

WHERE NEXT FOR WALES? *

Earlier this week I went to see the James Bond movie 'Skyfall'. This is a big confession for a feminist, but I have always loved James Bond, and it has improved on the women front. It was amazing. The part I like best is when we are introduced to all the new gadgets by Q. It's amazing what they come up with, and lots of the gadgets seen in earlier films are now commonplace. In the past we have seen Bond take on the villains from Russia, bad guys from China, media barons and terrorists trying to get their hands on nuclear bombs.

I began to wonder what are likely to be the things which interest Bond's bad guys in future, and more broadly what are the major challenges for us in the future here in Wales and globally.

About three years ago I left full time politics and deliberately went to work for the private sector. In the Patrick Hannan memorial lecture which I gave here last year, I emphasised the need for Wales, and yes the Labour Party in Wales, to develop a better attitude and relationship with the private sector.

Wales is competing with areas throughout the globe for investment. How do we stop being the poorest part of the UK?

What makes us different? What makes us a good place to invest? Why develop your business here rather than elsewhere?

Wales is beautiful, but so is the Lake District, and the Scottish Highlands can probably give us a run for our money.

What is our Unique Selling Point? Well, I have been giving this a great deal of thought recently and I have worked out that, despite what may at first seem like an arrogant assertion, **Wales should be one of the most stable political environments in which to do business on the whole of the European Continent, but certainly, and without a doubt the most stable place in the UK.**

We have no idea of whether Scotland is even going to be a part of the UK in a couple of years time. The Republic of Ireland, a key competitor for investment, is suffering from a huge Euro-recession. The Northern Ireland economy is still finding its way forward after the historic 2007 settlement. In Westminster we are likely to see a focus on the short term as the Tories and the Labour Party slog it out every five years.

The Labour Party has dominated the political scene in Wales since the 1920s. With the establishment of the Welsh Assembly, Labour has been in government, either governing alone or as the senior party in coalition, since its inception. The Assembly was established with an electoral system which ensured that Labour could be challenged politically. It was built to ensure that the party did not abuse the trust that the historic majorities had offered it.

Realistically, however, the probability is that, unless all three opposition parties in Wales combine together against Labour – (a remote flicker of a possibility of which was seen in 2007, but which seems increasingly more unlikely in future), Labour will remain in power in some form or another in Wales for a very long time to come. Labour has a duty in this position to act honourably and without arrogance, to behave inclusively and responsibly.

The next question is – how do we turn this to an advantage?

Wales uniquely should be able to plan for the long term. Politics by the nature of the five year electoral cycle means that, on the whole politicians are more likely to focus on the short term and the ambition to secure the next electoral mandate.

Just being in power for the long term however is not enough. There is a need for a strong sense of leadership and purpose with a clear direction of travel for the long term.

In business, almost the most important consideration is risk management. What are the risks of an investment not paying its way? What could go wrong? The same kind of approach should be taken by politicians who are interested in preparing for the long term. What are the challenges and where are the risks?

There are plenty of positive things we can expect to come from the future. Massive advances in computer technology, significant medical advances to combat major diseases. But I would like you to come with me on a journey to what I think Wales could look like in the year 2030 just 18 years from now, if we continue without preparation and intervention.

I will be 63 years old, and I will have long stopped using the hair dye bottle to hide my advancing years. Although in relative terms 63 will now be considered late middle age as most people will be working for ten years beyond this age.

I am still married – my husband still tolerating me – our relationship strong, helped by the fact that I am away two days a week in the Lords – still unreformed! We are now, however, in a minority, as we are still a married couple. Very few marriages survive five decades. Families are now incredibly complicated and diverse. The great thing is that there is certainly no stigma to being a single parent family; in fact, the few remaining married couples are in awe of how single parents manage to hold it all together! More than half of the population at 63 years old are living alone.

I am afraid my son never played rugby for Wales, and eventually I could stop nagging my daughter to stop watching Tracy Beaker on the telly all day long.

Ageing population

We live in Cardiff, but the truth is that every week we go to St David's in our little speedy electric car¹ - in order to visit my mother - still going strong at the age of 98 years old. This, of course, is not unusual. There will be 50,000 centenarians in the UK by then, and there is an expectation that there will be 143,000 centenarians in the UK, the equivalent of half of the population of Cardiff, by the time I reach 100. 10,000 of these will be living in Wales, that is the equivalent of the whole of the population of Caernarfon. That does not include the 99 year olds, the 95 year olds etc.² Six generations within the same family all living at the same time will not be in the slightest bit unusual.

¹ <http://www.dailymail.co.uk/sciencetech/article-2141608/Volkswagen-showcases-hovering-car-YouTube.html>

² http://statistics.dwp.gov.uk/asd/asd1/adhoc_analysis/2011/centenarians_by_age_groups.pdf

Health

We live in fear of her falling ill. There is still a local GP surgery, although it is not in the village any more, and it is obviously staffed by overseas doctors as it became increasingly difficult to attract young doctors to remote locations, so she has to travel to Swansea for any specialist service.

Health is the issue which is still exercising society. This is largely due to the demands of the ageing population which is increasing in numbers rapidly. By the year 2030 one in four of the Welsh population will be over 65.

In 2008 the average value of NHS services for retired households was £5,200 compared with £2,800 for non-retired. But the Department of Health estimates that the average cost of providing hospital and community health services for a person aged 85 years or more is around three times greater than for a person aged under 74. Cases of osteoarthritis in Britain look set to double to over 17 million by 2030.³

Older people are organised and a major force, making more and more demands on the political classes who have to listen, as the older generation are responsible voters. They have powerful voices demanding the use of new techniques and medicines which the welfare state simply cannot afford. The more prosperous amongst the older generations will find a way of accessing these medicines.

Obesity

Over half of the Welsh population are obese today in 2012 – 57%⁴, 36% of our children are obese. In the UK as a whole, there is an expectation of a 73% increase from the current 15 million by 2030⁵. An additional £2 billion per year will be required in medical costs for obesity-related diseases alone in the UK. These people are likely to have more complicated medical needs.

Mental health is the real issue however.

Children and women's mental health is also taking up much of the welfare budget as it is strongly correlated to state levels of income and inequality.

People still place a high value on acquiring money and possessions, looking good in the eyes of others and wanting to be famous. These values mean that many are depressed and suffer from anxiety, substance abuse and personality disorder. It is now commonly referred to as "Status Anxiety", a term coined by Alain de Botton. Our addiction to income has become a curse, the more we have, the more we feel we need and the more time we spend on striving for wealth at the expense of relationships and quality of life. We are no different from any other part of the globe – the people of China and India with their massive populations also wanted what we had, insisting on the same living standards as us. There was, however, a dramatic consequence to this.

Climate Change

³ <http://www.guardian.co.uk/business/2012/jul/12/uk-austerity-office-budget-responsibility>

⁴ <http://www.bbc.co.uk/news/uk-wales-19659074>

⁵ <http://www.nhs.uk/news/2011/08August/Pages/half-of-uk-predicted-to-be-obese-by-2030.aspx>

Climate change is not something that happened to someone else. We watched in 2012 how China built two coal fired power stations a week. We ignored the warnings that Lord Stern set out so clearly for us in the late 1990s, telling us that if we did not act then, it would cost us more later. The Government at the key time took its eye off the ball, and having promised to be the greenest Government ever, changed its mind to focus on reducing the deficit, and became anti-green and obsessed with market solutions, when Government leadership was the only real answer.

Energy

Energy is no longer seen as a cheap right. There is real understanding that demands across the globe have doubled. Even today there are 10,000 new cars on the streets of Beijing every week. Two sky scrapers a week are being built in China today with all the implications on energy that the build suggests.

Can I remind you that this is an imagined situation, but, as we neared 2020, power cuts began to become common place. The investment necessary in Wales and the UK to renew the infrastructure simply wasn't given clear enough signals for where energy policy was heading with contradictory signals from different Government departments. Much of the planned £200bn investment needed for the UK economy in 2012 was diverted to the European Continent and other parts of the world which had clear strategies and delivery programmes in place.

Wales is now being used as a corridor to transport energy in particular from Ireland, and considerable infrastructure was constructed throughout Wales to facilitate this. So, despite being richly endowed with natural energy, Wales never managed to regain the confidence of investors, so never benefited. Wales is used as a toll free motorway to transport energy. Gas prices sky rocketed as demand increased across the globe and governments started to realise too late that it was necessary to address the carbon reduction issue seriously. Nuclear power at last has been delivered, but a decade later than planned. The costs were not properly assessed and overruns pushed up the prices considerably.

Wales played with the idea of a "not for profit model" for energy , where the money would come back into the areas where investments were made, but the money men (and yes, they are still men in 2030) simply wouldn't stump up the massive sums necessary to a model which had no experience of delivery. The risks they said were just too high.

Peak oil

Peak oil never really materialised in the way predicted as technology was able to drill deeper in more difficult areas and companies began to access shale oil. The IMF were correct however when they predicted in 2012 that increases in production was only possible through the doubling of the price of oil by 2022. But the costs became inhibitive, as exactly at the same time demand for oil was continuing to increase at an extraordinary pace from China, India and now even Africa. A report by Citigroup in 2012 warned that Saudi Arabia would run out of oil to export by 2030.

A reduction in consumption was forced on the population due to the price increases. We relied on oil and fossil fuels for our food, our transport, our heating, our lighting and all our electronic gadgetry which of course looks much more like something from Star Wars or James Bond in 2030 than the primitive technology we were using in 2012 . All of these new gadgets consumed more and more energy.

Most of us are now driving in electrical vehicles, but the split between the 'haves' and the 'have nots' is more stark than ever. It took a while for the full impact of the first banking crash to hit the most vulnerable in society, but when it did, the effects were devastating. Credit tightened for those on low wages, and through the cuts in welfare people were forced into the hands of loan sharks. As the price of petrol increased, they too wanted to switch to buy electric vehicles, but of course it was only the loan sharks who would give them credit. They remained in hock to them for the next decade and more paying extortionate interest rates. Those who could not to switch had to pay the crippling prices for petrol. Many switched to use public transport, but the price of that too had increased dramatically.

Immigration

Wales is much more multi-cultured – middle class Chinese and Indians are here in their hundreds of thousands and many Southern Europeans have also made their homes here escaping the harsh all year summer climate with serious water shortages.

Initially there was real animosity towards these immigrants. But watching the daily pictures of hardship was enough to melt the hearts of the least tolerant in society. There is also an understanding that these migrants are the only people who are willing to work in the caring professions particularly in rural areas where there are few jobs to keep the locals at home.

My mother will be looked after by a Bangladeshi lady. She is one of the hundreds of thousands of **lucky** climate change refugees who managed to make it to the UK. The sea level did indeed rise as predicted by a meter and, as the monsoon rains concentrated into a shorter period causing more extreme floods and longer period of drought, thirty million people had to leave the country, most of them swelling the ranks of the poor in neighbouring India.⁶ 200 million are predicted will have to leave their homes by 2050.⁷

Food Prices

Food has become very expensive as the price of grain has continued to rise as the Chinese and Indians are increasingly eating meat changing from their traditional vegetarian diets for the first time in centuries. The grain used to feed the animals has pushed up the prices considerably. The world population will have grown from the current 7 billion to 8.3 billion.⁸ The consequence is, that demand for food and energy will jump by 50% by 2030 and for fresh water by 30%. The changing climate has also meant that the weather is increasingly unpredictable⁹ with knock on consequences for food harvests. Less food for more people globally. It really is the perfect storm. Water is at least one area where we still do not have a problem in Wales. When it rains, it pours! But we have never had the money to harness the water and ship it elsewhere.

Insurance

⁶ <http://news.bbc.co.uk/1/hi/sci/tech/5344002.stm>

⁷ http://hdr.undp.org/en/reports/global/hdr2007-2008/papers/brown_oli.pdf

⁸ <http://geography.about.com/od/obtainpopulationdata/a/worldpopulation.htm>

⁹ <http://news.bbc.co.uk/1/hi/uk/7951838.stm>

People have ceased insuring their homes as the premiums became too high. Frequent flooding and storms simply became too common place, as a result people are living increasingly vulnerable lives.

The EU

We are still in the EU because people eventually understood that we were better off within it than outside it. There was an understanding that the UK would still have to comply with all the rules even if we left the EU, but we would have no say over how those rules would look, we would just have to accept them. As our neighbours were still our strongest market and we still wanted to continue to export 50% of our goods there it was a no brainer to stay in. In 2030 it is still by far our biggest market. In 2012 we export more to Ireland than we do all of the BRICS – Brazil, Russia, India and China put together.

Outside of the EU we would have no influence in Europe and we would no longer in the UK be respected as an international power. We were told clearly that if we left we would still have to make a huge contribution to the EU to have the right to trade. We would of course have lost all of our funding in Wales from Europe and our farmers would have had to just run with the gauntlet of unpredictable world market prices affected by climate change.

Information Society

Society has become atomised and depersonalised as people live their lives more and more in a virtual world. We feel like we have lost control of our lives. Data and information overload is too much for lots of people many of whom can't cope with reality when they step out of their virtual worlds.

The idea that you can protect your data has long gone. Super computers have long ago developed their own artificial intelligence. The state and the corporate world knows everything it needs to know about you, because you have volunteered that information over the years on public web sites. This has all been collated. People's language skills have diminished. One of the greatest advantages we had in the world – command of the English language – is diminishing as people prefer to communicate on line rather than orally.

It is simply impossible to imagine what information technology will look like twenty years from now. I just think of how when I was elected to the European Parliament less than twenty years ago there was no internet, no e-mails and mobile phones were the size of bricks! Cyber crime is bound to be a greater problem in future than at present. Fortunately the Assembly Government has recognised the importance of technology and is rolling out the next generation of broadband throughout Wales.

Welsh

Around 15% of the population now speak Welsh, a reduction explained by the outward migration of people from Wales, although demand for Welsh language education in cities increased and stabilised at around 30%. The problem however, is that it only really exists in cities as an artificial second language, spoken almost exclusively in schools. It has long since ceased to be spoken naturally in the rural heartlands which were the traditional strongholds. The march of inward migration and out migration by Welsh speakers meant that the language went into a downward spiral in these rural areas.

The class issue

The middle classes are suffering just as much as the underclass. The working classes are having to adapt once again to massive changes in the economy. The underclass at least, however, have each other – more glue within their communities for help with child care and their older relations. The middle classes have to pay privately for a great deal of it. It is expected that the lowest income families will experience a drop of 15% in their income by 2020. This is not about what the Tories call “slouchers”. Half of children living in poverty in Wales today are from families who work. There will be a further decline in manufacturing, and declines also in secretarial roles and administrative roles. People will be on lower incomes because they will be working fewer hours. Levels of personal debt will be scandalous.

Religion

The Christian churches and chapels will be reduced to a slim rump, but at least now they are all worshipping together irrespective of denomination. Buildings throughout Wales will lay empty and decaying – those which have not, of course, been sold off as homes. The only religion on the rise will be Islam.

Crime

The divide between the rich and the poor has led to a massive increase in crime, and private security has started to be mounted around certain neighbourhoods. The divide between the old and the young is becoming a gulf. The Intergenerational Fairness Index has demonstrated that the financial burdens have fallen much greater on the young, since the financial crisis in 2008 than on any other generation. They will rebel if this is not corrected.

This is the world that we will live in unless we actively and deliberately intervene. Most of the picture that I have painted is likely to come true, - except perhaps the part about me ceasing to dye my hair. The challenges are not going to go away. They are global challenges and local challenges and we will have to deal with them. The pressures and costs on the welfare state are going to become unbearable unless there is radical reform and preparation. We in Wales are in a unique place to position to prepare ourselves for this future.

What do we need to start putting in place now to mitigate against the risks that we know will confront us?

Our key overarching goal should be the attempt to deliver a more equal society. That should be the backdrop to every policy decision in the short and the long term. This is not because it is some wishy washy *Guardian* reading ideal that we should sign up for, but because, as Wilkinson and Pickett demonstrated in their book – *The Spirit Level* – that a more equal society is better for all of us,- yes even the rich! Health is better in more equal societies, crime rates are lower, educational attainment higher, consumerism lower, community tighter.

It is an easy goal to set out, but one which is extremely difficult to deliver.

The redistribution of wealth through taxation can take us some of the way to improve inequality, but ultimately we need to ensure that as many people as possible who are able to contribute to society economically are equipped and able to do so. This is crucial so we can take care of those who cannot take care of themselves. Rates of

economic inactivity in Wales are higher than anywhere else in the country. Of course there are ample reasons for this, but we cannot afford to constantly make excuses, we need to empower.

The delivery of a more equal society should be easier for us in Wales as we don't have many super rich. There is ample proof that generally people care more about relative wealth rather than absolute wealth. In other words if you are paid £25,000 a year you care more about how that compares to the person who works beneath you and above you than the amount you are paid itself.

Some ideas

Prioritization

We'll need to decide which services to prioritize funding for. I believe that it would make sense to direct more money towards services that are central to economic growth; policies which will raise the employment rates. We simply will not as a nation be able to fund our public services without more people contributing to the economic wealth of the nation, so we need to harness the abilities of **all** the population and raise expectations.

Fulfilling the potential of all within society needs to be a priority, and the middle classes need to understand that unless we fund early years intervention, the long term costs will simply be horrendous. Older people need to understand that, unless we invest in our young now, there will be no one to pay for the hospital bills in the future. Investing in the young of today is a better pension policy than anything that is on offer in the market place. Labour in Wales still has its eyes firmly set on eliminating child poverty. The number of people in prison who have learning disabilities is between 20-30%. There is a direct relationship between academic attainment, school attendance and the number of people who enter the criminal justice system. This is a cost to us all. We need to put in the support early.

Education

The Assembly has understood this need, and through the establishment of the Foundation Phase in education, is making sure that the youngest children are given support right from the start. We must teach our kids above all to aspire – really to believe that they are as good and as able as anyone one else in the globe. I remember when I was a child that we knew a boy called Rusty who used to spend a lot of time in our house. He was a really bright little ten year old. I remember one day he went off and spent the day working with his dad. When he came back to our house he was bursting with enthusiasm. He explained excitedly that his dad had been painting a fantastic house belonging to a dentist. So “I now know what I want to do when I am older”. We were thrilled. “Great – you are going to be a dentist?”. He looked at us as if we were mad. “No, I want to paint dentists' houses.”

Teaching skills not gathering qualifications

But how do we prepare the children of today for the jobs of tomorrow? 65% of children in pre-school education will be working in jobs that don't exist today. We must take this into account when developing policy. *Workers of*

the future will change jobs 19 times during their lives — and parallel careers will become the norm as people extract themselves from professions that are becoming extinct.

Learning facts by rote is not what education should be about today. We have Google at our fingertips! Teaching skills, assessing and analyzing information – these are the skills which will be useful to employers of the future. These skills are exactly what are being taught through the Welsh Baccalaureate programme.

But let us keep our eyes on the long term challenges and opportunities. Couldn't Wales really be ambitious and do things a little differently?

Here's a few specific ideas on how we could differentiate ourselves from other parts of Europe.

STEM subjects

The number of science, maths and engineering graduates are pitifully low across the UK. These qualifications should be the motors of our economic growth, they produce innovative goods which we can export, unlike the bankers who, as far as I can tell, simply move money around the globe taking a cut along the way – not investing in the long term and businesses of tomorrow. Yes we need to rebalance our economy!

I attended a wedding recently – it was quite a posh affair in London, and had a touch of the Downton Abbey about it, with a Brit marrying into an American family. The best part of the wedding was a conversation that I overheard by my sister in law who is an enthusiastic cake maker have with an American.

“Wow that's fantastic she exclaimed - do you have your own sour dough culture?”

“Excuse me?”, he replied

“A baker, you said you were a baker!”

“No, I said I was a banker! “

“Oh really?, she said “how disappointing!”

The Royal Academy of Engineering predicted that by 2020 the UK will need an additional 1.2 million workers in science, engineering and technology roles.

The Academy's report gives cause for concern for Wales and the UK on a number of counts.

The predicted demand for scientists and engineers is very unlikely to be met with current levels of supply. To meet the demand for our professional workforce, the UK will need to produce over 100,000 graduates in science, engineering and technology subjects each year. The UK's current output is somewhere around 80,000 graduates.

One of the reasons for the shortage in engineers in the UK is because so few pupils study the relevant subjects at an early age. Of the 38,000 young people in Wales who stood their GCSEs in mathematics this summer, only 14,000 – that's 38% - achieved A*-C grades. This is the basic level of mathematics demanded by employers.

Science and engineering companies are looking more and more at the skills needed in a locality to underpin their activities. We need to overhaul the way we teach mathematics in our education system. Mathematics is a language – the one truly universal language. The earlier you speak it and the more you converse in it, the more fluent you become. I believe we need to secure that fluency much earlier in our children. We need to invest more time and resources in improving mathematics education in our primary schools, and I am glad that our Education Minister is on the case. We need to keep up the momentum, the fluency in secondary schools. With that fluency will come the realization that there are many more opportunities for young people with mathematics, than without.

And now on to another language Mandarin. ...

We should recognize that the rise of China is going to have an immense impact on us here in Wales. Rather than see this as a threat however we could be trail blazers in Wales and ensure that all children here study Mandarin until the age of at least 14.

Bilingualism in Wales is a natural condition for 20% of the population a resource which should be exploited. Wales should introduce languages which will be of use to a future work force.

How would we start to teach Mandarin? The first thing we would need is some decent teachers which is always the key to a good education. I am afraid we have to recognise that we are not exactly brimming over with Mandarin experts here.

Confucius Institutes have established themselves in many Universities like Cardiff and Lampeter, and the joy of this, is that they are actually subsidised by the Government of China, which sometimes even offers resources. This would allow schools the opportunity to offer Mandarin - even when the money is tight. If we started now, within 10 years we would have our own home grown teachers who could teach Mandarin in schools.

Why should we do this? Because China will be the dominant country in the globe throughout the 21st Century. Mandarin is great for your brain as it is the only language which uses the two hemispheres of your mind. I am told that the grammar is easy and that children who have trouble spelling find it easier as it is a visual language to write, which is particularly good for children with dyslexia and dyspraxia.

Jobs

If we equip our young people properly with decent skills we will save a great deal of money in the long term. Fewer of them will be unemployed and less of them will be in prison. Both extremely costly for society.

But once the population is equipped, we need to provide people with a reason to stay here in Wales. Rural areas of Wales in particular are haemorrhaging young people.

This is where the long term political stability argument really comes into its own. The business world which has been calling the shots until recently is one in which the incentive is to make a quick buck. We have seen a proliferation of hedge funds and private equity establishments swoop in for rich pickings just to leave the businesses in a corpse like condition with no thought for the long term and the people who work in these companies.

What we should be looking for, however, is the long term. If we hope, as we do in the Labour Party in Wales, to benefit from long term support **we need to make sure that we govern sustainably and for the long term. We need to take decisions now to position ourselves for the bleak reality which I have presented, which will**

occur 18 years from now. But once we set out on a course we need to stick with it. Stability is the most valuable resource for all for long term investors. We should be actively courting companies who need that long term stable consistent framework in which to invest, companies which will not be footloose, but where they are looking to make significant investments. If we could offer companies a long term framework for investment, the supply chains would automatically follow. This approach also meets with central theme of Assembly – sustainability.

There are times when politicians need to take risks. A point when the Government points very clearly to where we should be heading. There will always be people who disagree with the decision taken, but leadership is about setting out a direction and following it through.

Economic Development

We need to appoint specialist experts to plan a route map to attract investment of a long term and stable nature. Generalists which make up most of the current civil servants simply will not be able to cope in future, and will not be able to speak the appropriate language to investors. In the energy sector it has taken me six years to gain an understanding of the industry and I feel like I am still scratching the surface. Generalists who are set up to liaise with companies simply do not have the appropriate vocabulary and understanding of industry necessary to develop a sophisticated investment narrative. As soon as they start to gain an initial understanding, and have developed relationships nurtured over a couple of years they are moved on to another area of policy.

For large strategic projects, tailor made project delivery teams set up at arms length from Government like the Cardiff Bay Development Corporation should be set up who are given bonuses upon delivery so that they are incentivized to see a project through to its conclusion. In this way these teams will be responsible for ensuring that all the arms of Government are consistent in their approach. This would also help business to believe in the long term commitment to the project.

The most crucial thing for the Welsh economy is to ensure growth in the private sector. We will not be able to support the public sector with all its challenges unless we have a stronger private sector.

Harnessing the abilities of all

We need to ensure that once we have provided the education and skills to our future workforce and have provided the correct environment for investment and job creation we need to remove insurmountable objects which lock so many people out of the work force currently.

The costs of care

The costs of childcare are one such obstacle and anyone with a small child knows how much the hemorrhaging of money happens in this way. Parents spend on average 27% of their income on childcare in the UK It is a wonder that anyone goes back to work before their child is in full time education. I went back to work after having my children, and it did bring with it a cost in more ways than one.

I remember one day I was in the garden with my children: Arwel who was around three and Gwen who was just starting to walk. I saw a wasp on the floor and knowing that my daughter would put absolutely anything in her

mouth I proceeded to move it. "What are you doing, mam?" asked my son who was watching me delicately remove the wasp. I am moving the wasp because it has hurt his wing. "Oh dear, I think it wants its mami" he said.

"That's right", I said, "so why don't you try and find its mami", I suggested trying to distract him. Within three minutes he came back to me and stated, "Mami, I have looked everywhere for the wasp's mother, but she is not here, I think she has gone to work!"

In future with the ageing population, the possibility is that more people will have to leave the workforce in order to care for ageing parents and grandparents. We need to work out now, how we are going to deal with this issue.

Ageing population

Our population will grow older. We need, however, to make sure that people prepare to live for longer financially and physically. We need to really incentivize people to take up exercise. We need to be innovative and incentivize a healthy lifestyle from an extremely young age, partly in order to combat obesity. The Assembly Government understands this and has set out a detailed programme of action. The All Wales Obesity Pathway is complemented by an initiative called Creating an Active Wales, and the Change 4 Life social marketing campaign. Games 4 Life is trying to build on the Olympic legacy, a children and adult obesity referral programme and a programme called Foodwise 4 Life.

We need to ensure that we train armies of health workers ready to help the extremely old. But the costs involved are likely to be immense, so we need to develop a much more cohesive community network where we look out for each other. This will be increasingly important in a society where so many relationships have broken down. There will be far more people living alone than there are today.

Again could we be truly innovative and establish local community interest companies run and managed by local people who have an employment and financial stake in looking after the young and old within their own communities, rather than watch as large private conglomerates swoop in and provide an impersonal standardized service? We need modernization, not marketization. In this way we are more likely to avoid a "Winterbourne View" – Castlebeck situation in Wales.

We can do community in Wales, the events in Machynlleth and Ely recently have demonstrated that it is possible, but it shouldn't take a tragedy or a massive event to bring us together.

Climate change preparation

We will not be able to protect ourselves from the full onslaught of the results of climate change, but we can prepare for it.

Food and Energy Price increases

We need to encourage people to insulate, insulate, insulate. A little bit of an effort now by every household in Wales could save thousands of pounds over the long term. The Assembly is doing what it can here and with its

innovative ARBED programme it has demonstrated how fuel poverty, job creation and cutting carbon emissions can be rolled into one programme.

We need to prepare for food prices increasing. We need to ensure that our land which is going to become an increasingly valuable resource is protected, and there needs to be an understanding amongst land owners that if we need to exploit it for agricultural gain in future that it will be possible. We can start to prepare for this now with the new planning regime being reformed in Wales. We need to ensure that valuable agricultural skills do not disappear in the interim period between food being relatively cheap, which inevitably means buying food from abroad and watching more and more farmers sell up, to a time when we will need to fall back on our own resources. This is long term planning which is unlikely to be undertaken by other regions.

Wales is being truly innovative with the introduction of one of its first pieces of Primary Legislation "Active Travel" which should have a multi-purpose outcome through the promotion of cycling routes the intention is to reduce the dependency on cars, reducing obesity, and improving the quality of life in addition to providing a method of reaching work.

Conclusion

So Wales should really use its Unique sales point to really push the case for long term planning in Wales. If Labour is clever, it will ensure that as many other political parties are involved in the development of these ideas and that we use all the talents from all the parties for the good of Wales. Politicians need to speak more candidly about the threats risks and challenges of the future. Climate change is happening and it is already having consequences. Just ask the people of Talybont. Energy and food prices are likely to increase. We are all going to live longer, and that is going to put more pressure on the state. Unless we reform our behavior very radically, we are going to be paying the price for an obesity epidemic, and we need to understand that the traditional family structures that we relied on in the past will simply not be there for us in future.

We have a choice. We can let these things happen to us and try and deal with them as individuals protecting ourselves or we can join together in society and work it out as a community. Some are already making those decisions and piling money into pension funds and private health care, but they will still be affected by everyone around them. Others do not have that choice. We have the opportunity because of the political probability of who will govern in Wales to prepare for the future now. If you think that the country is in a mess now, just imagine what it will look like if we do not intervene actively. Unlike Bond we know even now what are the likely problems that will confront us in future. We can and should prepare for them, and eliminate the risks as soon as we can.

If ever there were a case for more government rather than less it is through looking at the challenges which are heading in our direction.

Eluned Morgan
Cardiff

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