



The Future Generations Report 2020: Executive Summaries



Let's create the future together

A Prosperous Wales



"An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work."

Well-being of Future Generations (Wales) (Act 2015)

Our economic system is broken. We have seen widening economic inequalities, especially as the very rich get richer, along with increasing levels of insecurity, homelessness, in-work poverty, mental health conditions and loneliness. As trust in institutions declines, people turn inwards or against each other; deepening divisions within our society.

Our planet is also on the brink of the sixth mass extinction, as catastrophic climatic and ecological breakdown get closer and closer. In the last 40 years, humanity has gone from using one planet's worth of natural resources each year, to using one and a half. We are on course to be consuming three planets worth by 2050.

The Well-being of Future Generations Act provides an opportunity for Wales to ensure public money is spent in a way that improves economic, social, environmental and cultural well-being. Wales needs an approach to economic development that delivers well-being in its widest sense.

"If the planet doesn't survive, capitalism doesn't do too well either."

Rose Marcario, CEO Patagonia



Policy Recommendations

In line with the Well-being of Future Generations (Wales) Act (2015), Welsh Government should demonstrate how they are applying well-being economics in all of their policy, funding arrangements and interactions with the public, private and voluntary sector. Welsh Government should ensure they are meeting the Act's aspirations of equitable distribution of wealth, health and well-being, while protecting the planet's resources for future generations and other species.

Welsh Government should...

Explore opportunities to pilot a four day working week, aligned with universal basic income, building on evidence gathered from pilots in other countries.

Align the Foundational Economy Challenge Fund with the proposed Social Partnership (Wales) Bill that is seeking to strengthen social partnership arrangements.

Ensure everyone in Wales has access to reliable digital and internet connectivity; and work with businesses, voluntary organisations and communities to help achieve this.

Demonstrate how the natural environment is incorporated into all economic and political decision-making.

Adopt a whole government approach and work collectively with businesses, trade unions, the voluntary sector, communities and people across Wales to implement a low carbon society for current and future generations that leaves no one behind.

Continue to lead the way on recycling, and implement its ambition to become a zero-waste, net-zero carbon country.

Use all policy levers in its relationship with the private sector to develop a shared mission to deliver all of Wales' well-being goals.

Ensure it provides clarity to public bodies on how the Social Partnership (Wales) Bill and the socio-economic duty align with The Well-being of Future Generations (Wales) Act 2015.

Put in place arrangements to provide practical support to businesses across Wales, working closely with the public sector and the Office of the Future Generations Commissioner, to jointly work towards meeting Wales' well-being goals.

For my process recommendations for both Welsh Government and Public Bodies, please see my full report or its individual chapters.

Advice on setting well-being objectives for all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government)

Please refer to the chapter on Setting Good Well-being Objectives, but in setting their objectives specifically in relation to this goal, all public bodies and boards covered by the Act should:

- Demonstrate the connections between their well-being objectives and steps on prosperity, and other areas such as the natural environment, fair work, procurement, health and well-being and skills in a meaningful way.
- Clearly set out how they understand the definition of the goal: 'A Prosperous Wales'.
- Align their action and reporting on this goal with their commitment under the socioeconomic duty, to ensure their well-being objectives are addressing socio-economic disadvantages.
- Accelerate their action on reducing emissions, helping meet Wales' target of a carbon-neutral public sector by 2030. This means mapping the areas over which they have control and which have the biggest emissions - ensuring they have a plan in place to reduce them. Immediate areas of focus should include carbon reduction through procurement, ultra-low emissions vehicles (fleet), buildings, fossil fuel divestment, decarbonising heat, transport and tourism. (Also a recommendation in the section on Decarbonisation in Chapter 5).

In setting their steps, public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government) should focus in the following areas and should:

- Implement fair work practices through employment and services.
- Enable a low carbon society through reducing emissions and supporting community energy.
- Work with others to support the development of skills for the future.
- Procure goods and services in ways that support long-term economic, social, environmental and cultural well-being.
- Support the foundational economy through generating wealth and providing employment.
- Use resources efficiently, recognising the limits of the global environment.



Where are we now? My assessment of progress in achieving A Prosperous Wales:

Work is no longer a guaranteed route out of poverty. The unemployment rate in Wales remains at historically low levels, and yet, over half the people living in poverty in Wales today are in work.

In comparison with the rest of the UK, Wales has more people in low-paid work, with evidence suggesting this share is increasing, with 26% of employees in Wales earning less than the real Living Wage in 2017; a rise from 23.5% in 2012.

Public bodies are focussing on employment and economic growth, but are not making the links to ‘fair work’ in their objectives and steps.

One of the most striking findings from my analysis of public body well-being objectives on economic well-being, is that it suggests Welsh Government, with its objective to ‘tackle regional inequality and promote fair work’, is the only public body in Wales with a well-being objective or step that explicitly makes reference to fair/decent work.

Digital connectivity has the potential to transform the rural economy, helping people and communities in rural areas address some of the key challenges they face.

240,000 people in Wales are employed in the agri-food sectors, making up 18% of the workforce; Wales’ biggest employer. Rural parts of Wales face several challenges, one of which is an out-migration of young people, who feel that they need to leave and find the work and services that they want. Between 2010 and 2017, the proportion of farmers under the age of 45 in Wales fell from 14% to under 10%.

Wales has the legislation and policies in place to bring about a low carbon society, but we’re not acting quickly enough to reduce greenhouse gas emissions.

The Well-being of Future Generations Act, the Environment Act, and key policies such as Planning Policy Wales and Transport Appraisal Guidance (WelTAG) are all parts of the jigsaw that will move us towards a low carbon society where our natural resources are sustainably managed. Achieving the target of a 95% reduction by 2050 will require significant further action by public bodies in Wales than we’ve seen to date.

Wales has a major opportunity to make renewable energy part of its identity: a cleaner, greener chapter in our industrial story.

Currently, Wales has a target of generating 70% of its electricity consumption from renewable energy by 2030, and increasingly be community/locally owned. The Institute for Welsh Affairs work ‘Re-energising Wales: A plan for Wales 100% renewable energy future’, highlights how moving to 100% renewables in Wales can increase energy security, reduce fuel poverty and tackle climate change.

We can re-write the narrative on climate change.

Wales’ low carbon economy is currently estimated to consist of 9,000 businesses, employing 13,000 people and generating £2.4billion turnover in 2016. To build on this, Wales will need to create an environment where all the Welsh economy can contribute to clean growth. Doing so has the potential to prepare the Welsh economy for the markets of the future as the demand for low carbon goods and services grows.



Agriculture has a significant role to play in reducing Wales' emissions.

In 2016, agriculture accounted for 12% of Welsh greenhouse gas emissions. Wales needs a resilient and prosperous agriculture industry, which reduces its carbon emissions through a range of approaches.

Public bodies are not demonstrating a clear understanding of the full definition of 'A Prosperous Wales' well-being goal.

The term "prosperous" is referenced 15 times in public body well-being objectives and six times in Public Services Board objectives. These all refer to economic well-being relating to education, employment, poverty or Gross Domestic Product.

Objectives and steps set by public bodies and Public Services Boards should match the public's increasing awareness and expectation around the nature and climate crises.

Public awareness of climate change is at an all-time high, and it is positive to see the pressure this is putting on our global leaders. With this growing recognition, it is important Wales' public bodies increase their awareness and understanding of the value of the natural environment and thereby transition to a low carbon society across all areas of work.

Mid and West Wales Fire and Rescue Service introduced hydrogen-powered vehicles and electric bikes in the Neath Port Talbot and Swansea areas and installed LED lighting in all fire stations, and solar thermal panels and photovoltaic panels in five stations across the service.

There are promising initiatives emerging, such as Project Skyline – an initiative in Wales connecting people to their landscape - **but public bodies can go further in supporting community and local energy initiatives.**

In the responses that public bodies sent to me in 2019 on progress against my published 'Simple Changes', only 14 of 33 public bodies were exploring funding or supporting community groups to develop renewable energy projects on public land.

We are using our natural resources faster than can be replenished, but Wales is demonstrating its ambition to become a zero-waste, net-zero carbon country.

If everyone on the planet consumed the same as the Welsh average, we'd need 2.5 planets to provide the necessary resources and absorb the waste. Wales' ecological footprint, at 10.05 million global hectares, is roughly five times the size of Wales.

The New Zealand Government published its first Well-being Budget in May 2019. It takes a different approach to measuring success, based on a broader range of indicators than just Gross Domestic Product and puts well-being at the heart of decision-making.

Finland is considering a four day working week to boost productivity and cut carbon emissions. One study found that if we spent 10% less time working, our carbon footprint would reduce by 14.6%, and if we cut the hours we work by 25%, our carbon footprint would decline by 36.6%.

Below are the six areas I recommend that all public bodies, including Welsh Government, should focus on:

- Ensure people can secure decent work
- Transition urgently to a low carbon society that works within its environmental limits
- Ensure we use natural resources efficiently, recognising the limits of the global environment
- Skills fit for the future
- Procure goods and services in ways that support economic, social, environmental and cultural well-being
- Support inclusive local economies

For my full evidence, assessment, key findings and advice please see the section on A Prosperous Wales in Chapter 3: Progress against the well-being goals of the Future Generations Report.



© Andrewglaser



© Motacilla

