



Poverty and social exclusion: A way forward

Background

The Wales Centre for Public Policy (WCPP) was commissioned by the Welsh Government to conduct a review of international poverty and social exclusion strategies, programmes and interventions.

WCPP's review has covered a breadth of evidence, from 'what works' in individual interventions, to what makes an effective national strategy. A total of 18 reports were produced for this project, providing a substantial bank of evidence.

This policy briefing aims to bring together this evidence to frame and inform Welsh Government discussions on 'what next' to alleviate poverty and social exclusion in Wales.

Definition of poverty and social exclusion

There are multiple ways of defining and measuring poverty. For the purposes of this project, it was agreed that a multidimensional concept of disadvantage, including social as well as economic dimensions, would be adopted. The Bristol Social Exclusion Matrix (B-SEM) was selected, which better reflected the important interconnections between poverty and social exclusion and the complexity of the problem than an income-based definition. This definition is also closer to the Welsh Government's broad and holistic view of poverty and the scale of its ambitions to tackle it.

The approach that the Welsh Government takes – how it works to address poverty and social exclusion – is as important as the individual measures it adopts.

Poverty and social exclusion in Wales

Poverty and social exclusion are distinct concepts, but they are deeply interconnected. Social exclusion is a multidimensional and complex process through which individuals or groups are excluded from economic, social, political and cultural participation in society. People experiencing poverty face a higher risk of experiencing social exclusion and vice versa.

Poverty and social exclusion are major issues in Wales. Prior to the pandemic, poverty rates in Wales had seen a small decline over the preceding 20 years (from 25% to 23%). Much of this reduction was concentrated in the early 2000s and, since then, overall poverty rates have remained largely stagnant; with almost a quarter of people in Wales currently living in poverty. For much of that period, the rates in Wales were higher than in England, Scotland, and Northern Ireland.

The continually evolving situation due to the Coronavirus pandemic, cost of living crisis, war in the Ukraine and the implications of changes to UK and Welsh Government budgets, as well as other factors, point to the need for a dynamic approach to addressing poverty in Wales.

Developing a response

Poverty and social exclusion in Wales are complex and dynamic. And, while there are signs that the situation is set to become more challenging, its trajectory remains highly uncertain. This makes the approach that the Welsh Government takes – *how* it works to address poverty and social exclusion – as important as the individual measures it adopts.

Informed by the combined messages across the evidence base produced for this project, we suggest that the Welsh Government needs to address **five key considerations** as it develops any new strategy:

1. What is the focus or priority of the strategy? How will it add to and build on existing efforts?
2. What, therefore, will be the relevant combination of policy interventions, given the priority/ies identified?
3. Which national, regional and local bodies will need to be mobilised? Do they have capacity? Is delivery aligned with their incentives? What resources and support might they need? Is there the necessary capacity at the national level to monitor progress and hold partners to account?
4. How will progress be monitored? How will the 'success' of any strategy be measured? How will the efficacy of different interventions be determined?
5. How will the strategy incorporate the ongoing and meaningful participation of the people that it is seeking to support?

Poverty and social exclusion are highly complex, multifaceted and dynamic 'problems' to address, spanning multiple policy areas.

One possible 'prioritising' framework

The preceding section made the case for 'prioritisation', providing a coherent framework to support the organisation, management and oversight of a strategy seeking action across multiple domains. In this section we outline one possible 'prioritising' approach, illustrating how this can support the development of a strategy that is more than a policy intervention list. However, it should be noted that the articulation of priorities is, ultimately, a political decision.

Based on the Welsh Government's existing commitments and the evidence reviewed through our work, we suggest that the Welsh Government might coordinate its efforts around these four areas of focus:

1. **Reducing costs and maximising income** – Effective ways of maximising an individual or household's available income so that basic needs are consistently met, and adults and children do not have to repeatedly battle to 'make ends meet' and survive.
2. **'Pathways' out of poverty** – Evidence-based support to help people move away from crisis in the long term and access (higher quality/better paid) work, flexible and affordable childcare and wider socio-economic participation.
3. **An enabling environment** – Tackling barriers related to people's immediate environment or neighbourhood (e.g., lack of quality housing, adequate infrastructure, appropriate services, or green space), that affect their quality of life and socio-economic and civic participation.
4. **Mental load and mental health** – Addressing the emotional and psychological burden carried by people living in poverty and social exclusion through tackling stigma, (re)humanising 'the system' and treating people with the respect and dignity they deserve.

Conclusion

Taken together, the evidence shows that poverty and social exclusion are highly complex, multifaceted and dynamic 'problems' to address, spanning multiple policy areas, actors and delivery structures (see Figure 1).

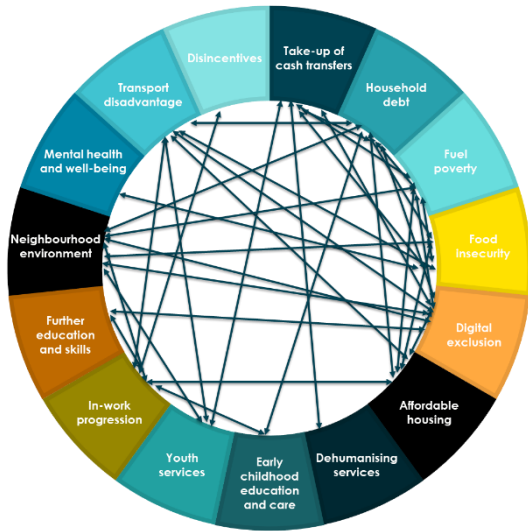


Figure 1. Research design

The lived experience of poverty and social exclusion reflects this complexity and volatility – those affected neither view nor experience poverty and social exclusion in discrete policy areas and the nature of their experience changes over time.

These 'problems' therefore cannot be effectively addressed through single-step solutions or parallel policy 'silos': an intentionally collaborative, multi-dimensional, flexible and integrated approach is required.

What emerges from the evidence reviewed is that any effective anti-poverty strategy in Wales must prioritise and focus on delivery. It must also include a 'policy mix' that responds to the interconnectedness across different policy areas of the problem and experience of poverty and social exclusion.

Find out more

For the full report see Bristow, D., Skeels, A., Roberts, M., and Carter, I. (2022). *Poverty and social exclusion: A way forward*. Cardiff: WCPP.

About the Wales Centre for Public Policy

Here at the Centre, we collaborate with leading policy experts to provide ministers, the civil service and Welsh public services with high quality evidence and independent advice that helps them to improve policy decisions and outcomes.

Funded by the Economic and Social Research Council and Welsh Government, the Centre is based at Cardiff University and a member of the UK's What Works Network.

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