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Review

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From the Editor...

Recession is once again re-shaping the Welsh economy and society. We are pleased to devote much of this issue to the question of how it should be tackled. Following an outline of the impact so far by Blackaby and Murphy, a surprising consensus emerges from the articles that the solutions must be 'green' and put welfare at their heart. From housing to job seekers allowance, from work-life balance and the ownership of businesses, successive articles argue that 'business as usual' is no longer an option. A radical shift in emphasis is needed in how we think about the economy and how we support it in Wales. Some of the actions suggested are undoubtedly controversial, but they need to be aired not ignored.

We also cover two other critical issues: the question of patient voice - supposedly the driver of Wales's NHS - is considered by Marcus Longley and Mike Ponton, while Sarah Lloyd Jones tackles the woeful learning provision for people without qualifications.

Grateful thanks to Peter Slater for all photographs except page 27 – thanks to the People and Work Unit.

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David Blackaby and Philip Murphy

The economic downturn and the Welsh economy

The Welsh Assembly Government has very few significant levers to pull in an attempt to deal with the effects of the current recession. Many have applauded the actions taken so far but there is still more that could be done, some of which is controversial.

Over the last year the global economy has slowed down sharply with many countries moving into recession. The downturn started with a banking crisis but sharply rising oil and commodity prices such as food have played a part. Many banks in the US over-lent to individuals who did not have the ability to repay their loans (especially as the downturn began to bite) and these debts were sold on as part of complicated financial instruments (toxic debt) around the world – many of which are held in Britain. Before the spread of the sub-prime crisis, the UK appeared to be experiencing a ‘house price bubble’ fuelled partly by low interest rates and attractive repayment schemes. Falling house prices in the UK which accompanied the downturn and increases in house repossession also dampened expectations and increased the fear of bad debts in the UK banking system. The resulting loss of confidence, which was amplified by the exposure of poor financial business models in the banking sector, led to a run on Northern Rock and a further loss of confidence in the sector from which it has never recovered. The endemic loss of confidence in the banking sector has resulted in a substantial drop in inter-bank lending and in concerns that many banks were holding substantial amounts of bad debts relative to their capital base. The banking crisis has led to bank failures, mergers and, through a recapitalisation process, an increased stake of government in the sector.

Despite substantial amounts of government money being spent rescuing the banking system across the world, the global banking and financial system is still fragile with dramatic falls in bank lending having important implications for many businesses and the economy. At the end of December the UK economy

officially entered a recession as output fell by 0.7 per cent in the third quarter of 2008 and by 1.5 per cent in the fourth quarter. (Unfortunately this data is not available for Wales). Business surveys point to a large contraction in the economy during the early parts of 2009 with the Bank of England suggesting a similar contraction in first quarter to that in fourth quarter of 2008 with upturn not likely to take place until the first quarter of 2010, reflecting the building stimulus from easing monetary and fiscal policy, the substantial depreciation of sterling, past falls in commodity prices, and actions by authorities at home and abroad to improve the availability of credit.

Many economists and commentators argue that the current recession, given the accompanying banking crises, will be longer and deeper than anything experienced since the Second World War (and longer and deeper than that predicted by the government) with unemployment rising well above 3 million. In the recession in the 1970s output fell by 3.3 per cent (over 6 quarters), in the early 1980s output fell by 4.6 per cent (over 5 quarters), and in the early 1990s output fell by 2.5 per cent (over 5 quarters). So far output has fallen by 2.2 per cent over 2 quarters. In both of the last two recessions unemployment went over 3 million. It has been suggested that this recession may see unemployment go over 4 million.

The UK government has placed an emphasis on international co-operation and where possible co-ordinated fiscal and monetary policy responses to help move the UK and world economies out of recession. The UK government has a number of levers it can use to try and influence the economy during a downturn. A

number of important policy changes, but by no means all, are noted below:

- Bank rate has been reduced to 0.5 per cent in March 2009, the 6th drop since October 2008 when Bank rate stood at 5 per cent.
- A number of measures have been taken including finance to support the balance sheets of the banks.
- Support to encourage mortgage lending. Northern Rock, for example, is no longer required to reduce its mortgage book. Similarly conditions to increase lending have been imposed on some banks in which the government, on behalf of the tax payer, has taken a substantial stake.
- Value Added Tax has temporarily been reduced from 17.5 per cent to 15 per cent.
- The bringing forward of capital expenditure.
- The Asset Protection Scheme will allow financial institutions to buy insurance against severe losses on certain assets.
- The creation of an Asset Purchase Facility by which the Bank of England can buy corporate bonds and commercial paper. £75 billion has been made available under this facility in an attempt to boost bank lending through a process known as “quantitative easing”.
- Lord Mandelson’s package announced on 27 January 2009 to guarantee loans for car manufacturers and major suppliers.

All this appears necessary as the economy, which had been through a period of continuous economic growth for 16 years, entered a recession in 2008.

The current recession appears to be hitting Wales harder than the UK

generally (See figures 1 and 2). The employment rate in Wales between December 2008 and February 2009 was 69.8 per cent (compared with a UK rate of 73.8 per cent) and this was 1.7 percentage points lower than a year earlier compared to a 1.1 percentage points fall for the UK as a whole. Similarly between December 2008 and February 2009 the ILO unemployment rate in Wales increased by 53.9 per cent compared with a year earlier to stand at 7.5 per cent of the economically active (108,000), while in the UK over the same period unemployment increased by 30.1 per cent to stand at 6.7 per cent (2.1 million).

Despite the fall in the exchange rate (which has seen more than a 25 per cent depreciation against the US\$ and Euro over the last year) manufacturing has been particularly hard hit during this recession as in many earlier recessions. The fourth quarter of 2008 saw a large fall, 5.1 per cent, in UK manufacturing output which is the largest fall since 1974. Within the manufacturing sector vehicle production, with a drop of 20 per cent, was particularly severely hit. Wales has an important supply chain in vehicle components and a number of high profile job losses have been announced in the sector. Between December 2007 and December 2008 the numbers employed in manufacturing fell by 4.9 per cent in Wales representing 13.2 per cent of all employees. This is higher than in the UK as a whole where 10.3 per cent of all employees are employed in manufacturing and manufacturing employment fell by 4.3 per cent.

In contrast to the UK Government, the Welsh Assembly Government has few major levers at its disposal. However, it has been able to announce a number of counter-cyclical policies to help mitigate the effects of the recession. For example, it has brought forward investment projects to aid the construction industry. The Assembly has also made a commitment to speeding up its payments to suppliers; announced a programme to deliver Affordable Housing; through the ProAct programme is providing additional training assistance to businesses in difficulty and a contribution to labour costs while training is being

Fig. 1
Employment Rate: Persons Percentage of working age



Source: Statistics for Wales Economics Statistics Monthly–April 2009 Labour Force Survey

Fig. 2
ILO Unemployment Rates Percentage of economically active



Source: Statistics for Wales Economics Statistics Monthly–April 2009 Labour Force Survey

undertaken; has made £45m available for the Business Growth project to support SMEs; and provided additional support for JobCentre Plus Rapid Response Service.

An important area in which the Assembly can determine policy is education, which has been shown to be an important long term driver of economic development. Increasingly it is recognised that in a world where the same equipment is available to all, it is the skills and resourcefulness of those operating that equipment that determines economic success. The need for additional skills and better training is seen as essential to

improving the long term performance of Welsh businesses and the Welsh economy. It is important, therefore, that the education system is fit for purpose. For example does the schooling system provide sufficient business and economic skills to its pupils? Evidence suggests these skills are highly rewarded in the labour market but they are not a mainstay of the curriculum. Similarly other features of the current curriculum may need to be reviewed. For example is the amount of time given to learning Welsh in schools an efficient use of resources? If it should remain compulsory should it be compulsory up to the age of 16?

David Blackaby and Philip Murphy

One of the most important things a government can do is to put in place an environment in which business can thrive and grow, as even in a recession new businesses are created and many firms take on new workers. Research suggests that companies that fail to invest in training and research and development during a recession are two and a half times more likely to go out of business than those that do invest. Increasing competitiveness is seen as an important mechanism for increasing economic growth. Competitiveness can be difficult to measure as it includes political, social and cultural parameters as well as economic considerations, and governments may choose to sacrifice economic growth in pursuit of social and cultural objectives. The UWIC Competitiveness Index for 2008 shows that using 407 areas, 23 of the top 25 localities are in London and the South-East. Of the bottom 25 localities 6 are in Wales (the highest numbers for a region other than the North East). Wales has 3 areas (Blaenau Gwent, Merthyr Tydfil and Caerphilly) in the bottom 5 positions.

Overall Wales is placed 11th in a table of the 12 standard regions in the UK in terms of competitiveness, only the North East is lower. More positively regional business survival rates for the years 2003 to 2006 show Wales moving up to 2nd position from 5th. However, this needs to be seen in context, and in terms of business start-ups per 1,000 inhabitants Wales was placed only 11th in 2006. Of more concern are the qualifications achieved by those leaving the education system, particularly as this has implications for the quality of the future workforce and is the main mechanism through which the quality of the workforce is improved. Wales has the lowest percentage (12th position) of those attaining GCSE results – five or more grades A* to C in 2005/06 and its position has deteriorated since 2003/04. Whilst Wales' position with regard to the percentage of the working age population with NVQ level 4 is higher at 8th place it has dropped two places since 2003/04.

The Welsh Assembly Government

could review all proposed and existing legislation to attempt to measure its effect on business development. Recently the British Chamber of Commerce said the government now had to reduce the regulatory burden and complexity of policies on businesses during the downturn. Clearly there may be trade-off between social, cultural and economic costs and benefits when introducing legislation. For example, should the Welsh Assembly Government consider the business costs of additional legislation in relation to the Welsh Language?

A small number of interviews with those responsible for business service delivery in Wales suggest that recent changes are handicapping their ability to help small businesses at the very time when help is most required. Concern has also been expressed that since the WDA was taken into the Welsh Assembly Government it has lost some of its visibility and presence and become less effective in the area of business support and job creation.

Lessons from previous recessions suggest it is important that those who lose their jobs remain in contact with the labour market. In earlier recessions individuals were not always able to get the skills they needed to take advantage of either the jobs that were still available or job opportunities that became available as the economy recovered. This increases the social and economic costs of a recession. In the 1980s, in particular, too many workers who lost their jobs went straight onto incapacity benefits, where they stopped looking for work, became more detached from the labour market and as a result many have not worked since. Children have grown up in families where they have not seen their parents in employment. Evidence suggests that gaining employment is one of the most effective ways for individuals and families to move out of poverty.

Overall the Welsh Assembly Government has attempted to introduce policies that attempt to support businesses during these difficult times. However, given the

economic levers available to it, and the global nature of the recession, their effect in the short term is likely to be small. Potential policy initiatives in Wales are nevertheless severely hindered by data deficiencies. For example, the current provision of Gross Value Added (GVA) data in Wales is restricted to the provision of annual, inflation-unadjusted GVA data which are more than two to three years in arrears. To help develop effective regional policy and improve our understanding of local and regional conditions over time more frequent and reliable data needs to be available at sub-regional level and at more regular intervals.

In conclusion the magnitude and speed of the current recession has caught many by surprise. The IMF, which in March forecast that the UK would have one of the longest and deepest recessions of the advanced economies, only just over 12 months earlier was forecasting that the UK would avoid going into recession. The amount of money being spent by governments in an attempt to solve the current financial crises is truly staggering. The European Central Bank has injected over 95 billion euros into the money markets. The US Federal Reserve says it will buy the equivalent of £843 billion worth of debt to help boost lending to promote economic recovery. Despite these actions and many more by governments across the world each new forecast appears to suggest that the recession will be deeper and longer than previously estimated.

Many groups and individuals are now forecasting that unemployment in the UK will go well over 3 million and may even reach 4 million during this recession. As a result the worst of the recession is still to come. One million plus could be added to the dole queue in the UK over the next 12 months, with unemployment in Wales rising to over 130,000. Given the relatively large size of the public sector in Wales and the relatively small size of the financial sector, it was felt that Wales may have suffered relatively less in the current recession than the UK as a whole. However current figures suggest that



this isn't the case and unemployment in Wales is rising faster than in the UK. So far manufacturing appears to have been relatively hard hit in this recession - this sector employs a greater percentage of the workforce in Wales than the UK as a whole. Wales has seen the loss of iconic plants such as Hoover which survived earlier recessions in Wales.

In the current environment the Welsh Assembly Government has very few levers to pull in an attempt to deal with the effects of the current recession. However, many groups have applauded the actions taken so far. The Assembly has called a number of economic summits attended by both the CBI and TUC and actions have followed. The Government in Wales, CBI and TUC working together is certainly a change of culture which may make Wales a more attractive place in which to invest in the future. Even in

a recession many new companies are formed and many grow and prosper. Some of these growing companies may be attracted to Wales if it has the appropriate workforce and business environment.

David Blackaby is Professor of Economics at Swansea University, Director of WELMERC (Welsh Economy and Labour Market Evaluation and Research Centre), Co-Director of WISERD (Wales Institute of Social and Economic Research Data and Methods) and Associate Director of SERC (Spatial Economic Research Centre).

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Anna Coote

Green well fair

Anna Coote argues that we need a new social settlement to transform the way we live together and look after each other - a modern welfare system that is fit for the 21st century.

Britain's welfare state can't cope with three great dangers that face us today - deepening social divisions, accelerating climate change and imploding financial systems. William Beveridge said of 1942, when he launched his founding report, that it was a "revolutionary moment in the world's history, a time for revolutions, not for patching". The same is true today, but the challenges are new. We need a new social settlement to transform the way we live together and look after each other - a modern welfare system that is fit for the 21st century.

Through 60 years of peace and plenty, Britain has built a welfare state that many see as enviable. But there are still widening inequalities. Unemployment is rocketing. Income inequality is at its highest level since records began. The gap in life expectancy between those living in the poorest areas and the average is wider than 10 years ago. The UK ranks a pitiful 13th out of 22 European nations on combined measures of social and personal well-being.

An unequal and divided society can't take the kind of concerted action that is needed to deal with climate change and the global credit crunch. And these divisions will deepen unless action is taken to prevent the poorest from suffering most from global warming and economic recession.

We argue for radical change in *Green Well Fair: Three economies for social justice*. A future welfare system shouldn't rely on the market economy to keep on growing to fund more and better services. Because growth is not inevitable, and unchecked growth damages the environment. Instead it must value and nurture two other economies that have so far been overlooked. These are the abundant human resources that underpin and shape society, and the fragile resources of the planet, on which all life depends.

It must harness all three economies - people, planet and markets - so that they work together to deliver sustainable social justice. By that we mean the fair and equitable distribution of social, environmental and material resources between people, countries and generations.

Green Well Fair sets out six steps towards sustainable social justice:

1. Aim for well-being for all as the primary objective of sustainable social justice: it is what a socially just welfare system seeks to achieve. The concept of well-being for all is more than health and happiness. It is not measured by how much money we have or what we consume. It's about flourishing - physically, socially and psychologically - not just now but in the medium and long term. The capacity to flourish cannot be a luxury for the better off. The key phrase here is 'for all'. If we take this seriously, and we must, then equality is central to our agenda.

2. Put prevention before cure. This is the hallmark of sustainable social justice and it requires a very significant shift of emphasis. Today's welfare system is buckling under the strain of dealing with social problems once they have arisen. Prevention is part of the rhetoric and even sometimes part of the planning, but it too often takes second place in practice. Yet failure to prevent avoidable needs arising is unsustainable, unethical and unjust. Unsustainable because in a low-growth or no-growth economy, there will be less money to pay for public services and funds for meeting needs that cannot be avoided should not be wasted on meeting those that could have been prevented. Unethical because avoidable risks - including obesity, mental illness, homelessness, incarceration and educational underachievement - undermine people's well-being.

Unjust because the burden of risk falls most heavily on the poor.

3. Grow the core economy, as the best way to bring new human and social resources into the welfare system. These resources are embedded in the everyday lives of every individual (time, wisdom, experience, energy, knowledge, skills) and in the relationships between them (love, empathy, watchfulness, care, reciprocity, teaching and learning). They are mainly un-priced and unvalued. In large part, they have been deployed by women - not because they belong naturally to women, but as a result of long-standing gendered divisions between paid and unpaid labour. To grow the core economy, employment policies, income support, childcare and family support must be re-designed to nurture these resources by valuing them and supporting their development. Co-production is central to the process of growing the core economy. It goes well beyond the idea of 'citizen engagement' or 'service user involvement' to foster the principle of equal partnership. People pool different kinds of knowledge and skills, based on lived experience and professional learning, to co-produce well being for all.

4. Make carbon work for social justice. The urgent need to tackle climate change must be embraced as a mainstream opportunity. For example, concerted public investment in 'green collar jobs' can help unemployed people get into paid work. This helps to build a low-carbon economy and at the same time boosts the income, autonomy and security of those who would otherwise be jobless. Furthermore we cannot allow carbon reduction schemes to penalise the poor; instead, we want them to help narrow inequalities.



design health services around cradle-to-grave health plans

5. Make public services sustainable.

Public service organisations – hospitals, schools, town halls, prisons and all the institutions of the state – deploy huge public resources (the NHS in Wales alone spends £5 billion a year) and wield very considerable power and influence. They must give priority to cutting carbon, manage waste and water to safeguard the environment and use renewable materials in building and repairs. They must also promote the well being of their staff and engage people locally in planning, designing and co-producing services. They will promote active travel and public transport, encourage physical exercise and healthy eating, improve and invest in the use of green spaces, and promote local food production and other local enterprise.

6. Value what matters. Finally, a welfare system that aims for sustainable social justice must be judged by measures that are consistent with the framing principles. Accordingly, the longer-term social, economic and environmental returns from public investments should be brought on to the balance sheet. It should

be routine to evaluate services by their impact on the ‘triple bottom line’, reflecting the three economies (people, planet, money).

How can we move towards a sustainable welfare system? Here are some examples.

1. *Two for the price of one:* invest in ways of preventing illness and reduce carbon at the same time - such as encouraging active travel and producing fresh, local food. Both will help to combat obesity and climate change.

2. *Welfare to green work:* channel investment in welfare-to-work to boost green industries, to build up skills in home insulation and other ways of cutting carbon emissions, and to support low-carbon living.

3. *From patient records to people's plans for well-being:* redesign health services around cradle-to-grave health plans for every individual, focused on keeping people well, not just treating them when they are sick.

4. *Carebanks to pool and grow resources for older people:* enable older people to join forces to help themselves and each other, using time as a measure of exchange.

Now, as in 1942, it is no time for ‘patching’. Instead of emerging from the trauma of the war, we face the potential catastrophes of climate change and imploding global capitalism. Such crises provide an unparalleled opportunity to think afresh about social justice and to be ambitious in pursuing it. We can't afford to miss that chance because all of our lives depend on it.

Anna Coote is Head of Social Policy at the new economics foundation. She is also a Sustainable Development Commissioner. She previously worked for the Healthcare Commission, the King's Fund and the Institute for Public Policy Research, the centre-left think tank (1993-7), and has also worked as a journalist and broadcaster.

Martin Mansfield

Next Steps: responding to recession

The current global recession is having a significant impact on the Welsh economy and thousands of Welsh families. In this article, Wales TUC General Secretary Martin Mansfield assesses the response so far and looks at where the future lies for Welsh industry.

Since the last quarter of 2008 Wales has been in the grip of a recession that was initially predicted to have a less severe impact on the Welsh economy than on other parts of the UK.

These predictions could not have been more wrong. Figures released in March show that at the start of 2009, unemployment in Wales had reached 7 per cent, or just over 100,000 people, for the first time in ten years, a higher unemployment rate than Scotland, Northern Ireland and most regions of England.

The reality for workers and families across Wales bears out the statistics, with many household names in manufacturing and retail closing and making large-scale redundancies. Woolworths and Hoovers dominated the headlines but there have been many more similar stories of redundancies across Wales.

The recession has had a severe and detrimental effect on the 'real' economy of Wales and has the potential to impact across every industrial sector and region. Consumer confidence remains low, as is the availability of credit. This has had a major impact on new product purchases, immediately and dramatically hitting the automotive and automotive components sector with heavily reduced demand in other manufacturing (for example white goods). There has been a significant knock-on effect on steel orders which in turn puts pressure on the viability of steel works which have to operate near capacity to remain profitable.

The construction sector was first to feel the effects of the credit crunch. The housing market has been affected by the restricted availability of mortgages. In the retail sector consumers are

putting off discretionary purchases (non-essential items) or moving to lower cost retailers. Food and other retailers are competing more fiercely on prices with resultant pressure on their suppliers.

Taking Action

In the earliest stages of the financial crisis the Welsh Assembly Government made an immediate response by convening the first economic summit in October 2008.

The Wales TUC welcomed this initiative believing that it must be a mechanism for driving forward a programme of action not just a forum for discussion. We recognised that the UK and Welsh Assembly Governments must act to mitigate the worst effects of the recession in order to support and maintain employment in Wales at this critical point in time. We also recognised that early action on these issues is vital.

In a highly unusual step, indicating the seriousness of the crisis facing our economy, the Wales TUC and CBI Wales agreed a joint programme of priority actions which we issued together in advance of the first summit. This programme identified seven areas where an emergency Government response should be focussed.

Over the period October 2008 – March 2009 five full summit meetings and frenetic behind the scenes work by officials developed a Government response to the downturn in each of the seven priority areas jointly identified by Welsh unions and businesses.

The response which Wales TUC endorsed has included:

- leading a social partnership approach to the economic crisis which should form the basis of a joint approach to a fair transition to a low carbon economy;
- achieving speedier payment times for Government invoices which help to off-set business cash flow problems;
- increasing the percentage of public procurement contracts being won by Welsh companies. The next step is to adopt a more 'can do' approach to the introduction of employment, training and other social clauses into public contracts;
- bringing forward £124m of spend to deliver now on labour intensive capital projects including school, hospital and housing stock renovation as well as social housing build;
- prioritising investment into energy efficiency including the multi-million pound fund to establish the Heads of the Valleys as a low carbon region;
- developing the 'weathering the storm' publications and seminars to highlight the flexible support available to businesses;
- ensuring the European Structural Funds programmes (particularly ESF) deliver a share of the resources required for the initial emergency response;
- identifying the need for increased basic skills engagement from employers;
- increasing the Workforce Development programme assistance rate from 50 per cent to 70 per cent;



Automotive and component industries have been hard hit

- increasing by 50 per cent the financing of the 'ReAct' fund, the Assembly Government's support package for workers who have been made redundant;
- identifying a £20m fund to support the continuation of existing and new apprenticeships;
- taking the innovative £48m 'ProAct' scheme, the Assembly Government's support package for workers facing redundancy, from concept to delivery in a matter of three months.

Looking Ahead

Although the current model of social partnership is rooted in economic crisis, it must become a model of partnership working to transform our economy in the future. The recession must be a springboard in to a new way of working in Wales.

That is why the Wales TUC has commissioned the Bevan Foundation to provide an outline strategy for making the transition from a high-carbon, low-wage economy in to a high-waged, high-skilled world leader in green technology.

A shift to a lower carbon economy is not just necessary but increasingly inevitable. Although much more needs to be done to reduce the risk of significant climate change this century, new environmental regulation and the establishment of carbon markets will begin to change the shape of the Welsh economy over the next decade. Coupled with the current economic conditions, and particularly the devastating impact of recession on the Welsh manufacturing industry, it is crucial that a strategy for embracing the green economy generates new industry and good sustainable jobs.

Pushing ahead with a strategy for developing Wales's green economy and making that investment now offers not only the opportunity to establish a strong competitive base, but also the chance to make investment which can offset the worst effects of recession. The Assembly Government should seek to maximise the advantages of Wales as a small, adaptable nation with a broad industrial base to take a lead on the green jobs agenda.

Unfortunately, significant periods of economic restructuring in the past have often happened in a chaotic fashion leaving ordinary workers, their families and communities to bear the brunt of

the transition to new ways of producing wealth. Indeed, many individuals and communities in Wales are still paying the price for the rapid shift away from industrial production over the last twenty years. Injustice cannot become a feature of environmental transition. Not only would this be morally wrong and socially damaging but it would undermine the credibility of the transition itself and could slow or even halt this vital and urgent shift.

For this reason, amongst others, we need a 'just transition' to a low carbon economy. 'Just Transition' recognises that support for environmental policies are conditional on a fair distribution of the costs and benefits of those policies across the economy and on the creation of opportunities for active engagement by those affected in determining the future well-being of themselves and their families.

Martin Mansfield took up post as Wales TUC General Secretary in October 2008. He has worked for over twenty years in the trade union movement and has worked on secondment as economic development special advisor to the Welsh Assembly Government First Minister and Cabinet.

Len Arthur

Cooperatives – the missing ingredient

Ownership and control are the missing ingredients of economic policy in Wales. Len Arthur argues that cooperatives could be the cornerstone of tackling the recession and rebalancing economic development, and suggests action that the Welsh Assembly Government could take.

There is hardly a family in Wales that has not already been hit hard by the loss of work as a direct consequence of the global credit crunch. The Welsh economy is now beginning to experience the sting in the tail of the success of overseas inward direct investment attracted to Wales by government support over the last 25 years. Now the international economy is in crisis much of that investment is considered marginal by the multi-national corporate owners and is being withdrawn or run down.

In addition to inward investment the UK Government and, since 1997, the Welsh Assembly Government, have also pursued the economic development policy of encouraging new start-ups through financial support, enterprise support and innovation from higher education. But even in this area, the role of external ownership and control has taken its toll, with many new start-ups being purchased by multi-national corporations as soon as they show promise and profit. Rachel's Yogurt and Tŷ Nant Water are well known examples being respectively owned by North American and Italian companies. With international research indicating that one third of small and medium sized enterprises will change hands over the next ten years and will require succession strategies, the issue of who owns and controls businesses should be taken seriously.

Ownership and control are the missing ingredients in the Welsh Assembly Government's economic development policy. Cooperatives and mutuals, in their various forms owned and controlled from below by their members, provide a way forward that addresses ownership and control issues. They provide a more sustainable form of governance than

simple share ownership. Successful mutual building societies such as the Nationwide and Principality; the turn around in the fortunes of the Cooperative Group; and Welsh successes such as Tower Colliery, credit unions and to some extent Welsh Water are an indication of what this different form of ownership can achieve. Cooperatives should move up Welsh Assembly Government priorities and shift from being seen as one commendable method to address social problems in areas of high deprivation to being viewed as a radical and central feature of mainstream economic development.

Over the last ten years colleagues at the Wales Institute for Research into Cooperatives (WIRC) at UWIC have undertaken international research into cooperatives and their economic and social potential. We have developed some key ideas about how and why cooperatives could provide a firm foundation for the Welsh economy of the future.

First, there needs to be a rebalance of policy away from inward investment toward indigenous capital growth and the mobilization of small savings for local investment.

Second, this capital should be sustained within the territory in which it has been created through 'capital anchoring'. This goes a considerable way to preventing a sell-off by spreading the cooperative's ownership through

many members who, in the case of worker cooperatives, are also the employees. Thus there is a smaller financial attraction per member in a sell-off, and this plus possible loss of employment acts as incentives to maintain ownership and control. Cooperative ownership can also be backed up by legal means and within the articles and memorandum of governance.

Third, following the example of Quebec, a Welsh 'solidarity' investment fund needs to be established that is itself a cooperative, owned by the investors with a single vote, who will only be able to save up to a maximum. Investment will be ethically made to cooperatives and organisations in Wales that have good records in areas such as climate change, fair trade, health and safety and trade union recognition. Such a fund will help start-ups and employee buyouts and will help cooperatives to smooth out and cope with changes in economic activity between sectors.



Taking these principles forward we have explored the possibilities of cooperatives in a number of areas based upon research into existing cooperatives or organisations that come close to the model.

Tower Colliery: although now closed as a deep mine the workers' cooperative was a tremendous success for 13 years, sustaining a highly technical modern colliery with a very active democratic governance structure. Tower consistently made a surplus whilst maintaining employment, having an excellent safety record and 100 per cent trade union membership. The cooperative still continues to operate in the coal mining industry and is central to a heads of the valleys development project. It has been an inspiration to workers around the world.

Cultural industries: in research produced for the Welsh Assembly Government, we found that the cooperative form fits well with the creative activities of young people. It enables people to work together to a performance level that suits them, use alternatives forms of presentation and publication and then maintain control over the production, marketing, sales and income streams.

Knowledge cooperatives: originally this was based upon our work in the declining Welsh engineering industry where we suggested that ailing firms could work together as 'consortia cooperatives' to sell their skills to a wider market. More recently, following work on the relationship between higher education and the economy, we have proposed that knowledge cooperatives could form a method of bringing together academics and producers as equal owners to develop and market a stream of innovations in specific sectors. The cooperative form ensures that the benefits are anchored within Wales.

Cooperative history in the UK is one that is rooted in forms of direct action and self-activity, with workers coming together to find collective solutions to the problems that face them. Direct action is alive and well in the green movement through organisations such as the Transitional Towns, which is aimed at finding local solutions to the



Tŷ Nant Water is now owned by an Italian company

event of oil supplies being exhausted without waiting for state action. The movement has only been in existence for just over two years but has inspired action throughout the UK as well in countries such as New Zealand.

In the same way it should be possible for us to start a new tradition of cooperative direct action. For example, it is possible to link the issues of climate change, price and employment together in local cooperative action. Consumer cooperatives could be formed locally to collectively organise the purchase of energy supplies. The Phone Co-op established in the UK recently does this in relation to phone and broadband, providing a service that is reliable, price competitive and returns a profit share to members. Local energy cooperatives could similarly reduce price but also specifically target renewable energy supplies using revenue and savings to invest in local renewable energy production. Car cooperatives have started in the UK and provide a form of reducing the ownership and use of individual transport. Similar arrangements have and can be made for fresh food etc.

The point about bringing these cooperative initiatives together locally

is that they not only provide a method of tackling climate change and prices of basic energy through collective direct action but the new cooperatives will also provide a source of permanent employment.

Although states have to play a key role in the current crisis, cooperatives provide a way of enabling those affected by the crisis to take direct action now to address the personal impacts, whilst making links to other members of their local communities who are also interested in issues of climate change and energy prices.

Ownership and control should become a key issue for the long-term social and economic development in Wales. Cooperatives provide a method of putting this into practice. There is plenty that the Welsh Assembly Government could lead on and it could also help to facilitate local direct action. Even in the absence of any government policy lead, cooperatives provide a way for people at the local level to take action which could have immediate impact and also create a more sustainable Welsh economy.

Len Arthur was formerly Head of the Wales Institute for Research into Cooperatives, UWIC.

Keith Edwards

Housing returns

It is 60 years since Aneurin Bevan's 1949 Housing Act. After decades in the second division, housing is rising to the top of public policy priorities again. Keith Edwards thinks it is about time.

In his opening speech on the second reading of the Housing Bill in March 1949 Aneurin Bevan as Minister for Health and Housing said:

"It has been common ground in all parts of the House, and I believe, in all parts of the country, that the first task for the Government after the war was to try to make war damage good, and to provide homes for the families who had none".

It is almost sixty years ago since Bevan steered the bill through Parliament and in so doing confirmed housing as the third pillar of the welfare state, at least equal to and inextricably linked to improvements in health and education. To underline this, in the same speech he was able to announce that a total of 852,025 new homes had been provided in the UK since the end of the war, staggering numbers by today's standards. These were glory days for housing professionals, not seen since and constantly referred back to with dewy-eyed nostalgia. It was like fans of 1940's football giants Preston North End, who for years looked enviously at Liverpool and Manchester United and wondered if they would ever reach such dizzy heights again.

So what happened? Over the last forty years in particular health and education have emerged as the key public policy drivers - and resource magnets. Housing on the other hand not only failed to keep up, but lost considerable ground as successive governments made home-ownership the overpowering policy objective, whilst at the same time demoting the role of the state in delivering and maintaining affordable homes. But as we have found out to our cost, markets are better masters than servants. Politicians may have toyed with education vouchers and NHS privatisation, but for housing the market really did hold supreme, albeit

as we now know with catastrophic effects.

For local authorities the demise of housing as a priority has been even more dramatic. Immediately after the war local authority housing departments were free standing, well resourced, confident places to be. Chair of the housing committee was the most coveted portfolio after Leader and for councils up and down the country housing was the number one priority. In Wales today after three or four waves of reorganisation, there is not a single free standing housing department left and not one cabinet member with an exclusive housing portfolio. In many authorities there seems to be little consistency as to where housing sits corporately. It has become the equivalent of the unpopular and unwanted uncle passed around at Christmas. Community Safety, Health and Well Being, Social Services and a range of other departments play host to housing. It is difficult not to conclude that the main driver for this has been administrative not strategic.

The good news from a housing perspective is that things are changing fast and for the better. Over the past year or so there has been change in the policy ranking of housing, not surprising perhaps given the collapse of the housing market with the last crash still fresh in the memories of politicians and public alike. But the Chartered Institute of Housing (CIH) Cymru would argue that there is something more fundamental happening than merely a short-term policy reaction to current problems. There are three main reasons for this shift.

Firstly, there is growing consciousness that market failure is likely to have permanent effects and is more than a temporary blip. Unsustainable house

price inflation was a factor in the build up of toxic debt which has not only shaken the banking system to its core but led to a general consensus that we are unlikely to return to low cost borrowing and long periods of house price increases for many years, if ever. The severe slowdown in private sector house building has further undermined confidence that home-ownership can solve the severe under supply of affordable housing. Shelter Cymru have estimated that there are currently over 80,000 families on waiting lists for council or housing association homes in Wales, a figure getting worse by the day on the back of steep rises in mortgage repossessions.

If you understand the nature of the problem you can start to develop solutions and the second indication of a shift is the way the Welsh Assembly Government is dealing with issues. The most significant development has been the Essex review of affordable housing with the emphasis on modernising the regulatory system for registered social landlords, increasing the supply of affordable homes and defining a more robust strategic role for local authorities. The process of implementation is far from complete but to the Assembly Government's credit it has significantly increased social housing grant and for the first time secured strategic capital investment funding for affordable housing and furthermore accepted the role that housing can play in combating recession at the recent Cabinet economic summits.

The third and arguably the most significant sign that housing is becoming a key policy priority is what is happening on the ground and in particular the housing-led regeneration agenda pioneered by CIH Cymru and others. Driven initially by social housing investment



Housing led regeneration – Merthyr Tydfil

it also has the potential to embrace all tenures. If you add the planned spend on the Welsh housing quality standard (WHQS) by stock transfer registered social landlords (RSLs) and local authorities to the proposed social housing grant programme, a staggering £500 million will be invested in improving existing housing and building more affordable homes in 2009/2010. That level of expenditure has not been seen since the post war years and the fact that it is occurring during a severe economic downturn makes it even more significant, bucking the trend in other parts of the economy.

This is not just about the investment but how it is increasingly being used to deliver jobs and training for local people and as importantly new models of community ownership. The community mutual model adopted by stock transfer organisations such as Bron Afon Community Housing and RCT Homes are not only accountable to the communities they work in but are also committed to their long term economic regeneration. A report launched in March 2008 jointly by the Welsh Assembly housing and regeneration Ministers (WHQS plus: maximizing the benefits of housing investment) concluded that there were significant opportunities emerging to reap long term benefits.

So is housing up to the challenge? There are a number of factors coming together at the moment that suggest we could be on the verge of a prolonged period where housing could be one of the most important public policy priorities.

Firstly, planning is suddenly back in vogue, unsurprisingly given the collapse of the housing market. Local authorities are being urged by WLGA to up their strategic enabler role; traditional and new wave RSLs are gearing up as local partners to invest more resources than ever with a focus on long term economic regeneration; and the Assembly Government itself is going through a radical if painful reorganisation with the aim of making sure the back office of government is fit for purpose.

Secondly, there is growing realisation that we're in this for the long haul. Decades of social exclusion and stigmatisation have had a devastating effect on many Welsh communities. The Hills report on the future of social housing showed the rate of full-time employment for social tenants has fallen from two-thirds to one-third in just 25 years. To turn this around will take a sustained effort from all partners. Community and housing improvement will provide an

opportunity to address many of these wider, chronic issues.

Thirdly, the new mutuals are challenging the way traditional housing organisations do their business and have the potential to transform into major local regeneration agencies, accountable to the local community and broadening their remit to encompass entire areas regardless of tenure, re-tying the knot with models of social ownership pioneered in the Welsh valleys a century ago.

It is fitting to leave the last word to Aneurin Bevan who understood sixty years ago as he spoke in favour of a new Housing Act not just the size of the challenge but the huge opportunity that providing decent homes for all would deliver.

“We shall persist in the building of new permanent houses until every family in the country has a good, separate, modern home.”

Keith Edwards has been Director of CIH Cymru since 2000, and recently undertook a two-year secondment with the Welsh Assembly Government. For further information about the work of CIH Cymru and the housing-led regeneration agenda please contact keith.edwards@cih.org

Peter Kenway

Back to Beveridge on benefits: the case for raising Job Seeker's Allowance

Anyone losing their job faces a huge fall in their standard of living with Job Seeker's Allowance at just £64.30 a week. With unemployment rising rapidly, Peter Kenway makes the case for increasing the amount of benefit.

How much money should the Social Security system provide for someone who is unemployed? With unemployment in Wales now well above 100,000, a level last seen in 1997, and rising steadily, there can hardly be a more pertinent question than how much Job Seeker's Allowance (JSA) should pay.

Yet this is a question that has long been ignored and was ignored again in the recent Budget – the only change in the value of JSA was via the routine annual up-rating to offset the effect of inflation. Thus, this April, JSA went up to £64.30 a week for someone 25 or over and to just £50.95 for someone under 25. By any conceivable yardstick, these are very small sums of money. Someone with the average level of expenditure among single adults households (around £300) who lost their job would, if they had to rely on JSA, see their standard of living fall by four fifths. Even someone with a net income just above what is in effect the official poverty line (nearly £120 a week in 2008, after housing costs) would see their living standard cut in half if they were left with nothing other than JSA. So it goes on. JSA is worth only about 40% of the 'Minimum Income Standard' for a single adult (around £150), a level based on the views of members of the public as to what constitutes necessary expenditure. It is worth a third less than the State Retirement Pension. And it is worth just half of the means-tested Pension Credit Guarantee.

The paltry sum that JSA has become does not reflect any recent policy decision on the part of Government; in fact, quite the reverse. For the up-rating of JSA (and other adult benefits) in line

with prices rather than earnings has been the policy for thirty years. When Labour came to office in 1997 it simply carried on where the Conservatives had left off. As a result, none of the real growth in incomes over the last thirty years or even the last twelve has fed through into benefits.

This is completely different from the first thirty years of the Welfare State where, over the longer period, social security benefits moved more or less in line with average incomes and expenditure. In both the overwhelming official preference for means-tested benefits and the amount of benefit, JSA reflects a very different set of priorities from those which guided the architects of the Welfare State like Beveridge.

For Beveridge, the purpose of social insurance was to provide a minimum necessary standard of living in the event of unemployment, sickness or retirement. From the late 1970s onwards, however, this principle has been lost to the quite different one that, for those of working age, the system should ensure that those without work face the greatest possible financial incentive to enter employment. What that has always been understood to mean is that the value of out-of-work benefits should be kept as a low possible.

Now at one level, the idea of 'the higher the level of benefit, the lower the incentive to work' (and vice versa) is common sense. Clearly enough, anyone can imagine some amount of money which, if they were offered it, even with strings attached, would be enough to keep them at home rather than going out to work. But that common

sense is not remotely sufficient to reject a rise, say, to £74.30, or even £100.30, on the grounds that it would cause people to shun work and stay at home instead. Even in the good economic times, hard evidence that the value of benefits adversely affects the overall level of unemployment is slight at best. But in a recession, the idea that putting up benefits would harm employment is palpable nonsense. The near doubling of unemployment in Wales since 2004, and especially the rapid acceleration over the last twelve months, reflects a collapse in the demand for labour, rather than any greater unwillingness on the part of the unemployed to take work that is available.

Little good can come from such a grim recession as this, but it would at least be a plus if it were to destroy that most insidious idea that unemployment is a 'thing of the past'. Alongside the 'end to boom and bust', the stress on 'welfare to work' and the target 80 per cent employment rate, this illusion has filled our minds to such an extent that we no longer even ask the question that was central to the Welfare State founders and preoccupied the heirs to Bevan right through into the 1990s.

It is now a question of the utmost importance. For unemployment is not just a thing of the past, but of the present and for the foreseeable future too. Of course it never went away; it is rising fast; and its effects will be with us for many years. £64.30 a week for a few weeks is one thing, but £64.30 for months or even years is something quite else. Wales, perhaps above any other part of the United Kingdom, needs no reminding of what that will mean, as chronic worklessness breeds

chronic poverty and chronic ill-health.

Moreover, it is not just a question of the value of the benefit but also of the terms on which it is paid. A sensible response to a recession is to prolong the period of time over which people are allowed to claim the benefit, and in particular the contribution-based version of JSA entitlement to which comes from having paid National Insurance. At the moment, entitlement to this 'JSA-C' is restricted to six months. As an immediate response to the depth, duration and severity of the recession, that should be extended to twelve months.

Why is it so important to do this? The key thing about JSA-C is that its value is only reduced by any earnings that the recipient may have. Crucially, neither family savings nor a partner's earnings are taken into account. As a result, savings are not penalised and – even more important – the second earner in the family can continue to work without any adverse consequences. As a result, while JSA-C is a benefit for *people* who are unemployed, it can also be a benefit for *families* where one adult is still working. That is not true of the means-tested version, which takes all family income and savings into account and which therefore serves as disincentive for the 'other' adult to continue working.

While a substantial increase in the value of JSA and a relaxation in the conditions governing entitlement to JSA-C are both essential, there can be no illusion that this is enough. For one thing, this recession has not followed a period of prosperity but rather one in which many people were struggling to get by as it was. Levels of problem debt have been rising inexorably, and debt is still top of the list of enquiries received by advice agencies. Having helped the banks and their shareholders to overcome their debts, ways need to be found to help ordinary citizens too. For another, levels of unemployment among young adults take the breath away. Even in 2008, around one in ten of all 16 to 25 year-olds were unemployed. By the end of this year it could be double this. Even when it stops rising, unemployment will only come down slowly. Higher benefits can cushion this and it is



Unemployment is not just a thing of the past

essential to try to see that they do. But that is going to have to be allied to unprecedented programmes for creating productive, socially beneficial employment. Without it, a new generation will be lost.

Peter Kenway is the Director of the New Policy Institute, and has written extensively on poverty and social exclusion. His paper 'Should adult benefit for unemployment now be raised?' was published by the Joseph Rowntree Foundation in April 2009 and is available at <http://www.jrf.org.uk/sites/files/jrf/benefits-unemployment-poverty.pdf>

Sarah Rochira and Stuart Davies

Unseen poverty of people with sight loss in Wales

A pensioner in Wales is three times more likely to be in poverty if they have sight loss. Seven out of ten people with sight loss do not get their basic benefit entitlement. Sarah Rochira and Stuart Davies argue for specialist welfare rights services to tackle the problems.

There are 115,000 people in Wales with severe sight loss, with the majority (95 per cent) being over the age of 60. Three out of four pensioners with sight loss, that's 90,000 people, are living in or on the margins of poverty in Wales, compared to one in four of all pensioners.

If the 'One Wales' agreement is committed to reducing poverty, it cannot be right that this situation continues when there is a solution already available. Unfortunately it depends on where you live.

Everyday, RNIB Cymru works with people with sight loss who live in real poverty, like Alfred from Newport, who is 84 years old. Alfred has been married to Evelyn for over 60 years, and was told by his ophthalmologist that he was going to be registered blind five years ago. When RNIB Cymru first met Alfred he said "I know there is nothing I can claim, I have already had three advisors tell me that."

Alfred and Evelyn were having difficulties running their home: it was a big old house, keeping it heated and paying full council tax was costly. They were literally having to choose whether to heat the house or buy food some weeks. Following a visit to their home by an RNIB Cymru specialist welfare rights advisor, we were able to support them in claiming several benefits that totalled an additional £250 each week, that's £12,500 each year, in benefits.

Josephine's story is more harrowing. Josephine was 57 years old and lived alone in rented accommodation. She felt happy where she lived even though the rent was slightly more than average. She knew the area well and she felt safe - this was important to Joanne who had been blind for ten years.

What Joanne wasn't expecting, following a normal review of her benefits, was to be told by a representative of the DWP that "You should be used to being blind by now", and then having her benefits withdrawn, including the Disability Living Allowance and Income Support.

Joanne tried to fight this with no success. To retain her independence Joanne had chosen to continue trying to pay the rent, at the expense of heating her home, and sometimes eating. I remember dealing with the emotional impact this had on our welfare rights officer, finding Joanne on the brink of eviction surviving on cheap boxes of cereal, often without milk, having been without these benefits for over 2 years.

There are tens of thousands of people with sight loss in Wales, living below the poverty line in similar situations to Alfred and Josephine.

Why are people with sight loss likely to be in poverty?

Many of the issues for people not claiming benefits that were highlighted in a 2006 report on the benefits of welfare rights work are the same for people with sight loss, such as:

- lack of awareness of entitlement;
- previous bad experience of claiming;
- complexity of benefits systems;
- stigma associated with benefits.

However apart from these issues often being exacerbated for people with sight loss, there are three other fundamental barriers specific to people with sight loss.

Identification of people with sight loss is not always easy as it is not an obvious disability. In Wales it is

estimated that there could be as many as one in ten people who have a sight problem that is undiagnosed and uncorrected.

Generic telephone and surgery type advice services are not accessible for people with sight loss. Providing advice or information is not enough when you cannot see the forms that need to be completed. In addition to this mobility and access to centralised services are often difficult.

Sight loss is not a physical disability and there are thousands of variations of sight conditions. Yet all the questions within the current benefit system to assess whether someone is entitled to additional support are based around questions relating to physical disabilities, and without specialist knowledge of sight loss a claim is most often unsuccessful.

The fundamental problem is that the benefit system disadvantages people with sight loss in the terms of questions and processes.

The solution - specialist support

Since 2000, RNIB Cymru has been running a welfare rights service to overcome the systematic discrimination against people with sight loss. Since 2000 we have secured over £27 million of benefits for blind and partially sighted people in Wales, all of this from the National Exchequer.

However RNIB Cymru's specialist welfare rights officers are only available in Conwy, Ceredigion, Newport and Caerphilly, through financial support from those local authorities. One of these authorities has been investing £25,000 each year into the service. The return on this over the last three years is over £2.5

million, which goes into the pockets of local people with sight loss and from there into the local economy – the local shops and services which people with sight loss tend to use.

Upwards of 4,000 people each year will develop a severe sight loss in Wales such that they will need assistance to ensure their ability to live independently and who, like Alfred or Josephine, are unlikely to receive or retain the appropriate benefits without the right support.

If all local authorities in Wales signed up to this service we estimate that over a three year period more than £30 million would be received by people with sight loss in Wales.

The partnership working with the four authorities mentioned also enables us to ensure early identification of all people registered as blind and partially sighted. RNIB Cymru then ensures support from the RNIB helpline and referral to other local services for blind and partially sighted people.

We can no longer hide these ‘unseen’ thousands like Alfred and Josephine. In every authority, in every town, in every community, most likely in every street in Wales, a person with sight loss is isolated in poverty because their sight deteriorated, and there was no one there to help them.

RNIB Cymru is asking all chief executives and leaders of local authorities in Wales to work with us to end this poverty. For an average authority the outcome over three years would be £1.8 million in additional benefits for people with sight loss, for investment of just £20,000 per annum. Working together we can ensure every one of their constituents with sight loss is receiving the appropriate benefits and support, enabling them to live their lives as independently as possible.

Sarah Rochira is Director of RNIB Cymru and Stuart Davies is Head of Independent Living for RNIB Cymru. They can be contacted at stuart.davies@rnib.org.uk or on 02920 450 440.



115,000 people in Wales live with severe sight loss

Terry Mills

Older Workers: trapped in the rock pools of recession

Terry Mills argues that priorities need to change if older people are not to be left behind in the current recession.

The current recession is having disproportionate effects upon older workers. They are more likely to be made redundant and less likely to find alternative employment than younger people. For many people over fifty the recession is like the tide going out. They are left behind when the waves of economic activity recede. Many are abandoned and trapped in the rock pools of recession when younger people follow the flow of the tide and drift to places new, geographically and in terms of education, training and employment.

Whilst older people are not the only groups to be caught in the rock pools, their situation is often ignored and misunderstood. If you are made redundant in Wales after the age of fifty, you are more likely to die than to find another job before retirement. The vast majority of older workers who are made redundant make enormous efforts to find new jobs. After twelve months, only 2 per cent of this economically inactive group still have the resilience to be looking for work after repeated rejections. If targeted specialist support is not provided for this group they will be lost from the workforce forever. There is a danger that they will become the limpets in the rock pool, holding on to where they feel secure, forever waiting for the next tide of opportunity and living off the odd piece of flotsam and jetsam that arrives.

The Hard Facts

In Wales there are currently over 160,000 people between fifty and state pension age who are economically inactive. Only 22 per cent of these people are economically inactive by choice and comfortably off.

The latest quarterly statistics showed an increase in joblessness amongst

the over 50's of 11.9 per cent. This compared to a figure of 5.2 per cent for 25-49 year olds.

A recent survey revealed that 81 per cent of people over fifty cited the ageist attitudes of certain employers as the greatest barrier to them finding a job. It also revealed that lack of specialist support is the major obstacle preventing 63 per cent of potential older entrepreneurs from starting a business.

Ten per cent of people aged 18-24 have no qualifications compared to 22 per cent of people in their fifties, and there are ten times as many NEET's (Not in Employment, Education or Training) over fifty than there are under thirty.

Nearly two thirds of economically inactive older people in Wales are in receipt of a disability-related benefit.

What do we need to do?

Unless we support the older workers who are being made redundant in this recession, they will become a lost generation. It is criminal to waste the skills, experience and expertise of any individual, but to cast a whole generation on the scrapheap is indefensible.

We are often told that policies and services are based upon evidence. However, in our youth-centric culture, resources appear to be distributed and priorities based upon emotion and evocative images. Until the EU, UK Government and the Welsh Assembly Government age-profile their policies, older workers and jobseekers will not be fairly served.

Older workers themselves are incredibly altruistic, many of them being brought up with belief in society and the greater good. On the

sad closure of the Hoover factory, the interviews with the proud, loyal and generally older workforce were dominated with their concerns for their younger colleagues. It is quite ironic as their younger former workers are far more likely to find a new job than they are.

The Welsh Assembly Government has made a positive start with the appointment of Ruth Marks, Commissioner for Older People, and the development of a ten year Strategy for Older People. However, older workers need help now. A brief scan of the Assembly and WEFO websites shows an enormous amount of funding and support being provided for other groups, particularly young people.

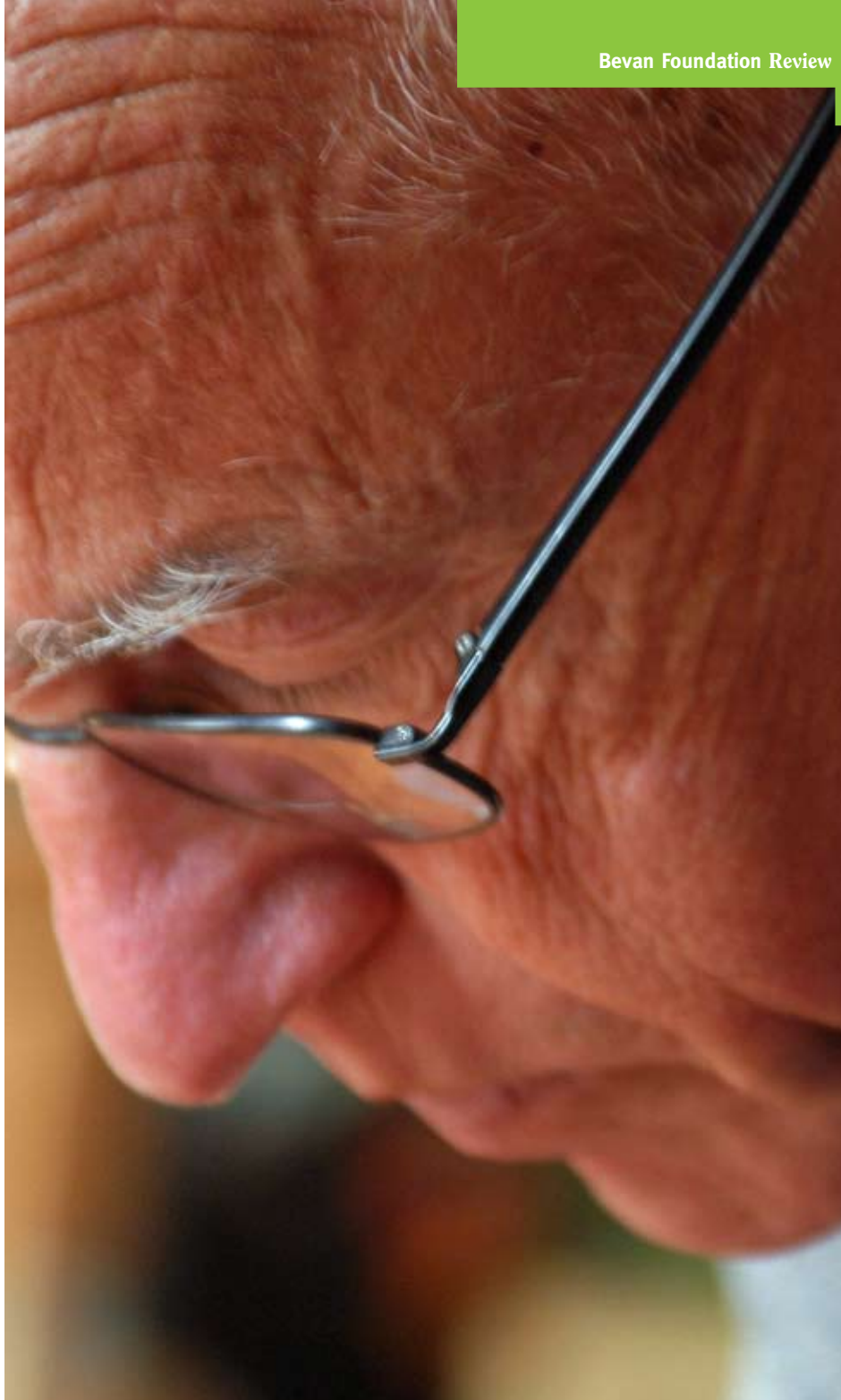
If you are an older worker and have recently been made redundant after many years with the same employer, you are likely to face similar barriers to someone who has been unemployed for many years. The practicalities of finding a job have possibly changed out of all recognition since you last sought work. Gone are the days of cards on the walls of the local Job Centre. You register with a forty minute telephone call or online. When you visit the Job Centre you are directed to a computer terminal to complete a job search. What if you do not have the IT skills? How do you apply for a job with the County Council or the NHS when they only accept applications online? Where do you start with a C.V.? Traditional C.V.'s all seem overtly or covertly to expose your age to employers. How do you get employers to take you seriously? What are transferable skills? The majority of jobs are still not advertised so how do you find out about unadvertised jobs? What is this networking that you heard so much about? What is a competency-based interview? Why would anyone want to employ you at your age?

Everybody benefits from having someone to work through these questions with. It can be a real shock to the system finding yourself unemployed and struggling with the realities of the recession. It can take some time to come to terms with the new circumstances, the obstacles and opportunities available. The lack of self-esteem and confidence can often lead to a downward spiral in health. Work, whether paid or unpaid, has been seen to be the largest single positive influence on health.

Economically inactive older people need to be assisted during the recession to ensure that they have the confidence, skills and motivation to re-enter the jobs market when the economy recovers. There needs to be tailored, individual support provided through independent, non-threatening organisations. Mentors need to be available to work with individuals to develop an agreed plan that address all their needs not just their immediate employment and financial requirements.

Volunteering is a wonderful stepping-stone towards employment. It provides interest, skills development, training, confidence, routine and an opportunity to experience new roles. There is more to volunteering than working in a charity shop. There are over 6,000 current vacancies on the Volunteering Wales website and many of the opportunities are fascinating, interesting and worthwhile. What better way to prepare yourself for your new job than to help your environment, your community and yourself?

Education and training are essential for many older people when considering their future. The advice needs to be bespoke and appropriate. Many older job seekers are not looking for lengthy courses but for ones that can convert their skills and relevant experience into qualifications that employers find valuable. It is vital that advisors are honest and realistic regarding the usefulness of qualifications and the job opportunities they may produce. There is nothing more frustrating than working hard for a qualification when it does not significantly improve your job prospects.



Older people need support through the recession

Redundancy whilst traumatic can be seen as an opportunity. It forces us to assess our lives, address our priorities and plan for the future. We need to find a way to harness the next economic wave.

Older people need to be engaged and remain active through education, training and volunteering to enable them to be ready to take advantage of the economic upturn. They need the skills and the confidence to leave our metaphorical rock pool to swim in the ocean of opportunities.

Terry Mills is the chief executive of Prime Cymru and also a volunteer mentor. Prime Cymru is a charity founded by HRH, The Prince of Wales to help people over fifty into employment, self-employment and volunteering. Prime Cymru operates largely through a network of volunteer mentors who give their time freely to help older people achieve their ambitions. If you would like to become a mentor or would like the assistance of a mentor contact Prime Cymru free on 0800 5874085 or online at www.prime-cymru.co.uk

Katy Chamberlain

It's about time

Katy Chamberlain, Chief Executive of Chwarae Teg describes how we can all benefit from flexible working and work-life balance in a 21st century economy, at the same time as helping businesses to meet the challenges of the recession.

I recently heard someone say that 'time' is one of the most frequently used words. It's not surprising really as time is a key commodity for all of us and lack of time is a key factor in causing stress for many individuals, whether employees or employers.

Time Poverty is our 21st century challenge.

It is becoming more and more evident that time poverty goes hand in hand with economic activity for many people in today's society. Women generally carry a disproportionate level of responsibility for providing care for children, older people and adults with specific needs but more and more women need and want to be economically active but simply can't find the time for both. The long hours working culture prevalent in Wales and across many parts of the developed world means men are still expected to conform to standards that measure commitment to the job in terms of hours spent at work. They cannot achieve a healthier balance between life and work, including their responsibility to contribute to the provision of care. We are simply perpetuating the stalemate: men cannot achieve a balance between work and life without jeopardising their careers and women cannot develop their careers without abandoning their domestic responsibilities. In addition, a new generation of workers, Generation Y, is emerging and they are also looking for a new style of working where work compliments life rather than controls it.

So is it TIME for a change?

Could flexible working be the answer to time poverty and how do we make it happen?

Chwarae Teg has an established record of working with businesses, large and

small, across Wales to introduce a range of flexible working and work-life balance initiatives. Like Chwarae Teg, flexible working originally grew out of a need for women to become economically active: it all started as one of the ways of enabling them to balance their work and home responsibilities better. Clearly flexible working makes it possible for women with caring responsibilities to become part of or to remain in the workforce, but that's not all it's about. It's about individual employees achieving a balance between work and the many and various demands of home and life outside of work.

We won't tell you it's easy; it will be a challenge. But if we seize the opportunity we'll all reap the rewards. RCT Homes recently reaped the rewards. They teamed up with Chwarae Teg's expert work-life balance team to implement a range of initiatives designed to promote a flexible working culture to their newly established Community Mutual organisation which was formed from the transfer of almost 300 Rhondda Cynon Taff local authority personnel. Initiatives included the facilitation of a variety of team-based solutions, the development of a flexible working booklet and the provision of practical advice to individuals and teams. Nicola Marvally, RCT Homes' People Development Manager, has said that the organisation was able to develop a positive and innovative approach to flexible working that is focussed on improving customer service while at the same time supporting staff and their families with their personal commitments.

So it's great for helping individuals balance work and home but what's in it for employers and businesses?

In organisations where strong and committed relationships between employer and employee have emerged

from flexible working initiatives they have led to real culture change across the whole organisation. From not-for-profits to multi-national corporations, organisations of all sectors and sizes can improve their performance by utilising flexible working and work-life balance strategies.

In 2003, BT saved a staggering £3 million in recruitment costs through their work-life balance initiatives, encouraging 98 per cent of female workers to return after maternity leave. Here in Wales, registered charity Tai Esgyn improved productivity for their small team with a series of simple steps designed to nurture a healthy work-life balance environment.

Tai Esgyn provides a range of support and accommodation services for people with mental health conditions within Swansea and Neath Port Talbot. By its very nature, Tai Esgyn's working environment is highly pressurised, with clients whose needs cannot always be met in the 9-to-5 of a conventional working day. Tai Esgyn's Corporate Services Manager identified the importance of retaining staff to ensure continuity of service to clients. Working with Chwarae Teg, Tai Esgyn conducted a staff survey, consulted with focus groups and developed an action plan resulting in the successful implementation of a range of flexible working initiatives. The results have been improved productivity, reduced absenteeism and all-round better service to meet the needs of its vulnerable customers. The philosophy behind this low-cost business strategy couldn't be simpler: people who like what they do, will do it better.

In this tough economic climate businesses are under increasing pressure to improve efficiency, become more responsive to customer and stakeholder expectations and to make cost savings whilst retaining a skilled workforce. With



Flexible working can help cope with the recession

resources already stretched in many organisations, finding flexible ways to help employees work smarter is a very realistic and sustainable way to deliver these objectives.

RCT Homes, BT and Tai Esgyn have demonstrated their adaptability and their ability to seize the opportunities offered by flexible working. They are likely to be the kinds of businesses that survive this current economic recession and come out the other end stronger and better able not only to respond to the upturn but also to face the longer-term pressures on the economy of a dwindling workforce as further demographic changes come into effect.

The world of work is constantly changing. As the labour market restructures to meet the demands of working life in the 21st century, employees are fast becoming the most valuable asset in any organisation. Innovative employers already recognise that creating better balance for their workforce brings tangible business results. There is a plethora of research into how flexible working and a work-life balance culture

benefits employers. The DTI Work Life Balance survey said that the majority of employers offering flexible working reported a positive impact on employee relations (71 per cent) employee commitment and motivation (69 per cent) and labour turnover (54 per cent). Furthermore, about half reported improved staff retention, a reduction in absenteeism and an increase in productivity.

Man or woman, employer or employee, flexible working and work-life balance is beneficial to us all.

Katy Chamberlain is Chief Executive of Chwarae Teg. Chwarae Teg has recently launched its Agile Nation Project funded by the Welsh Assembly Government and the European Social Fund – to find out more go to www.chwaraeteg.com or telephone 029 2047 8900.

Graham Benfield

Perfect Storm or New Dawn?: the impact of the recession on the third sector in Wales

The recession brings both threats and opportunities to the third sector in Wales. Graham Benfield outlines the impact so far and argues for a planned, future-proofed, series of actions to test whether the warm words of the last decade are meaningless tokenism or a constructive way forward.

There are 30,000 third sector 'voluntary' organisations and societies in Wales, which employ 46,000 people and have an income of just over £1 billion. Across the UK, the voluntary or third sector is a bigger industry than car manufacturing and employs more people than banks and building societies, but most people contribute to and benefit from the sector in their local community.

Until now there has been much talk about but little evidence on the effects of the recession on the third sector, but in February 2009 Wales Council for Voluntary Action undertook a survey of the impact in Wales. The results show that the recession affects organisations in different ways. For some organisations, the recession brings dramatic change and a difficult future while other organisations can look with enthusiasm to a different future. The two ends of this spectrum can be characterised as the '*perfect storm*' and '*new dawn*' scenarios.

In the '*perfect storm*' scenario, the very organisations who are experiencing the highest increase in demand for their services – the advice, advocacy and counselling agencies that deal with debt, domestic violence, substance misuse, mental health and redundancy problems – are the ones which are also most at risk of cuts and closure as, historically, they have been under-funded and subject to the vicissitudes of each local authority. Thus at the very moment they are most needed they may struggle to maintain, let alone increase, their funding.

At the other end of the spectrum are the '*new dawn*' organisations which can see a greener, more communitarian society emerging from the present crisis, where climate change, greater equality and a new mutualism replace greed, consumerism, and unsustainable growth.

While there is some evidence from our survey that more people are turning to credit unions for loans, that some people are giving and volunteering more and that sales in charity shops are increasing, there is equal evidence that other people are reducing their giving and volunteering and that donations to shops and recycling are decreasing. Overall, any shift to a new, green, mutualist communitarianism requires a set of much more radical and practical policies than are yet on the political agenda of either Westminster or Cardiff Bay.

In between these two poles lies the experience of most groups. Half of the 500 who responded reported no change in their circumstances as a result of the recession. But 39 per cent had already seen changes for the worse due to zero grant increases, the end of or changes to funding streams (which may not be recession related) or lower earned income, interest or levels of giving. Seven per cent (35 organisations) had already made 150 people redundant and, more ominously, 53 per cent expected their situation to deteriorate during 2009 and 2010 due to reductions in membership, local government, lottery and trust income, with 40 per cent expecting to make staff redundant

The evidence suggests that, so far, this has been a largely *private sector* rather than a *public sector* recession. Third sector organisations directly affected are those whose income has experienced losses in interest and dividends from investments, reduction in support both in kind and financial from business and a partial collapse in individuals' sense of economic well-being and security, resulting in less giving and volunteering. Groups whose income is more directly affected by *public sector* income have been more affected by the end of (or perceived end of) European Structural Funds, Lottery or Communities First funding streams; these organisations anticipate cuts in future years.

Either way this year and next year look and feel like tough times in uncharted waters, with organisations working directly with those in most need looking vulnerable just at a time when their services are most in demand.

So, we should not wait until parts of the sector begin to collapse before acting and that is why, in January, WCVA adopted a 40 point action plan which set out practical measures to help the sector weather the recession and make its contribution to the difficult times ahead.

A key pillar of the action plan is a challenge to funders to increase resource to services experiencing higher levels of demand; to honour their commitments to maintain current levels of funding and not make random, disproportionate or inappropriate cuts and to maintain continuity of service at a time of great personal and organisational uncertainty.

So far there has been an encouraging, though not definitive response, to these proposals. Both the Wales European Funding Office and the Big Lottery Fund have agreed to look at how they might give additional assistance to third sector recession-related activity in advice, substance misuse and other areas. The Legal Services Commission has agreed to postpone its joint commissioning shake-up of advice services in Wales which could have wiped out some third sector providers and de-established services at the very time when continuity is vital.

The Welsh Assembly Government has re-launched and re-affirmed its own commitment, and that of all its agencies, to longer term (5-7 years) funding, to early and constructive dialogue about funding levels and to ensuring that levels of funding are no different from other sectors. It has also confirmed it will give reasonable notice of any major changes and welcomes any evidence of non-compliance.¹ Dr. Brian Gibbons, Minister with responsibility for the third sector, has written to all local authorities urging them to abide by similar principles. The Westminster government has made extra money available to Citizens Advice Bureaux and members of the Survivors Trust and Rape Crisis: it will be important that Wales gets its fair share of these initiatives. Time will tell whether this is too little, too late, or whether words turn into action, but it is a start.

A second pillar of the action plan concerns volunteering, community engagement and activism. Although there is evidence that some people are reducing their community activities to concentrate on their work or on looking for work, there is stronger evidence to suggest that people will volunteer as long as it doesn't negatively affect their benefits and, indeed, many already are contributing more time to their community or would like to do so. The action plan suggests ways in which this could be done. Again, initial responses have been positive. The Department of Work and Pensions (DWP) has awarded WCVA and the

Volunteer Centres a contract to make it easier for people becoming unemployed to volunteer, and Job Centre Plus is supporting WCVA in proposals to pilot a Community Allowance Scheme, which would enable community organisations to pay or top up benefit payments for work which strengthens the community, without benefits being affected.

The third pillar of the action plan concerns actions which can be undertaken by the sector itself. DWP, Convergence and competitiveness programmes will create, albeit tantalisingly slowly, opportunities for third sector organisations of all sizes to develop supported, 'intermediate' employment opportunities and to work with those groups furthest from the labour market. All these opportunities will be procured, one way or another, and the third sector has to learn quickly how to tender effectively and win contracts. These skills will need a wider and fairer canvas on which to play and require both central and local government to open up more of its services to social and voluntary enterprises.

The sector may also need to look at how it organises itself. There may well be scope for greater collaboration between organisations, to share physical and human resources as well as create new alliances or even mergers, as organisations strive to face up to new realities.

In conclusion, the impact of the recession so far has been an increased demand for the services of advice and advocacy agencies and early signs of falls in income. This will accelerate if reductions in public spending kick-in over the next few years.

'Wait and see' is not a responsible position and a planned, future-proofed series of actions will test whether the warm words of the last decade, as transcribed into compacts, codes, schemes and speeches, are meaningless tokenism or will lead to a constructive way through the recession, avoiding the mistakes of arbitrary cuts and actions which so damaged trust and relationships in previous years.

Action plan

- Increase funding for services in greatest demand
- Honour existing commitments and codes of practice
- Maintain continuity of service
- Make volunteering easier
- Open up public services to social and voluntary enterprise
- Develop services for unemployed and economically inactive.
- Become more efficient and consider sharing costs.

WCVA, January 2009

Graham Benfield OBE is Chief Executive of the Wales Council for Voluntary Action



Some people are reducing their giving

1. These should be sent to Marc Phillips, Chair, Funding & Compliance Committee, c/o Welsh Assembly Government, Rhyd-y-Car, Merthyr Tydfil, CF48 1UZ

Marcus Longley and Mike Ponton

Voice not choice in the NHS

The Welsh Assembly Government is developing a citizen-centred model of public service delivery, with citizen engagement being a key driver for NHS improvement. However, to date public involvement has had relatively little impact on services. Marcus Longley and Mike Ponton consider the reasons for this and explore how the public sector needs to change.

Governments across the world now recognise the need to improve community engagement in planning and decision-making by public service bodies. There are concerns about low levels of citizen trust and confidence in public institutions amid growing expectations for them to be responsive, accountable and effective. Pressure is increasing for efficiencies through more tailored and better coordinated policies, programmes and services, and this is now significantly heightened by the downturn of the global economy. New technologies provide opportunities for fast and direct communication between citizens and public officials. Public services need to reach out to the socially and economically disadvantaged.

In Wales, the Welsh Assembly Government is developing a citizen-centred model of public service delivery. Engaging and supporting the community and its citizens in health decision-making and action is critical. Following the rejection of market-type mechanisms, this is now one of the key drivers for quality improvement in the Welsh NHS – the ‘voice’ of patients and citizens, rather than the ‘choice’ of customers.

A key pledge in *One Wales* is to restructure the NHS and to reinstate democratic engagement at the heart of the Welsh health service. Thus, it is unsurprising that the new Local Health Boards will be required to set up local stakeholder reference groups and have in place comprehensive local citizen engagement programmes. Community Health Councils will also be reorganised to become more consistently representative of the public from all sectors of the community. As this new framework takes shape, respective roles and responsibilities will need to be clarified, so that we do not create a plethora of NHS (and other public service) engagement structures which

will confuse and alienate, rather than empower and engage.

So why is genuine and effective community engagement so important? Put simply it provides the opportunity to tap into local knowledge about what is likely to work and what is not, and enables the delivery of effective and sustainable policies and plans. It increases the ability of public services to have a productive dialogue with communities and citizens on key issues and it increases transparency and accountability. There are other benefits such as enabling a better shared understanding of the complex issues in communities and the processes of public services. Engagement creates opportunities for co-learning and reflection to help build community and offers wider access to information, resources and networking opportunities. It helps raise awareness of the range of demands on public money and processes, promotes better democracy and offers the prospect of achieving outcomes by generating behavioural change within public services and the community.

However, community engagement has not always made a significant impact on decision-making. The public’s lack of awareness of the scope of power at different levels of governance and decision-making within their communities has created difficulties in meeting their expectations of impact and influence. But lack of engagement with the mechanisms which public services make available to citizens does not mean that people aren’t interested in those services. After all, people don’t hesitate to get involved when vital issues such as the future of a local school or hospital are at stake, and thousands of people across Wales get involved every day in a wide variety of voluntary and fund-raising work to ‘make a difference’. The problem is that public services often have not

found ways to engage that people either want or feel able to use.

There can often be a lack of clarity about why public sector organisations want to engage with citizens and what they plan to do with the feedback they receive. Consultation is not always focused on clearly defined questions and linked to decision-making processes. It is also important to make a distinction between patient involvement and citizen involvement which are not the same. Individuals may have different perspectives of healthcare as a patient (consumer), rather than as a member of the wider public (as a citizen). Patients – particularly those living with long-term conditions – need to be more involved in the ‘co-creation’ of their health. Citizens are often more comfortable responding to practical issues and their immediate concerns about their experience of public service rather than the more “abstract concepts” of policy and strategy.

Public sector organisations can adopt a range of different approaches to engagement. First, passive approaches: where citizens are invited to respond to predetermined issues or questions. Second, deliberative approaches: where citizens are involved in a two-way dialogue with public service providers allowing them to challenge and question evidence presented to them. Third, participatory approaches: where citizens are actively and directly involved in the planning/decision making process at all stages.

Community engagement must address multiple levels of the social environment and be developed from a knowledge and respect for the targeted community’s culture. The approaches used to engage with people should be chosen because of their appropriateness to the needs of those targeted, rather than for the

convenience of the organisation. The most effective organisations use a wide range of approaches such as: meetings; citizen's juries; surveys; websites; texting; television and local radio; newspapers and face-to-face via front-line staff, to engage as many people as possible. They ensure that they are reaching the right people, in the right way, about the right things, at the right time.

People participate when they feel a sense of community, see their involvement and the issues as relevant and worth their time, and view the process and organisational climate of participation as open and supportive of their right to have a voice in the process. Community mobilisation and self-determination frequently need nurturing. Before people can become players and partners in community health decision-making and action, they may need additional knowledge, skills, and resources.

Improvements to community engagement present a range of challenges for government and the public sector. Commitment and the

development of a culture in which managers take the lead to support staff in implementing appropriate community engagement is vital, as is developing skills, knowledge and capability. Robust systems and processes, including accountability frameworks, are also key. Clarifying the roles and responsibilities of public sector organisations (the different health bodies, as well as local government), elected representatives, governors and other stakeholders is also vital, as is improving coordination between them. Finding ways to reduce barriers to involvement and reach out to those not currently engaged is a major priority.

In Wales the policy and accountability framework for engagement is taking shape. Engagement is a serious business, a core function – not an add on – and is essential in bringing the NHS and the people it serves closer together to face up to the difficult yet unavoidable issues we face. There are big decisions to be made about the future scope and delivery of health and social care services in Wales and the way they are organised. We will and

should be judged on our effectiveness in this respect.

To do this well the job of leading and managing health and social care organisations will have to change, as will their public face. But they alone cannot make engagement work well. All of us – politicians, health and social care professionals, all stakeholders in our communities and citizens themselves – share the responsibility of building sustainable services which are equitable, safe and effective for all.

Marcus Longley is Professor of Applied Health Policy and Director of the Welsh Institute for Health and Social Care at the University of Glamorgan. Prior to taking up his post in 1995 he worked in the NHS for 14 years, in a variety of managerial and planning posts, and for two years with the Welsh Health Planning Forum.

Mike Ponton is Director of the Welsh NHS Confederation. He worked in the NHS for more than 30 years before becoming Chief Executive of Health Promotion Wales and then a senior civil servant.



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Sarah Lloyd-Jones

Where next for post 16 education? The unqualified

The gap between those who succeed in learning and those who do not is growing. Sarah Lloyd-Jones argues that we are not sufficiently committed to tackling the problem, which has significant consequences for individuals, families, communities and Wales as a whole. She suggests radical steps that could be taken.

As a consequence of increasing investment and attainment, more young people than ever are able to access further and higher education in Wales. Both attainment and participation in post-16 and post-18 education and training have increased since the 1990s and Wales has a better qualified workforce than ever.

However, there are winners and losers to these changes and, arguably, the gap between those who succeed in learning and those who do not is also growing. This short article argues that we are not sufficiently committed to doing something about this and that there are significant consequences from this for individuals, families, communities and Wales as a whole.

Why does it matter?

The consequences of leaving school with no qualifications and, I would argue, a lack of commitment to providing quality learning opportunities to the unqualified school leaver are serious for the individual, their family, the community and the Welsh economy because of the crippling impacts of poverty.

The percentage of young people not in employment, education or training has remained at around 10 per cent in Wales through the last decade, and there are large numbers in jobs without training and in poorly paid jobs, trapped in so called “poor work” with few prospects often interspersed with periods of unemployment. Research shows us that most of those with no qualifications at the age of 19 will not have acquired any more by the age of 25, and those aged 25-50 with no qualifications face a markedly higher risk of unemployment,

economic inactivity and life on low pay.¹

This has an impact on future generations. Analysis of the UK youth cohort studies suggests that there is an attainment gap between children from high and low socio economic classes from 22 months and that this gap widens throughout school. This suggests a strong correlation between poverty and poor educational attainment but poverty does not, of itself, explain poor educational attainment. The causes are complex and related to parental education levels, community cultures and local labour markets, causes that schools cannot tackle but only mitigate their effect. The real solutions come from the family being convinced about the importance of learning and breaking the cycle and this suggests that we cannot tackle child poverty without addressing education post-16.

There is a danger when the values that are developed in a community are counter to those needed outside it social capital operates to ‘trap’ people in an area or community by shaping attitudes that become a real disadvantage when trying to operate outside that community. This can lead to a cycle of disadvantage affecting whole communities, where the children of that community fail to thrive in school and have little experience or expectation of learning as something that can benefit them. Given this power of the community to shape experiences, learning is critically important to both community and economic regeneration.

In the long run the consequences of these individuals, their families and their communities continuing to struggle with poverty is unsustainable

for the Welsh economy, and for the financial and human costs of social and health inequalities.

If it matters we must take it seriously

Currently post-16 learning for the poorest qualified is a lottery. It is an uncoordinated and poorly planned mix of community education run by the Local Authority, voluntary sector programmes that depend on who operates in an area and how effective they are at fundraising, training schemes that vary in the range and type of provision they offer, work based learning that still too often relies on who you know and project funded ‘remedial’ provision in further education. There is rarely any form of overview of what is available, to whom or when.

The symptoms of this unstructured approach include the lack of secure core funding. Much of the post-16 learning provision for the unqualified is funded on a project or commercial basis and, as a result, the work is vulnerable to funding changes or the business acumen of training providers, patchily available and subject to bizarre restrictions. For example, predicated access to provision on 12 months unemployment makes little sense in a local economy that offers short-term, temporary unskilled jobs that mean school leavers can occasionally pick up a few weeks work but are then trapped in this twilight economy because this occasional work makes them ineligible to access the training programmes provided. Similarly, placing restrictive time limits on provision, such as 26 weeks, wastes resources since it can take months to work through the barriers to learning that years of failure in school has set

1. Less than £6.50/hour



We need a commitment to lifelong learning

up and just as progress is being made, participants must move on. There are also real barriers created by placing age limits on provision that bar people at the point when they are ready to learn. Often at 16 years old young people want a break from learning and it can take a few years before they start to feel the disadvantage of their lack of qualifications, by which time it is probably too late to access provision.

A second symptom is the lack of planning for post-16 learning. There is a real postcode lottery in post-16 provision and a lack of response for persistent problems. For example, in the 25 years I have been working in this field there has always been concern about literacy and the problems of school leavers who cannot read. Yet, in the communities the People and Work Unit works in it is still not possible for a young person to find free, high quality and accessible literacy support (or indeed any). It surely should not be beyond the scope of a civilised society to ensure that anyone who

wants to learn to read can get the help they need to do so. Relying on project funding for this core work leads to a drought and glut situation where one year there may be nothing and the next everyone is offering the same provision to the same limited group within the community and for a short time only.

The result of all this is that we are currently spending money on post-16 learning at a very low return. The lack of focus on outcomes, the inconsistency of availability of provision and its, frankly, variable quality means a young person can spend years in and out of courses for very little result. Mandy, for example, stopped attending school at 15 years because her mother was sick and needed her at home. She wants to be a social worker but it is clear that no-one has ever explained to her that she can carry on completing community courses for years but they will never provide her with the qualifications she needs:

I'm thinking that all the jobs that I need to go for need qualifications, so I've looked up all the courses that are going on, and they last about 10 weeks, so once I finish one, I'll take another, and then keep doing that until I'm satisfied that I've got what I need..... I've worked it out for myself. And I've heard about it - A. here told me about the youth induction course but the English literature, I found out that it was going on off my daughter's school. (Lloyd-Jones 2005 p. 252)

I recently met a young man who, at 17 years, had been through four years of community-based provision after being excluded from school. He was just starting a new course. All the courses he had done, and the one he was about to start, focused on literacy and IT and yet his assessment still found he could barely read. Why? At best, this suggests that the methods being used in these courses were inadequate to either teach him to read, or provide a definitive assessment

Sarah Lloyd-Jones

of some learning difficulty that was stopping him reading. In a research programme conducted a few years ago, 42 of the 54 unqualified young people I interviewed had had some experience of post-16 learning but only half gained any form of recognition of this and only one had found that the experience was instrumental in them finding work. One of the young people in my research had been in a range of community programmes going from GCSE classes to personal development. Eventually, with a lot of support, she got onto an accredited course in a college but had dropped out four months later. No-one followed up to ask why. She analysed her problem well, saying 'in everything I do there will be something I don't like and I have to find a way of getting past that'. The problem was she had to do it on her own, with very limited personal resources, whilst managing a complex and difficult domestic situation.

What is needed?

In order to tackle seriously the needs of the unqualified school leaver we need a clear vision of what the provision is setting out to achieve and an understanding of the best way to do it, that is a theory of change and an action plan. This should include a commitment to lifelong learning and the structures that can deliver it, including managing the divide between compulsory and post-compulsory education that still exists despite 14-19 learning pathways. This means developing a vision for learning that is not structured by budgets and funding streams, but by needs.

We need provision that is based on an understanding of why these young people did not succeed in the mainstream and addresses these causes as well as the educational and skills deficit resulting. It also needs to offer basic skills that are embedded into skills training and education and delivered in a way that is relevant and appropriate to the young people and the local economy involved. We also need to ensure that all young people have the opportunity to access education as well as training and to remove the 'glass ceiling' that

operates between post-16 learning opportunities at level 1 and at level 2-5. There is a hunger for qualifications that really make a difference. When the People and Work Unit leafleted houses on the Rassau estate in Ebbw Vale asking if people wanted to qualify as a nurse there were four people waiting to sign up at the community centre before the tutors got back. Of the 33 who did sign up, two years later fourteen were offered places at university, eleven on nursing courses.

There needs to be a genuine partnership with employers at a *local level* that seeks to raise their awareness and skills as well as those of the young people they could offer work based learning to and this is best effected through community initiatives. Sector Skills Councils mean little to the small businesses that have the most to gain from working with local young people.

Crucially we need holistic and responsive support that is embedded into the infrastructure for learning and that follows through types of provision. This is hand holding that is targeted and capable of tackling the problems that get in the way of learning as well as those experienced within learning. The People and Work Unit would argue that this is best offered within the community and ought not to be provision specific since the problems needing to be managed are often not.

Finally we need providers that model the commitment, problem solving processes and reliability that we want to encourage in young people. Currently, I would argue, providers offer a conditional commitment, predicated on staffing levels, funding availability, class or group sizes being maintained, learner attendance and behaviour. In other words, we will teach you as long as the conditions are right. After years of failing to thrive in school it is not surprising that the young person also offers a conditional commitment to learning, meaning that they will stick with it as long as it fits into their lives, does not create too much stress and there is nothing else available that would be better (like a temporary job). Somebody in this relationship has to think it is

important enough to keep working at even when things are not going well.

Getting this infrastructure in place will require integrated, cross sectoral planning. The partnerships are, arguably, in place for this but there is still some way to go in making it work. The voluntary, private and statutory sectors have to get past the funder/funded relationship to become partners in meeting needs and enabling progression. We need an integrated approach to policy implementation, decision-making and budgets that addresses post-16 education issues in the context of regeneration, health and social inclusion in an holistic way.

The first task is to ensure that what is currently being spent on post-16 learning for the unqualified works, that it has the quality and consistency to make a real difference. Once we know what works the challenge is then to replicate and fund what is effective, raise the overall consistency and quality and monitor the coverage. It is also essential to involve community organisations and structures such as Communities First partnerships to provide support and to link learning and economic development intelligently.

Sarah Lloyd-Jones is Director of the People and Work Unit, a charity which undertakes research, evaluation and high quality demonstration projects to identify and address economic and social issues in Wales.

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