the British National Park system can be traced back to the Industrial Revolution, when public demand for access to the countryside eventually led to the 1949 National Parks and Access to the Countryside Act, and established Parks in England and Wales. From the outset, however, the Act gave potentially conflicting roles to National Parks. On the one hand they were asked to preserve and enhance the natural beauty of the countryside. On the other they were made responsible for recreation, and sustaining agriculture and forestry.

The inherent conflicts in these roles led Ann and Malcolm MacEwen to argue, in their 1982 book *National Parks: Conservation or Cosmetics?* that nobody was satisfied. Conservationists and recreation groups felt that National Parks did not provide adequate protection for nature, landscape or public enjoyment. Meanwhile, residents and local authorities felt the parks did not satisfy their socio-economic needs. As the MacEwens argued:

“Local people, faced with all the problems of depopulation, reduced services and shrinking farm incomes, can easily see the national parks as direct competitors for scarce local resources, spending money on services for visitors while inhibiting local initiative through development control and offering little or nothing

in the way of support for local services or enterprises.”

The key changes they suggested were to give emphasis to the economic and social development of the National Parks, and to form National Park Authorities that combined central and local government with local communities. This was partially addressed in 1995, when National Park Authorities were given an additional duty to seek to foster the economic and social well being of their local communities. These issues form the backbone of the Review of National Parks recently completed in England, and currently underway in Wales.

Wales has three National Parks: Snowdonia, Pembrokeshire Coast and Brecon Beacons (Figure 1). They are run by Authorities whose members are appointed by the Assembly Government and local councils (Table 1).

Announcing the Review of National Parks in Wales in March 2003 Environment Minister Sue Essex said:

“... I am keen for the review to examine how the Park Authorities’ role in rural development might be enhanced. I also want it to look at how the Parks can engage more effectively with the wider public ...’

Carried out by consultants, the review is due to be completed by October 2003. The first phase of public consultation was completed in the early summer and received a high number of responses. Issues under consideration are:

- How Park Authorities foster the economic and social well being of their areas, and whether legislative changes are needed.
- Role of National Parks as ‘test beds’ for sustainable development.
- Social inclusion and links between rural and urban communities.
- Current governance arrangements, including staffing, communication, management structures and partnership working.

The 2002 review of English National Park Authorities examined policy,

Table 1. The Welsh National Park Authorities

National Park	National Park Authority members	
	Appointed by local authority / authorities	Appointed by Welsh Assembly Government
Brecon Beacons	16	8
Pembrokeshire Coast	10	5
Snowdonia	12	6



Upland footpath partnership work between the National Parks, National Trust and Countryside Council for Wales.

Panel 1: Summary of recommendations from the Review of English National Park Authorities

- Publishing a new Government vision for National Parks.
- Retaining the Parks' two primary purposes.
- Removing the spending constraints to allow the Parks to play a greater role in rural economic revival.
- A limit of 25 members for the largest authorities and 20 for the smallest to aid efficient decision-making.
- Increasing the number of national members, but ensuring that the majority continue to come from local areas.
- Introducing an independent chairman.
- Retaining the Parks' planning and development control responsibilities.
- Commissioning an evaluation of national planning policies affecting National Parks and assessing the level of delegation to officers.
- Promoting National Park Authorities as 'first-stop shops'.
- Attaching higher priority to promoting sustainable tourism
- Considering whether National Park Authorities should have statutory responsibility for rights of way.
- Doing more to ensure that other public bodies understand and comply with the duty to 'have regard to the purposes' of National Parks.
- Introducing National Park Authority service agreements.
- Funding Park Authorities wholly by direct grant from DEFRA.
- Giving Park Authorities greater certainty and continuity of funding.

governance, sponsorship and resources and offers an indicator of what might be expected from the Welsh Review (see Panel 1). The English recommendations involve minor changes to the administrative system and funding arrangements for National Park Authorities, but also an enhanced socio-economic role, supported by increased funding. The Review has been welcomed by the English National Park Authorities.

The review also supported the establishment of a new Sustainable Development Fund for local projects in the National Parks. For local communities, this would mean greater socio-economic activity by Park Authorities, advice to local businesses and communities, emphasis on local involvement in running the parks, and more money for local projects.

The IWA recently completed a series of community discussion groups and consultation with community councils in the Welsh National Parks, as part of a Joseph Rowntree Funded project on the provision of affordable housing in rural Wales. While examination of the role of National Parks was not a key objective of this project, a number of responses provided some initial feedback on the socio-economic and sustainable development role of National Park Authorities.

Although there were important differences between the three National Parks, community responses from most areas demonstrated a perception of restrictive planning policies. This related to restrictions on design and new building, and there was a belief that Park Authorities viewed tourist developments, such as holiday cottages, more favourably than local housing or other forms of economic development. The following comments provide a cross section of some of the views received:



Feeding sheep in the Brecon Beacons.

“The only way you can get [planning] permission is if you say you’re building holiday cottages and stuff – you’d get permission.” (Youth discussion group, Pembrokeshire)

“We could do with more housing, we could do with better transport, we could do with fewer restrictions from the National Park. And I do think we tend to put up with a lot of this sort of problem because it’s such a lovely place to live.” (Tenant discussion group, Snowdonia)

“Brecon itself could be taken out of the National Park boundary. No other towns are included in National Parks in Wales. It being there makes planning a lot more

difficult. Also, they could reconsider some of the policies like satellite dishes requiring planning consent.” (Interview, Brecon Beacons)

Overall, there was little sign that local people regard National Parks as exemplars of sustainable development. Yet the National Park Authorities are attempting to promote sustainable development by supporting tourism, transport and renewable energy projects. Their role in supporting local enterprise also seems likely to increase under the socio-economic focus of the Review of National Parks.

National Park Authorities will undoubtedly have a greater socio-economic role in future, a shift that will be welcomed by many local people. At the same time, other

interests will wish to see evidence that this new role can be carried out without undermining the environmental status of their areas. Successful work on this difficult balancing act would underline the Assembly Government’s commitment to sustainability, and offer progress on a thorny debate that has existed as long as the National Parks themselves.

- Eilidh Johnston is IWA Senior Research Fellow in association with the University of Glamorgan.

a sleeping giant



iwan huws says
National Trust Wales
has a great opportunity
to contribute to the
environmental
economy

although it has been in existence for more than a century, National Trust Wales is something of a 'sleeping giant' so far as public awareness is concerned. How many realise, for instance, that it has more members than all the Welsh political parties put together? How many appreciate that it is Wales' largest tourism business? And how many know it is the largest non-government provider of education?

National Trust Wales is, of course, widely recognised as a major landowner owning some of Wales' best historic properties and spectacular countryside. However, its contribution to the economy is less understood. A new study by the 'Valuing our Environment' partnership, led by National Trust Wales, has shown that managing the environment contributes around £1.8 billion in wages in Wales. Not only that, it accounts for one in six Welsh jobs, while £6 billion of Wales' GDP is directly dependent on the environment.

The partnership – which also includes the Countryside Council for Wales, Heritage Lottery Fund Wales, Welsh Development Agency, Wales Tourist Board, RSPB Cymru and the Environment Agency Wales – will shortly be publishing a economic analysis for the four economic regions of Wales, which will further aid our understanding of the environment's contribution

Much of the rural economy has been in a state of upheaval in recent years. Changes to the subsidy regimes of the Common Agricultural Policy, changing consumer demands, and the outbreak of diseases like Foot and Mouth and BSE have all contributed to the pressures faced by rural areas. One positive outcome of the disastrous Foot and Mouth Disease was that it painfully emphasised the inextricable linkages between an accessible and enjoyable environment and the economy. The impact was felt nation-wide, not just in the rural heartlands. In particular the

national trust wales

- Has more than over 75,000 members
- A million people visit its paying properties and at least 4 million people enjoy free access to coast and countryside properties managed by the Trust – making it the largest tourism business in Wales.
- Has over 36,000 visits from pupils and students every year, making it the largest non-government provider of education in Wales.
- Protects and provides access to a sixth of the coastline (137 miles) including many popular beaches on Gower, Pembrokeshire, Llyn and Anglesey.
- Owns and cares for 43,000 hectares of countryside, much of it in agricultural use in areas such as Snowdonia and the Brecon Beacons
- Cares for 18 of Wales' finest castles, gardens and industrial sites which are open to visitors at a charge. Attractions include Chirk Castle, Wrexham; Bodnant Garden in the Conwy valley and Llanerchaeron in Ceredigion.
- Is a major employer, with 320 regular and 200 seasonal staff.
- Spends more than £12 million a year on wages, services and supplies for its countryside, coastal and historic properties.
- Has more than 5,800 volunteers, who donate a third of a million hours a year.
- Provides training for economically inactive people, often in rural areas

importance of the tourism industry to the future of our countryside and its communities has now been recognised.

National Trust Wales wants to show leadership in the regeneration of the countryside, working with others to find sustainable solutions for rural Wales. From our experience of owning 45,000 hectares of countryside in Wales, much of it in the uplands or on the coast, and working with 200 tenant farmers we advocate:

- Reallocation of agricultural production subsidies to positive incentives that reward the environmental, social and economic outputs of land management.
- Adoption of more sustainable systems of farming that respect our fundamental resources: soil, water,

air, biodiversity, natural and historic landscape quality.

- Re-establishment of local food economies with a local and seasonal focus on food production, processing, marketing and consumption.
- Investment in access to information, advice and training to ensure there is a skilled pool of land managers to realise the multiple benefits of sustainable farming.
- Education of future consumers to restore public confidence in farming and to build understanding between town and country, consumer and producer.

We will continue to work closely with our farm tenants in preparing Whole Farm Action Plans, supporting them in

applying for agri-environment and other grant aid. Through our Farm and Countryside Advisor Service we will encourage and enable appropriate and soundly based rural business alternatives on farms and in communities where the Trust has a major interest. We want to set an example in stimulating 'place-based business'. We will maximise opportunities to sell more Welsh produce in our shops and catering establishments.

Over many years the Trust has worked with Government agencies to provide accredited training for schemes such as New Deal. We already offer a diverse range of volunteering opportunities to over 5,800 volunteers who give an astounding 300,000 hours each year. We need to build on our experience as a training provider to create openings

Location of land and properties in the ownership of National Trust Wales



Picture shows the land behind Barmouth (identified by the arrow on the map) that became the first donation to the National Trust. The 4.5 acres of land at Dinas Oleu became the first property donated to the National Trust on 29 March 1895. The donor, Mrs Fanny Talbot, a wealthy philanthropist and friend of Octavia Hill and Canon Hardwicke Rawnsley, two of the Trust's founders, said: "I have long wanted to secure for the public for ever the enjoyment of Dinas Oleu, but wish to put it to the custody of some society that will never vulgarise it, or prevent wild nature from having its way. I have no objection to grassy paths or stone seats in proper places but I wish to avoid the abomination of asphalt paths and the cast-iron seats of serpent design which disfigure so largely our public parks, and it appears to me that your association has been born in the nick of time." Octavia Hill, one of the most influential social reformers of the 19th century, when forming the Trust spoke of creating "open-air sitting rooms for city-dwellers to have a place to breathe".





Rhossili on the Gower: National Trust Wales cares for some of Wales' most inspiring heritage.

for individuals and groups, especially the disadvantaged, who would benefit from access to Trust properties.

The Trust has already worked in partnership with the Welsh Assembly Government on the built and cultural heritage agenda, having co-hosted with Cadw a conference entitled "An Asset for the Future", in July 2002. The Assembly Government has now published consultation document on the historic environment, which provides the most significant opportunity to date to establish a coherent and meaningful strategy across government departments, local government and the voluntary sector.

Importantly, this Review, published in March 2003, has taken a broad approach, encompassing both the natural and historic environment and its social and economic benefits. There is also a particular emphasis on the interpretation of Wales' industrial heritage. It has three important themes:

1. Recognition that the 'whole landscape' is a valuable part of our heritage, and the positioning of the historic environment as an integral and crucial part of Wales' cultural heritage.
2. A need to bring expert and community values closer together.
3. A need for clearer leadership and practical proposals from the Assembly Government.

The recent move of Cadw from the Environment to the Culture portfolio is an important step towards improving the development of policy, and communication between players within government. The need now is for the Minister to convene and chair a standing advisory committee to develop a strategy for action, and to advise on Assembly Government policy on the historic environment.

- *Previously Chief Executive of the Snowdonia National Park Authority Iwan Huws became the National Trust's Director for Wales in March 2003.*



tennis with tony



peter stead

What with one thing and another I had not seen much of the Prime Minister of late. The good news is that my ligament problem has now cleared up and we have resumed our regular tennis sessions. One or two things have changed. We now play on the two indoor courts that have been built at Chequers and Downing Street respectively, both of which can be converted to command centres when our next war comes along. Another change is that our informal matches are now umpired. This has brought an end to a period during which the PM's opponents felt they were not receiving full justice with line calls. Now our contests are umpired by either the Speaker or Lord Falconer, with various ministers serving as line judges and ball boys (this, of course, goes some way to explaining Alan Milburn's resignation and the demise of Lord Irvine).

It goes without saying that the PM is aggrieved by the rough treatment he is now receiving in the press and in particular by the suggestion that his recent constitutional changes were cynically announced to draw attention away from his lack of interest in and failure to improve domestic matters. He is greatly saddened by the complete failure of the electorate, and particularly Labour voters, to appreciate the extent of his

commitment to a whole series of structural changes that would destroy once and for all the traditional British social establishment. He had assumed that his tactics of showing discourtesy to the Queen and emasculating the Lords would have been greeted with campaigns to abolish both institutions. The consensus, even within his own party, has forced him to play down his Republicanism and to resort to sudden and apparently spur of the moment ad hoc changes rather than a detailed programme of reform.

There is now a general appreciation that Tony Blair is more powerful than the constitution-bound American Presidency. However, he remains amazed that the public have not picked up on the fact that in every respect he is attempting to Americanise British society. His aim is to liberate talent and encourage go-getters as he smashes the vested interests

and power of the royals, peers, trade unionists, academics and bureaucrats in the public sector. He firmly believes that his own remarkable career fully illustrates the fact that only a dynamic and charismatic individual politician can destroy hierarchies and stultifying conventions. By contrast political parties are inevitably muscle-bound, wallowing in mediocrity and condemned to fighting yesterday's battles.

After our latest match (won by the PM on a tie-break) I asked how his enthusiasm for Europe fitted in with this agenda. Of course the answer was that he now more than ever wants to take the lead in destroying European vested interests and in the process create a democratic super-power that would assume world leadership, at first alongside the US and then ahead of it. I could see the logic of Tony becoming both the leader and symbol of a new European era but I wondered whether the glint in his eyes and the break in the voice as he talked about Europe rather suggested that his usual pragmatism was now being affected by a degree of romanticism. Perhaps it was inevitable that a man shaped by the medievalism of Edinburgh, Durham, Oxford and the Inns of Court should have some sense of a European destiny awaiting him.

And so it was that we began to talk of Christendom and the religious unity of Europe.

I wondered whether the most 'Catholic' of British Prime Ministers had any inclination to undo the Reformation. A flash of anger suggested that I had gone too far, but quickly the smile returned and the PM joked about all the pleasure that the Protestants of Northern Ireland, Fife (in particular Dunfermline) and Wales had given him during his premiership. I risked further rebuke by suggesting that his appointment of Rowan Williams had been a deliberate attempt to hold the Anglican Church up to ridicule. The PM smiled again and merely reflected that our national life required a degree of theatre. For instance, it was quite appropriate that Anglicanism should provide career opportunities for women who might otherwise go into politics.

We went on to talk about how his leadership of a newly energised Europe would work out. I was on the point of asking whether the position of President of Europe could usefully be re-designated as Holy Roman Emperor when the PM changed the subject and began to talk of future Crusades and reclaiming the Holy Places. It was at that point that I had to take my leave. I was going with Gordon Brown to see Raith Rovers play Partick Thistle. Ruling the World can be a heady business but we mortals must try to keep our feet on solid ground.