



# The change we need

– a democratic and empowered Wales



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“The willingness to accept responsibility for one’s own life  
is the source from which self-respect springs.”

– Joan Didion





## Foreword

People in Wales face many problems and challenges which cannot be solved by our National Assembly because of its limited powers. Neither can they be solved by Westminster where the concerns of Wales are an afterthought at best. Only we can solve the problems Wales faces.

It is not good enough for a Welsh First Minister to blame the Tories in Westminster for almost all of Wales' ills, while at the same time, refusing to push for the powers to tackle those problems in Wales. The under-resourcing of our media ensures a continued lack of understanding as to how devolution works.

As the political landscape changes alongside our relationships within the UK and Europe, as people in countries like Catalonia and Scotland push for self-government to have more control over the decisions that affect them, it makes sense for people here to consider how we in Wales can be empowered to tackle more of our problems for ourselves.

Becoming an independent country is one way for Welsh people to become empowered. However, the concept of *real independence* as put forward by Raymond Williams goes much further than mere national constitutional arrangements. It covers the attitude, outlook and confidence people have when they are politically and economically empowered to determine the direction of their own lives.

Plaid Cymru believes that decisions are best made by those who are directly affected by them. We therefore believe in further devolution within Wales. Our goal is not just to bring more powers to Cardiff. If economic activity and public investment continues to be concentrated around the M4 corridor in the south east of Wales, we will emulate the chronically unbalanced British state on a smaller scale, whilst also failing communities in and around the capital city itself.

Devolution gives us the opportunity to practice a different kind of politics, ensuring policies are suited to the needs of Wales. After almost twenty years of a one-party state, with a series of Labour-led governments developing Welsh devolution along the lines of a centralised mini-Westminster, it is time for Plaid Cymru's vision for geographic as well as economic equality and community empowerment.



This pamphlet outlines some policies that can be implemented to empower people in Wales and we want to know what people think of them. Its publication will start a national consultation process. Can people see how Plaid Cymru's decentralist and community-led socialism can be an alternative to the wealth-gap widening policies of the Tories and the centralising 'British socialism' of Labour at the UK level?

The ideas outlined here can be used in all communities to begin conversations about Plaid Cymru's current policy platform. It can be used to help our party's community champions and activists explain and build support for our vision and counter the indifference towards Wales from both the London-centric Left and the divisive Right. It can be used to encourage people to engage in the process of thinking about how we solve our problems collectively and to inspire people to get involved in local initiatives that help reverse the effects of austerity and build up the resilience of their communities.

This is not an election manifesto. Plaid Cymru's policies on public services will be unveiled during the Assembly term in a new, fresh manifesto. Instead, this programme puts forward a set of values and principles and policy ideas to empower our people and to end our economic dependence. It starts with Plaid Cymru activists seeking to sign up the maximum number of people to the principle that **decisions affecting Wales should be made in Wales.**



## **Introduction: What problems need solving?**

With old industries gone and no serious attempt made to replace them by either Tory or Labour governments, communities in our former industrial areas have faced generational decline. Closures and cuts have resulted in high youth unemployment rates in some places (Swansea, for example, had a youth unemployment rate of 27.3% in 2016)<sup>1</sup>. Competition for an education or training place, let alone a job, sees long-term youth unemployment adding to the social problems that have been taking root over decades.

Affordable housing is a problem for young people, even if they have a job. Homelessness is increasing and welfare changes threaten to make an already bad situation worse. All of these problems are exacerbated for those people living furthest away from the capital city and its opportunities. The result is that many of our young people leave to find work. This is something that affects many communities badly, but as there is a net loss of 15-29 year olds in all of those constituencies that are wholly or partly covering the traditional Welsh-speaking areas<sup>2</sup>, it is weakening the community basis of the Welsh language.

With Wales' 30-year period of economic stagnation as a starting point, the crash, banking bailout and subsequent policies of 'austerity' have left wages squeezed, amenities lost and public services facing constant cuts.

The neoliberal economic model that brought us to this point was adopted and followed by both main UK parties by the 1990s. Presented as an alternative to the 'big state' economy created by centralist socialism, people were told that wealth would 'trickle down' if the rich were free to get richer. The decades of extreme capitalist economic policies further widened the gap between rich and poor.

The Welsh government has seen a 5% cut in real terms to its block grant since 2010<sup>3</sup>. This and other reductions in spending have seen public assets lost, health service waiting lists and homelessness levels grow, education and economic outcomes stand still or go backwards. Wales has also faced chronic under-investment in its infrastructure, not just in our public services. Wales has had just 1% of all rail expenditure, for example, despite being home to 5% of the UK population and holding 6% of all the rail routes<sup>4</sup>.

Plaid Cymru has consistently challenged the cuts. Our platform for the 2015 UK election was to end austerity and for Wales to be funded according to need and in parity with Scotland, instead of the outdated Barnett Formula. This would have delivered an extra £1.2 billion per year for Wales.

'Fantasy politics' claimed Labour before they watched Theresa May deliver £1bn for the north of Ireland as a price for her opportunistic and potentially disastrous coalition with the DUP.

With a weak devolution settlement and lacklustre political leadership, Wales now has around one in thirty workers on a zero-hours contract<sup>5</sup>. This rate is among the highest in the UK, according to the TUC. Wages in Wales are on average almost 10% lower than the UK average<sup>6</sup>. Ill-health<sup>7</sup> and child poverty rates<sup>8</sup> are also above UK averages.

All of these problems can be solved if good quality public services, better housing and economic opportunities for our people were prioritised. We will need to consider whether we are prepared to pay for a safety net of good public services for all or if austerity is going to be allowed to continue. Unless we are prepared to pay and end austerity, the problems outlined here are set to get worse.

Having more Plaid Cymru MPs in London would secure a larger share of the loaf than the meagre crumbs that we're currently getting. But this document is not advocating a future in which we're perpetually taking a begging bowl to London.

## **Blaming the wrong people: scapegoating minorities**

Alongside growing numbers of people feeling 'left behind' or ignored, there has also been a growth in racial hatred. Reported hate crimes have soared since the EU referendum. Police figures obtained through Freedom of Information requests showed incidents up 23% in Wales and England (from 40,741 to 49,921) in the eleven months after the vote, compared to the same period 12 months before. In Gwent, incidents went up by more than 50%<sup>9</sup>. This was an unprecedented rise. The scapegoating of minorities doesn't happen by accident. History shows that it is nurtured by exploiting people's economic difficulties over time.

We have also witnessed growing intolerance of language difference, directed at the Welsh language as well as other tongues. Diversity, which used to be valued, is now denigrated.

When asked, many say they voted to leave the EU because of immigration. The British Social Attitudes Survey published in June 2017, found that nearly three quarters (73%) of those who are worried about immigration voted Leave,

compared to 36% of those who did not identify this as a concern<sup>10</sup>. As workers have felt their wages squeezed, they have been told that the reason is immigration. This narrative has been reinforced by some politicians and sections of the media.

History warns us as to where these trends can lead. It is worth stating in the bluntest terms that immigration from outside the United Kingdom is not a problem in Wales. Overall, it is a benefit.

- In 2016 Wales had 2.3% of the total EU population living in the UK, the lowest percentage of anywhere in the UK with the exception of the north east of England<sup>11</sup>.
- Some claim that immigration is a cause of unemployment. Yet the UK's employment rate in 2017 is, according to the ONS, the highest it has been<sup>12</sup>, and Welsh unemployment is the lowest it has been at 4%<sup>13</sup>. It is worth noting that these unemployment rates were achieved while the UK and Wales were inside the EU and the single market and while freedom of movement was in place.
- EU migrants pay more in taxes than they take out in state benefits, with one UK study suggesting a net contribution of £2bn over four years<sup>14</sup>. Despite people believing that EU immigration to Wales is a net cost, those migrants are contributing to our pensions, our health service and other public services<sup>15</sup>.

Plaid Cymru's vision for Wales is for a country where all of us can live together, without fear or feeling under threat. Where we are all striving to be good neighbours, showing kindness and cooperation in our society and where we reject the scapegoating and hate-based politics that has grown as the cuts have doubled down.

When living standards are falling and wages continue to flat-line, people want a simple explanation for their predicament and someone to take the blame. By peddling the narrative that immigrants are to blame for the conditions created by neoliberalism, the Right are reading from the Fascist playbook and ignoring the lessons we should have learned from history. There are too many parallels between today and 1930s Europe for any complacency.

In his book 'Creeping Fascism', Neil Faulkener demonstrates how there has been a qualitative shift in global politics - 'a sudden lurch to the right, away from liberal democracy towards a police state enforcing [white supremacist] nationalism, racism and sexism. Towards fascism.' His book is an attempt to 'break fascism before it breaks us'.

When people are angry because of their inability to access healthcare services in good time or decent housing, or if they see a cut to their benefits or wages, the establishment are happy to point to new arrivals. That way, attention is diverted away from government under-investment, under-funding and creeping privatisation.

This line of thought creates the impression that the government is responsible for nothing and the 'outsider' is responsible for everything going wrong. This sort of logic can tear communities apart.

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This is a compelling reason to improve our democracy and to do our politics differently.



## **Brexit – an expression of desperation**

During the EU referendum British nationalist politicians were able to channel the economic alienation, uncertainty and mistrust that working people feel towards the establishment against the European Union.

People in communities in receipt of the most EU aid voted in greatest numbers to leave. In Blaenau Gwent, 62% of people voted to leave, despite being one of the local authority areas to have received the biggest injection of EU funds. Billions of pounds worth of structural funds were not enough nor were they



spent in a way that could rectify the problems in Blaenau Gwent and elsewhere.

Plaid Cymru recognises the referendum result, even though we are increasingly concerned about Wales' future economic prospects.

If people believed that leaving the EU would undo the damage that de-industrialisation, the crash and the austerity programme has wrought on their communities, the chances are they will be bitterly disappointed. It's no accident that it is the politicians of the Right and the Far Right who are the proponents of the most extreme and hardest form of Brexit. Does anyone believe that workers' terms and conditions are at the forefront of their minds?

If the Tories force us to crash out of the EU with no deal, the fragile Welsh export-driven economy will suffer. To minimise the harm to people in our country, Plaid Cymru has advocated staying in the single market and the customs union. Our commitment is to do whatever we can to protect our economy and our people's livelihoods from more unnecessary shocks.

## **Threats to Welsh democracy**

In the face of an empowered British nationalism taking us out of the EU, it's no surprise that devolution is also at risk. Brexit is being used to grab powers back from devolved institutions to Westminster, instead of them being passed directly to Cardiff. That this can happen shows the weakness of the devolution settlement.



Our country's devolved Assembly and government are seen by many as being unable to deliver any serious or substantial change. The perception is that little difference can be made to the hardships people face. This is made worse by a widespread lack of knowledge about the devolution settlement: a watered down version of that granted to Scotland and the north of Ireland. Manchester and London now have some powers over policing, while Wales still does not.

The combination of Westminster central government cuts to the Assembly block grant, and a lack of political will from Labour in Wales to push for the real powers that would enable us to stand on our own two feet, has left some people feeling that the Assembly is useless at best or worse, part of the problem.

It is imperative that we point out that it is the government of Wales and not the Assembly that takes decisions and it is the government that should take responsibility for those decisions. If a monkey plays a violin badly it's not a reason to condemn violins!

Throughout this last decade of cuts, despite many people believing differently, almost one third of people (30%) polled by the BBC and ICM (2017) believed that health was run by the UK government<sup>16</sup>. Only half (54.9%) knew that education was devolved<sup>17</sup>. Wales has had a Labour government responsible for the NHS, education, transport and other services since 2011, yet in 2016, only 19.6% of people knew that the previous government had been a Labour-only administration<sup>18</sup>. Widespread confusion has been confirmed by a recent study conducted by the Electoral Reform Society in Wales<sup>19</sup>. We have to change this knowledge deficit.

The Labour Welsh government could and should have mitigated the worst effects of the cuts, as the Scottish government has done. In Scotland, the SNP government has effectively abolished the bedroom tax. They scrapped the pay cap in the NHS, they have mitigated £400 million worth of Tory welfare cuts, set up the Scottish Welfare Fund and the Independent Living Fund as well as committing to getting rid of the profit-making elements of the welfare system<sup>20</sup>. To date, the Labour government in Cardiff Bay has done none of this.

The present government of Wales won't deliver the bold, radical changes people here need and it can't adequately defend people. We shouldn't pretend that it can. In this anti-politician climate, maintaining and strengthening our National Assembly and the powers and economic levers available to the Welsh government is a must.

In the 2017 election, the two largest UK parties gained a bigger combined share of votes than they previously had in decades. Yet neither an intensification of neoliberalism, nor the resurrection of British state / centralised socialism will provide the solutions that are needed to solve our economic challenges and turn Wales around.

Labour's refusal to even discuss a pre-election pact with Plaid Cymru, the SNP and the Greens before that election, as well as their refusal to contemplate working with others on proportional representation demonstrates how Labour's British centralists, in common with the Tory unionists, will always resist giving up power from London.

Labour's centralising socialism promotes the *state ownership* of resources like



electricity and water which means the currently decentralised, not-for-profit Dŵr Cymru, risks being centralised under London control under Labour's renationalisation plans.

The core weakness of this paternalistic, centralised socialism is its democratic deficit. It will

neither enable people to own their own resources nor run them democratically. It won't empower people because it doesn't trust people.

## **Decentralist community socialism & real democracy**

The decentralist socialism of Plaid Cymru is the opposite and therefore an alternative to the top-down, undemocratic model which has been embraced historically by British Labour. Decentralist socialism has been one of the core aims in the constitution of the Party of Wales since the 1980s, following the failure of the centralising policies of Labour during the late 1970s which led to the election of Margaret Thatcher in 1979.

Decentralism means devolving power to the lowest level possible in a deliberate and concerted pull away from the centre. Power naturally centralises. Decentralism means that the good of people and the community – the collective good - should be placed above the interests of money, corporate and government power. Decentralist socialism should be a democratic exercise in stripping both political and economic power away from the multi-national corporations and the centralised state, bringing control back to the community through shared ownership and local democracy.

The concept of decentralisation in Plaid Cymru is deep in our roots. In the 1930s, DJ and Noelle Davies described the party as 'a champion of the workers, without succumbing to the fallacy of centralised socialism'.

"Only a bold and genuinely redistributive progressive agenda can offer real answers to inequality and the crisis in democracy while directing popular rage where it belongs: at those who have benefitted so extravagantly from the auctioning off of public wealth; polluting our land, air and water; and the deregulation of the financial sphere."

– Naomi Klein, 'No is not Enough', 2017

Devolving and decentralising power can avoid a return to the undemocratic, centralised economy of the 1970s, whilst also protecting our communities and assets from the constant neoliberal transfer of resources from the public to the rich and powerful. Our role is to return true power to people in Wales.

Decentralisation runs like a thread through these policy ideas, but there are other principles and values which inform what we do.

## **What are we for?**

Just like Raymond Williams thirty years before, Naomi Klein says “NO is not enough”.

In a 1984 interview entitled “Decentralism and the Politics of Place”, Williams said *‘You can’t make much of an alliance out of negatives; the only real basis of alliances is agreement on the positive proposals for transcending the negatives.’*

What does a transformative programme look like? Rather than reinvent the wheel, it’s worth looking at Klein’s LEAP approach for a radical change in direction. Programmes based on the shared values of the LEAP model have been developed in a number of different countries. Can Wales plug into that movement and develop a programme of our own to counter the growing inequality, poverty and intolerance that comes with a rise in populism from the far right through a community-based alternative?

This is a first draft of a set of **values and principles** that a Welsh LEAP programme could look like.

- 1. Decentralisation** – People in all areas should share the wealth / prosperity. Power needs to be devolved within Wales itself. We must not re-create the unbalanced relationship between ‘core’ and ‘periphery’ that has been socially disastrous for Wales within the British state.
- 2. Self-sufficiency and living within our means** – building resilience to future shocks and to be able to provide for our own needs, where possible, but especially for life’s basics. Climate change necessitates making the transition to end our dependence on fossil fuels and people in Wales must be in control of that process. Future-proofing to ensure we have the skills and infrastructure for a new green economy.
- 3. The maintenance and strengthening of existing rights and protections** – there is a risk that these could be watered down through



the process of leaving the EU. We must strengthen workers' and human rights, including those of women, linguistic groups, children, refugees, LGBT people and the rights of those from BME and religious groups to participate fully and equally in our society, and to be free from exploitation and abuse. We should consider what community ownership of resources as well as additional linguistic rights would look like if we were to prioritise and protect the Welsh language and communities with a high percentage of Welsh speakers.

We should also work towards granting full rights for all to access lifelong education, a decent home, a high standard of health-care and a clean environment.

- 4. Striving for equality by lifting those at the bottom and working to eliminate geographic inequality.** The basic services we all need should be not for profit and where possible publicly or community owned.
- 5. The assumption that our public money should be spent for public good.** Money spent abroad should contribute to the prevention of war and conflict and not to the perpetuation of it. Military expenditure should be reduced to cover necessary security. The ratio of social spend to military spend must change to increase money for social programmes, including aftercare / homelessness prevention programmes and mental health support for ex-military personnel.
- 6. Maximising democracy by increasing people's ability to participate in it.** This includes a right to retraining for green jobs and being democratic participants in that training.
- 7. Openness to value and nurture all people** rather than treat newcomers with fear and suspicion. Value elders and recognise knowledge accumulated over a lifetime. Work to end the epidemic of violence against women.
- 8. Co-operation not competition.** We can achieve so much more if we all pull together in the same positive direction.
- 9. Wales must be seen as a national entity.** Our education system needs to equip our citizens to see the world through a Welsh frame, and to draw on the history of Wales to connect with the world.

**10.No nostalgia in our politics.** There was no golden past. We must understand and learn from our history to know how we got here, but we can't be confined or defined by that. Let's look to the future and not to repeating, celebrating or being weighed down by the failures of the past that brought us to this point.

### **The Wales we want: Plaid Cymru's policy ideas for a democratic and empowered future**

"Real independence is a time of new and active creation: people sure enough of themselves to discard their baggage, knowing the past as past, as a shaping history, but with a new confident sense of the present and the future, where the decisive meanings and values are made". – Raymond Williams.

These values and principles can be built upon and amended as we discuss the Wales we want to live in, through town hall meetings and other fora. The following policy ideas are designed to offer solutions to the problems many people face with 'the system'.

### **Plaid Cymru wants a democratic revolution**

For us, democracy comes first. In line with our decentralist vision and the values and principles outlined above, we want to see people and communities empowered through both political and economic democracy. We want to build a Wales where every community has a stake in its own natural resources, where every person is encouraged to set up their own enterprise, where every village and town has the power to influence its own planning and development, where we have control over all of the means to protect the Welsh language, where people have a direct impact on the budget set by councils and the government for their NHS and public services.

#### **Case Study - Mondragon**

The 'Mondragon Corporation' is a large federation of workers cooperatives in the Basque Country that employs over 74,000 members across four sectors and over 250 separate organisations. The first initiative in the chain was the creation of a local technical college that was designed to promote humanistic ideas of solidarity and community participation in a region that was still economically depressed after the Spanish Civil War.

In the 1950s a first wave of students founded a cooperative based on manufacturing and retailing paraffin heaters. With this successful first experiment as a basis, more cooperatives were founded with the aid of a new credit union that added the element of community finance to the knowledge and skills base being created by the college. A local economy based on the principles of self-sufficiency and community participation began to flourish over the next 20 years.

In the 1980s the now flourishing cooperatives had to respond to the new situation created by the Spanish state's application to join the EEC. The result was that the ventures were brought together into a federal structure that could use the collective strength of the existing enterprises to continue to promote the creation of new cooperatives.

From the 1990s onwards, Mondragon began to expand abroad, offering cooperative support first to initiatives in Mexico and even, by 2009, in the United States where local trades unions had approached them.

In the post 2008 financial crisis, despite the loss of some of its enterprises, Mondragon continued to expand. With its commitment to 'one worker one vote' decision making structures, programmes to ensure the inclusion and equality of women and guarantees of minimum wage levels, Mondragon is often regarded as an alternative economic model that should be studied globally.

In recent years, especially since the financial crash, the group has received some criticism for establishing a 'two tier system' where some of its employees do not get the same rights as worker-owners, but others – such as academic Noam Chomsky – have pointed out that this proves that it is difficult for a cooperative that must function in a capitalist setting to not be compromised by harmful practices.

Mondragon is not a utopian model that should act as a template, but from an economic and political democracy perspective, the survival of the Mondragon model over six decades continues to provoke studies and debates about alternatives to 'top down' corporate management in a share-holder owned global business environment.

By succeeding in going further with internal democracy and worker-run management than most other large mutual and cooperative organisations in Europe, whilst also becoming the 10th largest business operation in

Spain with global sales of \$15billion, Mondragon proves that alternatives based on 'people first' principles of community participation and worker ownership can be both economically viable and competitive with centralised, profit-making share-holder based businesses.

The most important lesson from Mondragon's success is that it was founded in one of the poorest and most economically depressed parts of Spain, but has been a significant factor in the Basque Country now being one of the richest parts of the state.

## **Enabling Co-operation**

1. Plaid Cymru wants to make it easy for the workforce to buy their company and run it as a cooperative if it is at risk of closing.
2. If a community has a low standard of housing, the Party of Wales wants to see housing associations be able to be owned and run by their tenants.
3. Encouragement and support through access to finance and training for people to set up their own businesses or join with others to create cooperatives or social enterprises.
4. A national energy provider, run co-operatively that will reinvest profits from the sale of energy in the public interest.
5. A publicly owned investment bank and making use of local authority pensions funds where possible, for investment in renewable energy infrastructure and housing.
6. We will make it easier for communities to set up renewable energy cooperatives and social enterprises, including the provision of low or no-interest loans.

The state has a role to play in providing a safety net, redistributing wealth, regulating and providing public investment. Plaid Cymru does not believe that the state should own public resources on behalf of people in Wales. Instead we want to see people in charge of their own communities, resources and assets. To bring an end to our dependence, we should ensure that no government can ever again be able to take these assets out of community



ownership. Future-proofing our social gains through democratic, decentralist socialism is a good way to build our resilience to future economic shocks.

Plaid Cymru already has a body of detailed policies to enhance both economic and political democracy. These policies are informed by our belief that there should be an equal right for everyone to have basic economic opportunities to be able to provide for their own needs. Economic democracy includes good quality education to maximise personal development and good public health to maintain the ability to work. It also means providing a safety net for those who are not able to fully participate in work. We will continue to form and develop new policies to empower people through the enhancement of our economic and political democracy in response to feedback.

### **A holistic approach to education, employment and health**

1. The equal right of everyone to have economic opportunities to be able to provide for their own basic life needs and those of dependents.
2. Minimum level of social security safety net for those unable to work.
3. Strengthened and empowered trades unions to maintain good workers' rights.
4. Tertiary education for all – providing education and training from cradle to grave. Learning from the Basque Country, this will include in-work training and support for people to start their own enterprises, a mass apprenticeship programme and the paying off of tuition fee debt for those who live and work in Wales after graduation.
5. Good quality life-long education opportunities to maximise personal development.
6. We will make it illegal to make a profit out of education.
7. A comprehensive programme of re-training for those whose jobs are at risk from automation and the democratic participation of the workers through their trades unions or other relevant bodies in devising that.
8. Good, comprehensive system of public health to maintain the ability to work.

We will also develop ideas that Wales doesn't yet have the powers to implement. We will demonstrate why we need those powers and we will push for them to be returned from London or Brussels so that the current lack of power does not prevent us from working on our objectives.

## **Decisions about Wales should be made in Wales**

A core principle of decentralisation, for us, is that *people in Wales* are best placed to take decisions in the best interests of Wales. If those decisions are taken outside of Wales, then there is a risk that those decisions will not be in our best interests. Currently too many decisions affecting Wales are taken in Westminster by people who have little knowledge or interest in Wales or the needs of the people who live here.

Our spending priorities would be different too. Various Westminster governments' priorities have not been Wales' priorities. Every year, £36 billion or 2% of the UK's GDP and three times the Welsh Government's annual spending, is spent on defence. That can be reduced to prioritise keeping people warm, sheltered, fed, well-educated and in good health. When the estimated billions lost through tax evasion are added to the £7 billion planned for renovations to the Palace of Westminster and the smaller yet equally wrong £350 million of public money planned to be spent on Buckingham Palace, we cannot accept that the money isn't there for the basics.

*Taking more control* over our own affairs in Wales is a crucial first step in the struggle against poverty and inequality. It is also a way to end our history of un-representative governments. At present, 610 MPs who are not from Wales and the unelected, undemocratic House of Lords decide what powers Wales shall or shall not have. That is not democratic.

To build and demonstrate support for more control over our own affairs, we want people to sign a declaration to agree that **"decisions about Wales should be made in Wales"**.



## **Assembly Reform – Drive for Full Powers**

Plaid Cymru wants the voting system reformed and our Assembly overhauled. Neither are fit for purpose. Eighteen years of devolution and four Wales Acts have failed to deliver for the people of Wales. *Real democracy* means the Assembly having all of the powers and tools it needs to implement policies which will nurture people here as well as to defend itself from the growing forces of reactionary British nationalism, which seek to abolish it. Our Assembly must be prepared to make full use of all of its powers, including the limited economic powers it currently has. Until we *gain full powers*, we cannot end our dependence on London. Unless we can do that, it's difficult to see how we can tackle our poverty and inequality. Only *full powers* will enable us to get the Welsh economy working for Welsh citizens, as opposed to people or interests elsewhere.

### **Developing a strong sense of equal citizenship**

Education is essential in protecting, reinforcing and enhancing our democratic society in order for Wales to remain open and tolerant and a place where the ideas of the Far-Right cannot take root. Building a Wales based on care, compassion, equality and mutual respect starts in our schools.

Plaid Cymru will create a two-pronged political education programme taught to our children throughout their school lives. First, the focus would be on what it means to be a citizen. Too few people have a full understanding as to how the political system works, how influential their vote or political activity can be or what powers the Assembly does and does not have.

Understanding the basics as to how democracy functions is vital to being able to take part in it. Elite power feeds off people's ignorance of the political system. The large scale disconnect with politics that is revealed in numerous polls and studies has been shown to directly result from ignorance and confusion. Plaid Cymru will develop a programme that finds innovative, engaging, and non-partisan ways to introduce our children and young people to politics.

The second part of this programme will help promote equality. Relationships education for mutual respect would focus on sexual consent, bullying and the damage caused by sexism, racism, homophobia and ableism in our society. Children are born without prejudice, but our current education system leaves a vacuum in our understanding of social relations that is filled by the tabloid press, right wing hate mongers and bullies.

There are positive international examples from Scandinavian countries, the Basque Country and others, where good quality citizenship education is taught in schools.

The building of a free, open and equal society starts in our schools. Fostering respect for our own as well as different cultures, and allowing for the awareness of the distinctive and diverse histories that have been the making of our nation, is the necessary basis for creating an accepting, open and confident Wales.

## **Democratising our government**

1. Reform of the voting system to introduce proportional representation.
2. Full powers so that our Welsh Parliament can defend our people from the growing forces of reactionary British nationalism which seeks to abolish it.
3. Make full use of the powers we have to bring about a democratic economy.
4. Push for full self-determination, starting by taking back powers from Westminster to Cardiff. Build support for the principle that decisions about Wales should be made in Wales.
5. Gender balanced representation.
6. Votes at 16 accompanied by a political education programme taught throughout the school life, covering what it means to be a citizen, understanding devolved and non devolved matters, and relationships education.
7. A youth parliament made up of elected young people that enables them to use their collective voice to influence decisions and to gain experience of the political process will be a key element of our ambition to increase opportunities for debate about all aspects of politics among young people.

## **The power of community**

Devolution, the decentralising of power, democracy and independence do not end at the national or Assembly level. Improving our democracy must mean enabling more participation from more people. Policy consultations must be made more accessible and shown to be meaningful.





We have already begun the process of increasing participation and improving community engagement through an agreement with the Welsh Government for a pilot citizen involvement project on the Welsh budget. Furthering and extending the principle of the citizen's involvement in budget setting and political decision making (as well as providing the information, knowledge and education to enable full participation) should be a government priority and will be for Plaid Cymru.

## **Measures to improve our communities**

1. Decision-making should involve more citizens and as much power as possible should be decentralised to community groups as well as local, town and community councils.
2. Increase people's participation in the budget setting of public bodies.
3. Government support for community initiatives to reverse austerity.
4. Encouragement for people to get involved in the local food bank, social centre, community kitchen/cafe, local power generation schemes, youth clubs, campaign against cuts, closures of local amenities, etc.
5. Reform of local government to increase the powers of town and community councils, building in models to increase participation in democratic and community activities.

## **Be the change we want to see: community activism**

None of these changes will be possible for Wales without a political party willing to work at the grassroots or community level. Plaid Cymru activists today are already engaged in social projects throughout the country: volunteering at food banks, running community kitchens and social centres, campaigning against cuts and closure of local amenities, launching local energy generation schemes and much more.

We need to build on this work. Every branch of the party should look at ways in which they can get involved in community action to concretely tackle and reverse austerity in their neighbourhood. Our community champions are already **'being the change they want to see'** and we need to foster the idea that every citizen can be involved in turning around their own community.

**‘We can do it for ourselves’** should be our mantra. In a real democracy, politics is not just the preserve of the politicians. *This is decentralist socialism in action.*

### **Cegin Cofi – Fair share scheme**

Community project Cegin Cofi began seven years ago as a healthy food van providing homemade good value food for the Ysgubor Goch estate, Caernarfon. Cegin Cofi provides opportunities for young people to gain qualifications in food hygiene and preparation.

Chef and community worker Kenny Khan - now a Plaid Cymru Town Councillor - was its originator and driving force. Cegin Cofi's latest incarnation is the Foodshare scheme on the estate. Kenny and his volunteers give out surplus food from the local Tesco to those who need it, no questions asked. Many of the people who visit the scheme are in work or on zero-hours contracts.

Cegin Cofi will soon be opening a cafe on the estate, providing yet more affordable home cooked food and training opportunities.

### **Saith Seren Welsh Centre in Wrexham**

Volunteers formed a community cooperative to re-open a town centre Victorian pub as a hub for the town's Welsh speakers and learners back in January 2012. Despite the county borough of Wrexham having more Welsh speakers than Caernarfon, they were largely disparate. Saith Seren was a way to bring them together and socialise through the medium of Welsh.

Without a penny of public funding, they have successfully put on a wide range of cultural events - music, poetry, drama, comedy and quizzes - in both languages, becoming a vital community centre in the town. They also sell Welsh books and magazines and every fortnight have a pop-up Welsh shop.

The emphasis is on local real ales and, naturally, Wrexham Lager, but there is an international flavour to the centre too as it hosts Portuguese language classes as well as Welsh learners in the upstairs rooms.

In a town just 10 miles from the border, Saith Seren has helped normalise the Welsh language as a part of local life.

## **Penygraig Park Paddling Pool**

The Penygraig Park paddling pool committee was set up when the Labour council in Rhondda Cynon Taf locked the gates to the paddling pool in the popular local park. In 2016, the site was visited by the new AM for the Rhondda. She and her team were moved by the large group of children who happened to be in the park that afternoon, giving the clear message that they wanted their pool re-opened. They even agreed to get involved.

One year on and a dedicated group of volunteers, including many young people, got all the paperwork and funding needed to open the pool for two weeks during the summer holiday, August 2017. A supervisors' rota was in operation for the fortnight. The volunteers cleaned up and painted the space, and created a real community event.

Certificates were given to the young teenagers who got involved. The committee's youth leader now wants to train as a lifeguard. The committee plans to train up more supervisors from the local comprehensive school in time to open up for longer next year. Older teenagers are involved in maintaining the pool and reducing anti-social behaviour. This demonstrated real community ownership.

## **Building the Foundations for Economic Democracy**

According to the sociologist Michael Hechter, Wales' economy has developed as a typical colonial/extractive economy like those in Latin America, built to facilitate the easy export of valuable natural resources. In his argument, Wales exists for the benefit of people who do not live here.

Overcoming these structural disadvantages and building an internal infrastructure that works for and benefits Wales will take a generation of investment. The Westminster parties have no intention of helping us break our economic dependence. To rebuild our economy ourselves will require a strong, community-based programme of economic and political regeneration, where we free-up our peoples' creativity and natural resources, as well as a 'connecting Wales' infrastructure plan.

We must rebalance and refocus on the *real* meaning of free enterprise. Free enterprise should not be used as an excuse to further reduce regulation and taxes for the multinationals.

## **Tax and big business – making those who can pay their share**

Plaid Cymru believes that business has a vitally important role to play in society and in building up our country's economy, but we do not believe that it should be paramount. We believe in a mixed economy of private, public and mutual enterprise.

We recognise the market and believe it should serve the people.

We believe in sharing economic opportunities amongst our citizens through a binding social contract, where profits generated in Wales help pay for social goods that all of our people benefit from.

A Plaid Cymru government would support and nurture an indigenous Welsh business sector, as locally and nationally rooted enterprises are more likely to stay in Wales and deliver social and economic benefits to the country and to local suppliers. Wales cannot have a truly democratic economy until the number of Wales-based enterprises expands as a proportion of our economy.

### **People come before profit**

The actions of all parties in power in Westminster have given the impression that money comes first, and that people's lives don't matter. Banks that are seen as 'too big to fail' have been rewarded for recklessness and protected from the consequences of their actions whilst profits are off-shored for the benefit of a few instead of being reinvested in our economy for the benefit of all.

A democratic economy in Wales would ensure that high earners pay a fair amount of tax and that corporate tax loopholes are closed. The Party of Wales must ensure that the new Welsh Revenue Authority and Welsh Treasury adhere to these principles.

Plaid Cymru will encourage companies wanting to invest in Wales as long as they are willing to pay their fair share of tax. When a company board prioritises a quick profit over long-term gain and relocates or closes down, the idea that 'the market fixes everything' is insufficient. What is in the best interests of a company's bottom line might not be the same as the interests of the employees.

It would not be sustainable for government to 'prop up' genuinely failing businesses. To counter both scenarios, Plaid Cymru will create a system of tax



breaks and incentives to enable workers and communities to buy-out their company if their jobs are at risk so that the workers can take responsibility for re-shaping and making a success of their own business.

We will introduce tax incentives for the setting up and running of mutuals and cooperatives and to help worker buy-outs to raise capital by demonstrating that their business can be run with lower overheads.

### **Tax: a people before profit approach**

1. The new Welsh Revenue Authority and Treasury should ensure that the highest earners pay fair tax and that corporate tax and other avoidance loop-holes are closed.
2. Reinvestment of money raised in tax into infrastructure, public services staff, grassroots economic initiatives and worker-owned co-operatives to reverse austerity.
3. A cap on executive pay in the public sector so that the top public sector salaries are no higher than the First Minister's.
4. Linking changes in politicians' pay to changes in public sector pay.
5. Indexed wages, so that the lowest and highest-paid posts in an organisation are linked to each other in a ratio.
6. Tax breaks and incentives for mutuals, cooperatives, non-profit care provision and for those workers seeking to buy-out their company at risk of closure.
7. Develop social partnerships with international companies so that they make a lasting contribution to the country. Incentives to such inward investors should be used to dissuade 'footloose' investment, instead encouraging the development of sustainable supply chains and the creation of clusters.

### **Decentralised, community owned power generation**

Global battles over scarce energy resources are not going away. If the Welsh economy is to be developed sustainably, in a way which measures up to our



party's commitment to contribute to world efforts to combat climate change, our economic plan has to place sustainable development at the centre. It must include measures that will ensure Wales's natural resources are utilised for the transition to an economy no longer dependent on fossil fuels.

Renewable energy generation should be one of Wales' greatest economic assets. We are currently self-sufficient in electricity. We export our surplus electricity and water so we have much to build on.

**Plaid Cymru will create a national energy provider that will reinvest the profits made from the sale of energy for the public interest. We will also make it easier for communities to set up their own energy initiatives so that power can be generated as locally as possible. Low or no-interest loans should be made available for such projects, using the profits from the national energy company.**

### **Local procurement**

We are not keeping hold of enough of the money that is already generated in Wales.

The pension schemes of public sector workers and councils, the profits of the large retail giants and service providers are sources of wealth that are either extracted from our economy or invested outside Wales. A national investment bank would make it possible to redirect publicly owned investment pots back into our own industries and businesses.

Leopold Kohr in his book 'Is Wales Viable' (1971) advocates the development of a 'home' market, where the money earned in Wales is spent in Wales, stimulating local economic activity which would in turn create jobs. A 'small is beautiful' approach, as advocated by Schumacher and Kohr, would support small local enterprises over multi-nationals.

Professor Karel Williams has advocated something similar through his

'foundational economy'. Financial and practical support to bring new markets to a multitude of small firms should aim for them to take on one or two trainees or new workers to build capacity so they could tender for local public goods or services contracts. The report by Adam Price and Kevin Morgan (The Collective Entrepreneur, 2011) on public procurement and social enterprise could help to inform this work. While procuring more goods nationally or locally is possible within the Single Market, opportunities should also be sought to make the conditions more favourable to local procurement as the UK leaves the European Union.

## **Living and working differently**

The planning system was set up to protect the natural environment from over-development, yet it now protects developers above the interests of the individual and the community. Most of the planning rules were created for an age of heavy industry that no longer exists. With technology changing so many aspects of the way we live our lives, now is a good time for us to rethink the boundary between living and working space.

### **Living and working**

1. The planning system can be used to create mixed zones for self-employed people where housing can combine workshops, storage spaces and offices with one and two-bedroom flats so that start-ups and self-employed people can cut travel and other overhead costs.
2. We will make it easier for individuals and families to get planning permission and financial support to build their own low-impact houses to reduce the cost of living as well as impact on the planet. Wales should join in with the revolution in portable, prefabricated and mobile living spaces suitable for single individuals and as starter homes for families.
3. Good housing conditions can be extended by legislating to ensure that this low impact housing cannot be re-sold or rented out, but to ensure that it is retained as social or affordable housing in perpetuity.
4. Plaid Cymru will set up an agricultural land bank to make it possible for individuals, cooperatives and community groups to buy space for both living and working.

5. We would make it easier for farmers to let and sub-let small parcels of land that can be settled with low impact housing whilst people create new land-based businesses to drive our sustainable food economy. This would enable the service connections and clusters of buildings at the centre of current large and medium farms to become rural business infrastructure hubs supporting new hamlets of rural, self-employed producers.

## **Empowerment through Education**

If Wales had been able to keep hold of its talented people as well as our natural resources in the past, there is little doubt that we would now be in a more positive economic position. We must create the conditions to enable our young people to stay in Wales and thrive. One way is enabling and supporting young people to be self-employed, to be business creators and founders of social enterprises and mutuals. This starts not just with resources and spaces but also with education.

Plaid Cymru has already established policies for a mass apprenticeship programme and to cover the costs of tuition fees for those young people who live and work in Wales after graduation. These plans will be refreshed ahead of the next elections. Both these policies together will provide the skills-base and talent required to rebuild our economy. They will also stop our young people from feeling that they are forced to leave their communities to find work.

The Welsh tertiary education system should enable people to receive and engage with educational programmes from cradle to grave. By investing in tertiary education and in aiming for the entire population to become educated to tertiary level, the Basque government has given the majority of adults the opportunity to improve their job chances as well as empowering them to start their own enterprises.

A comprehensive in-work education programme similar to that available in Denmark would help to retrain and upskill those workers whose jobs are at risk from automation.

The combination of making education more available on the one hand, and making it fee-free for those who continue to live and work in Wales on the other, will provide both our communities and the economy with the boost they need.

## Why would we not do this?

By freeing up our people's creative talents, providing spaces for new enterprises to bloom, ensuring that more of our money is invested back into our economy and sufficiently taxing those people and businesses who can afford to pay, a Plaid Cymru government would be alleviating poverty and reducing inequalities both by creating wealth and encouraging a consistent price 'drive down' on the necessities.

Much of our poverty today is artificial, driven by property prices, high energy prices and the unaffordability of starting a new enterprise from scratch. To continue to run a restrictive and high cost economy like this in a country rich in natural resources makes no sense.

A Plaid Cymru government will enable a decentralised economic revolution. People in Wales are best placed to lead the change Wales needs. Wales is a community of communities being failed by market capitalism. People in those communities are crying out for new ideas and a new direction. Plaid Cymru believes in the ability of people in Wales to bring about change by working and pulling together.

Wales now stands at a crossroads between a future where we play a peripheral role in an increasingly right-wing, centralised and reactionary British state, or one where we can develop our own democracy and economy from the bottom up. There needs to be a full and open debate - with everyone involved and included - about the kind of country we want to live in.

We face challenges, but also there are opportunities for people to engage with politics on a new, mass scale. The constitutional uncertainty means that we must question everything about how our economy, infrastructure and democracy is structured. We cannot be afraid to develop ambitions that we



don't yet have the powers or the finances to realise, but we must be single-minded in our efforts to obtain those powers and finances.

The Party of Wales doesn't have all of the answers. We are looking to our members, supporters and wider Welsh society to contribute more policy ideas that fit with the broad principles and values outlined in this pamphlet. It is hoped that this pamphlet will be used to spark conversations in communities throughout the country in what will hopefully engage everyone who is interested in the future of Wales.

Plaid Cymru members and activists can be the community champions who help to realise this decentralist future through participating in and leading local action and community projects, as well as facilitating and contributing to our collective thinking, helping to promote and develop a detailed plan for a more democratic and inclusive Wales that works for all.

We must be the change that we want to see, by being engaged at every level of politics from community action groups to local councils through to our national Parliament. This is **OUR Wales**, and not only must we defend it but we must also influence its growth into the inclusive, prosperous, democratic and just place that we all want it to be.

Now is the time - Ymlaen!



Plaid Cymru | Party of Wales





## Notes

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