

## **Mid Wales Regional Committee MWR 02-03 (p 2)**

Friday 14 March 2003

**Date:**

**Time:** 10.30 am to 13.15 pm

**Venue:** The Royal Ship Hotel, Eldon Square Dolgellau

### **A TRADE UNION PERSPECTIVE ON BRINGING PROSPERITY TO MID WALES**

#### **Introduction**

Thank you for this opportunity to speak to you today on the issue of bringing prosperity to Mid Wales. The T&G is committed to working in partnership with the Welsh assembly to meet the economic targets set out in its National Economic Development Strategy. NEDS sets a target of increasing Welsh GDP to 90% of the UK average by 2010. This is a very ambitious target in itself but when we consider that the GDP of Mid Wales is around 10% lower than Wales' average then it is clear that there is a real job of work to do in our geographical area.

Mid Wales need to attract the right kind of jobs and as a Union the T&G is clear, we must have a strong and vibrant manufacturing sector to help drive economic growth. Lets be clear about this, substantial GDP growth will not be achieved through the introduction of thousands of low paid, part time service sector jobs. What will secure growth is support for the high skilled, well paid, manufacturing centres of excellence that we have here in Wales. This coupled with the growth of indigenous companies whether in food processing, manufacturing, the leisure industries or other services will be the recipe for success and we must play our part.

## RURAL ISSUES

In Wales the T&G has a Food and Agriculture section of which I am the Regional Officer, this fits in nicely with the geographical area that I cover which is Mid Wales. Within my operational sector there is a Rural, Agricultural and Allied Workers trade group. This is effectively the rural wing of the T&G. The industrial function of this is to represent the interests of all those working in the countryside and in particular, agricultural, horticultural, forestry, poultry and allied industries.

Any regeneration of the economy of Mid Wales has to involve raising wage rates to levels comparable with the more prosperous areas of Wales. There are a number of ways in which this can be achieved and which the T&G is involved in.

A key area for Mid Wales is the within the agricultural sector where wages are notoriously low. Year after year the union presents evidence to the AWB about the low pay of agricultural workers and campaigns to raise the issue both nationally and at local level. We have a policy that clearly seeks for agricultural workers to be paid the national average weekly earnings. At present the average earnings in agriculture are only 72% of the average production earnings so there is a wide gap to be bridged.

The current minimum rate for the industry set by the AWB is £4.91, a figure which when first announced resulted in the NFU representatives on the AWB walking out of negotiations. This theatrical gesture shows what the Union is up against in its battle to eradicate poverty pay.

Whilst the T&G has continued to campaign to retain the Agricultural Wages Board, we firmly believe that the wage regulation machinery for agricultural and related workers should be strengthened. Our long-term policy objective is the establishment of a statutory joint industrial council with powers that incorporate the current areas negotiated by the Board but with a structure which will aid meaningful negotiations between employers and the union.

At present the AWB consists of five independent members appointed by the minister of agriculture and eight representatives of the NFU and eight nominated by the T&G. We would wish to remove the independent members and build arbitration into the process where there was a failure to agree, rather than have

independent members as an integral part of the process. Maintenance of and strengthening of the AWB is clearly a priority objective in the quest to boost Mid Wales wage rates.

What about the rest of Mid Wales employers? The T&G of course fights for the best deal for its diverse membership base across Wales.

## **Integrated Transport**

The development and implementation of an integrated transport strategy for Mid Wales has to be a key priority area for all of us. Its role in strengthening the economic performance of our region cannot be underestimated. The T&G has long campaigned for an integrated transport strategies across Wales and the UK but progress has been slow. Whilst we welcome the publication of the draft integrated transport strategy for mid Wales published in February it is imperative that speedy action is now taken.

We obviously have our work cut out for us in this area. With our dispersed and low density population radical and innovative solutions are needed. Car ownership is virtually a must for most people and until we offer affordable, reliable and high quality solutions this will remain the case.

## **Development of indigenous business – SME's**

Another crucial policy area is the development of Mid Wales' indigenous businesses. It has to be said that in the past this has not been a high enough priority. The DBRW had a policy of attracting investment into rural Wales on the basis of the area being a reservoir of cheap labour. It is on this basis that we attracted a number of high profile companies (Control Techniques, Taiwanese Bike Factory etc.)

To the credit of the WDA and the Welsh Assembly there has been a major shift in policy in this area. The nurturing of indigenous business is becoming more fashionable and we have to welcome this and encourage it. Indigenous businesses have roots in their localities and within their local communities and are far less likely to uproot when times are hard, like many inward investors have done.

Objective 1 has proved to be a valuable revenue stream for indigenous Welsh business but it is not a panacea. We must continue to look at additional ways of helping our indigenous employers, both financially but also in terms of business support and expertise.

## **Tourism – beauty in location development**

Mid Wales is undoubtedly a beautiful place both to visit and to stay and offers the visitor a variety of activities and experiences both to entertain and educate.

In the aftermath of FMD and the downturn in agriculture generally, many farmers and others in the agricultural sector have been encouraged to diversify into the tourism business sector and there are now many small businesses starting up to cater for the visitor both with accommodation and with activities and services. However it is our understanding that there is a lot of 'red tape' and form filling to be undertaken before a small business can get off the ground. Perhaps this process could and should be simplified to speed up the establishment of these businesses which form such an essential part of the local economy in Mid Wales.

The working environment has to be right for tourism to flourish but at the same time the balance has to be struck between opening up the area with good roads and communications and facilities etc. and maintaining its attraction for the tourist who is looking for what the area has to offer in abundance – peace, tranquility and a real 'Taste of Wales' in the Heart of Wales.

## **Skills development**

Creating a flexible, adaptable and skilled workforce, committed to lifelong learning is a key challenge for the policy makers of mid Wales as we seek to improve our economic performance. We are going to continue to fall behind when it remains the case that 1 in 4 of our population is functionally illiterate, with an estimated 2 in 5 functionally innumerate.

The culture of learning has to become an essential part of our social fabric. Learning has to become a lifelong process as opposed to something that is consigned to our formative years.

Building a knowledge-based society is of course a complex process and winning over the confidence of the people of Wales is an area in which trade unions are absolutely crucial to achieving success. The growing network of Union Learning Representatives in Wales is something that should be fast tracked in mid Wales. Employers and Unions need to grasp the opportunities offered through lifelong learning for the benefit of all parties.

The vast majority of global businesses will stress that investment in employee development is fundamental to their continued success. In reality the philosophy on the corporate web site may be less convincing when viewed from the shop floor.

Employers still fail to recognise the value of investing in a skilled workforce as a key to retaining their competitive edge. Based on existing evidence the voluntary route to training has largely failed. Whilst some employers and sectors are investing in training and raising skills, too many employers are failing to make a proper contribution to investing in the skills of their workforces and the nation as a whole.

Although most companies will out of necessity provide their employees with training specific to their actual job, this rarely translates into wider transferable skills.

Clearly there is a need to ensure that workplace training is a lot broader and more transferable so that in the event of a need to change jobs employees are in a far better position to do so. Employers may be reluctant to provide training on this basis so it is crucial to ensure that the right to do so is enshrined in law. The T&G has argued that there should be a statutory right to paid release for training should be available to all employees.

Trade unions are increasingly playing a key role in supporting and delivering work placed learning, particularly in information and communication technology, but also in adult literacy and numeracy provision, vocational skills and industrial relations qualifications. Unions are increasingly acting as a gateway to other areas of lifelong learning.

The T&G in Wales has proposed a number of other policy proposals that we think

require urgent action.

- There should be a statutory system of incentives and obligations on employers to train.
- There should be substantial investment in vocational skills, education and training for post-16 onwards. Young people should be entitled to free education.
- The issue of access and participation must be central to any strategy for improving levels of education and training.
- The system of post-16 education should be integrated in terms of curriculum, accreditation and access. Vocational qualifications should be valued as well as academic qualifications.
- A system of collective learning accounts should be introduced, with rights to negotiate on accessing key skills for members on a collective basis.
- The WULF fund should receive increased funding to widen its scope and availability.

## Conclusion

We have a **very real job** on our hands if we are to achieve even some of the objectives I have outlined and we believe the way ahead for all of us must be together, in partnership – and there must be ACTION sooner rather than later.

With the downturn in agriculture and the associated businesses that supplied and supported it, a major plank of the Mid Wales economy for so many years has been eroded. From our perspective, this means that the future prosperity of the region lies in a diverse but secure foundation of manufacturing, food processing and tourism and leisure businesses. But these must be real businesses with real, well paid jobs to form a solid base on which all other aspects of a healthy, broad-based and robust economic environment can flourish and develop.

Mid Wales is undoubtedly one of the most beautiful places in the UK and an idyllic area to live and work in. It provides a wonderful playground for others in less privileged areas to spend their spare time and even retire to. Tourism and leisure is definitely a growth business area. But this cannot and must not be at the expense of the requirements for modern businesses that must include **as priorities:** good road connections (dual carriageways at the very least), transport facilities, an educated and skilled workforce, and affordable housing – this latter most especially if our young people are to stay in the area where they have been raised and educated – and naturally, affordable housing goes hand in hand with good wages.

And so I come back to the words in my introduction:

*The growth of our indigenous companies whether in food processing, manufacturing, the leisure industries or other services will be the recipe for success and we must **all** play our part.*

The trades unions, and the T&G in particular, are more than ready, willing and able to play their part in developing the future prosperity of Mid Wales in partnership with the Welsh Assembly Government and all the other agencies.