

CFA07 Federation of Small Businesses

Senedd Cymru | Welsh Parliament

Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a
Chysylltiadau Rhyngwladol | Culture, Communications, Welsh
Language, Sport, and International Relations Committee

Cymraeg i bawb? | Cymraeg for all?

Ymateb gan: Ffederasiwn Busnesau Bach | Evidence from: Federation
of Small Businesses

FSB Wales is the authoritative voice of businesses in Wales. It campaigns for a better social, political, and economic environment in which to work and do business. With a strong grassroots structure, a Wales Policy Unit, and dedicated Welsh staff to deal with Welsh institutions, media and politicians, FSB Wales makes its members' voices heard at the heart of the decision-making process.

Introduction

It's important to acknowledge the value of the Welsh language in terms of both being a commercial tool as well as a culturally significant aspect to Wales. Striking the right balance ensures that businesses comply with legislative requirements while also embracing the language as a tool for growth and wider promotion.

In our recent reports, FSB Wales has identified tourism and creative industries as examples of two sectors where use of the Welsh language for commercial purposes is important within our membership.

The economic value of the language is complex and cannot be easily quantified. Its value can be direct (e.g. in Welsh language products and services, such as in creative industries Welsh medium material), to more indirect where firms use Welsh to enhance business-to-business (B2B) activity but is less directly reliant on language.

While English remains the primary business language in Wales, the Welsh language should be viewed as an asset. Countries such as the

Faroe Islands and Greenland successfully use their native languages alongside Danish in commercial settings which shows the value of bilingualism more generally and promotes bilingual skills of value.

For many international firms, it is important that navigating Welsh language requirements is seen positively and not be seen as a barrier to entry and Welsh Government must ensure access to business support packages are accessible and advertised to both domestic and foreign firms. Again, an emphasis on access and value added is important.

Tourism Sector

Through our engagement with businesses, firms highlighted to us that the Welsh language is a positive experience for visitors and something that they often were not aware of before visiting.

During the research phase of our tourism report¹, many of our focus group were business owners who were not Welsh speaking, but for whom the Welsh language was an opportunity for branding, and something that was particularly appreciated by visitors from outside Wales. In this way, the use of Welsh language signs was felt to be particularly welcomed by non-Welsh speakers and were part of their branding of Wales as a unique experience. Business in our focus group encouraged others that had not given this much thought to do so and to look at the wider benefits of it as place marketing.

As such the link with projecting Welsh culture and language internationally fits with a differentiation from elsewhere and a badge of cultural authenticity within the 'All Wales' brand. This fits with Welsh Governments wider international strategy and awareness-raising and should be linked to wider export and trade activity. Branding needs to align to concrete wider policy development on sustainability and align with the wider cultural strategy such as on the Welsh language

¹Federation of Small Businesses. Welcome to Wales: The Economic Impact of Tourism.- <https://www.fsb.org.uk/resources/policy-reports/welcome-to-wales-MCO6TAYBAYKJGPNNDIE6O7ZFJAI>

Many noted how storytelling gives room for people to share stories was a great marketing tool, noting that "people like stories and they like fun."² This brings the question of how SMEs can develop, access, and promote their stories through use of the Welsh language that meets domestic and international visitors.

Interestingly, Welsh has been seen as a marketing asset for non-Welsh speaking visitors - especially from outside Wales - more than Welsh speakers themselves

"Visitors really like the Welsh language up here. They love the fact that they've got 'araf' on the road and this kind of stuff and it is very positive. I'm not from Wales originally. I lived in Wales a lot as a child on and off, but I'm not originally Welsh, you know, but been here 15 years. My kids are completely bilingual, you know, and that's a really important part of what we do on our products. And it's very much, if anything more, targeted at the visitor. It's about the people who aren't Welsh and the fact that they have this experience, so that without sounding funny, they realize they're in Wales because it's very easy not to otherwise."

There must be precedent to continue recording positive experiences of the Welsh language in harnessing commercial interest in visiting Wales, providing access for other firms to take on board some of the unique selling points it generates and how it could be a tool for them to adopt in the future.

Recommendations

- The Welsh Language should be viewed as a comparative advantage to branding and telling stories of Wales
- It should be harnessed for promotion materials, and should be used as badge of differentiation and authenticity internationally both within a Welsh and British brand
- Visit Wales and Visit Britain should continue to expand its commercial activity within smaller EU nations that have shown positive visitor trends over the past five years

² Federation of Small Businesses, 2018 'Boosting the Economic Impact of Tourism'

while building on more established markets that also contribute to high revenue returns.

The Welsh language should be better used as a 'hook,' and particularly targeted where this may raise awareness and interest internationally, such as in future trade agreements.

- Transport infrastructure needs to be aligned with tourist policy, particularly in rural areas, with a view to developing the sustainable / eco-tourism brand

Creative Industries

Creative industries are a huge export industry for the UK and Wales and as such play a key role in carrying awareness of Wales and a Welsh brand telling the stories of Wales across the world.

This also serves to highlight our distinctiveness in as a bilingual nation. In an era where the consumption of music, tv and film in minority languages is on the rise - seen for example in the popularity of 'world music', in 'Scandi noir', or in a Korean language film winning an Oscar for best picture - a global market for Welsh creativity provides for huge opportunities and must be aligned with wider brand activity and key areas such as tourism.

Brexit and the subsequent changes to funding was attributed as one of the reasons for the decrease in funding opportunities:

"All of those [Welsh language] successful TV series (Y Gwyll, Byw Celwydd) were funded by Creative Europe, so that's how Brexit has changed things from EU funding."

TV company, southwest Wales.

When conducting research for our 'Power of Creativity'³ report, our roundtables found that the Welsh Language was generally used as a matter of course, with businesses viewing it as a natural part of their branding, business plans and environment, particularly in north and west Wales. For many, bilingualism was a normal way of working in gaining contracts through Welsh institutions (S4C, BBC,

³ Federation of Small Businesses. The Power of Creativity: How Creative Industries Drive Economic Growth. - <https://www.fsb.org.uk/resources/policy-reports/the-power-of-creativity-MCHA4NHOFOLFH3NNQRS5BE6XOCVA>

but also in the public sector), and this appears to normalise its use. Those who weren't fluent or first language Welsh speakers were equally supportive where they were bidding for such contracts, and some had viewed ensuring they had language skills in their work to tender for Welsh language contracts as a competitive advantage allowing them to develop and grow.

As such there is a will and support for the language based on general business ethic. Even where some saw this in transactional terms to gain contracts (this tone was expressed by a minority), it was not viewed in negative terms⁴. Coupled with support for providing creative work and outlets for young people in their local area - particularly expressed by west Wales and north Wales - this suggests an untapped impetus that could be harnessed for both language and economy.

More Research on language, economic impacts, and opportunities

Welsh language research has noted that:

"Whilst there is widespread consensus regarding the centrality of the language-economy link to language revitalisation efforts, the overall tendency is for discussion of the relationship between the two to be conducted in rather general terms."

Professor Elin Royles also noted a lack of alignment between strategies to promote regional and minority languages and other governmental economic development policies. Royles suggests a more granular sectoral breakdown of economy and language link into four categories, working from areas where the link is least direct (i.e. that language used by a sector is incidental to the products or service provided) to most direct (where the service and product are intrinsically linked to the language used). Royles explicitly uses creative industries as the example, with the most direct link between language and economy development, as:

"Economic developments that are specifically associated with industries and activities that are directly related to a minority language and where the language may be a condition of employment. Examples of this category include creative industries whose

⁴ Federation of Small Businesses, 2024 'Power of Creativity'

products are in a minority language and who operate in a minority language.”⁵

Given the historical institution building around areas of culture (S4C, Radio, publishing etc), it is to be noted too that these form clusters of activity that provide support for creatives in their area and are a competitive advantage.

The link between economy and language has been the basis of the approach for the Welsh Government Arfor project, now into its second iteration. The aim of the programme is to:

“Support the communities which are the heartlands of the Welsh language to prosper through economic interventions which will also contribute to increasing opportunities to see and use Welsh every day.”

The creative industries form clear micro clusters across the Arfor area and Welsh language communities generally. Analysis should be made of how creative industries may (as NESTA argue) promote more creativity in their cluster areas relative to other sectors. This could provide a greater impact on growth through growing local capacity and capabilities as well as new business activity.

There would appear to be room to better align this key sector to the next Arfor round of projects, alongside an evaluation and economic analysis of the impact.

- Welsh language should be viewed as a competitive advantage and should be intrinsically linked to economic strategy and creative industry strategy as a driver of growth and innovation, and not as an add-on.

However, following Professor **Royles's** framework noted above, there is a need for further research aligned with Welsh Government projects, and through academic institutions to look at the role of the Welsh language in sectors from those most directly affected where language is intrinsic to the project (creative industries), to the relatively direct where language forms the day-to-day

⁵ Royles, Elin. 2019 'Workshop Briefing Report 3: Language Revitalisation and Economic Transformation', available at <https://revitalise.aber.ac.uk/en/media/non-au/revitalise/Revitalise---Workshop-Report-3---FINAL.pdf>

professional idiom but is not intrinsic and may be driven by demographics and place, and to those where there is less direct link with an economic sector and the language (possibly such as process driven sectors like manufacturing).

The aim would be to identify where the language provides for economic benefits and opportunities that are currently untapped and a more granular understanding of its value and where to target.

- further research should be conducted on the role of the Welsh language in the economy that takes a more granular approach by sector and place. These should look at sectors from those most directly affected where language is intrinsic to the project (creative industries), to the relatively direct where language forms the day-to-day professional idiom but is not intrinsic and may be driven by demographics and place, and to those where there is less direct link with an economic sector and the language (possibly such as process driven sectors like manufacturing).
- Policy targeting based on language and economic value should follow from this work.

Creative industries are a huge part of the Welsh brand and are a competitive advantage. Creative Wales should work with Visit Wales to ensure maximum value.

- In the longer term, FSB Wales's policy has been to have an arm's length Wales Trade and Investment body to look to develop investment opportunities and the Welsh brand and opportunities from overseas. Any such body should align the creative industry sector with other Wales brand needs (such as tourism, wider investment etc) to be mutually reinforcing
 - Welsh language promotes skills development opportunities within the creative sector, and products that can be marketed globally in an environment where minority languages are consumed more. Any creative industry strategy needs to view the Welsh Language in this economic framework of growth, not as an add-on.
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Welsh Language and Contracting Opportunities

It was clear that most businesses gaining work from the public sector and charities provided bilingual services as a matter of course. Moreover, many felt it gave them a competitive edge and new opportunities to build their portfolio.

One business in our northeast roundtable felt that being able to tender for work in both languages was a particular advantage as they were providing for Welsh language material in Clwyd, outside the usual heartlands and Welsh Language clusters⁶. They thought this was looked at as an advantage by contractors such as S4C, who would wish to expand their procurement to all parts of Wales, while also helping attract a high skills pool across north Wales. Hubs were described as important in ensuring that the Welsh language is seen as a natural language in which to do business. In Cardiff, some attendees recommended that others look to promote a Welsh language offer to access funding otherwise not as available. There is clearly a general support for use of the language and a will to use it in creative industries as a norm, which can be harnessed. Welsh Government should support research to better understand the impact of creative micro clusters on the local economy and in Welsh language areas. These projects should be geared at understanding rural/urban economic factors, and more granular understanding of interaction between Welsh language and economy.

- The next round of the Creative Clusters programme should look to provide a new focus on micro clusters outside the urban agglomeration clusters, including the 15 micro clusters in Wales (12 of which are outside the Cardiff Clwstwr area).
- Welsh Government should support research to better understand the impact of creative micro clusters on the local economy. These projects should be geared at understanding rural/urban economic factors, and more granular understanding of interaction between Welsh language and economy.

⁶ Federation of Small Businesses, 2024 'Power of Creativity'
