



Social exclusion in Wales

Executive summary

This briefing is one of three briefings that provide an overview of past, current, and possible future trends in poverty and social exclusion in Wales. It should be read alongside the other two briefings in the series, on poverty in Wales, and the impact of the Coronavirus pandemic.

These briefings form part of the Wales Centre for Public Policy's work to deliver a review of international poverty and social exclusion strategies, programmes and interventions for Welsh Government. They are intended to inform and shape this wider project by providing insight into the scope and trajectory of poverty and social exclusion in Wales.

The findings in the three briefings draw on evidence from Welsh Government reports and statistics, the Well-being of Wales reports mandated by the Well-being of Future Generations (Wales) Act 2015 and reports by organisations including the Bevan Foundation and Joseph Rowntree Foundation.

Introduction

While poverty and social exclusion are distinct concepts, they are deeply interconnected. While poverty is generally narrowly defined in terms of low income and lack of material resources, social exclusion also includes wider forms of deprivation and exclusion from social, economic, political and cultural participation in society.

Social exclusion can increase individuals' risk of poverty through their isolation from economic participation in society. Similarly, poverty increases people's risk of social exclusion by limiting their access to the resources necessary to participate in various aspects of society.

The long-term (physical and mental) health impacts of Coronavirus and the disruption of education are likely to be key issues affecting the future of social exclusion in Wales

Material and economic resources

- Low income remains a key issue in Wales. One in four people in Wales are in poverty when this is defined in terms of living on less than 60% median income.
- In 2019-20, 13% of households in Wales were living in material deprivation and as such were not in possession of all the necessities required for full participation in society.
- Homeownership reduces people's risk of social exclusion and poverty. Households who own their homes have the lowest rate of poverty and social exclusion among all tenure types in Wales.
- Possession of savings and other assets increases resilience to shocks and reduces people's risk of falling into social exclusion

and poverty. In Wales, 9% of people have no savings and 15% have less than £100 in savings.

- Debt is both a cause and consequence of social exclusion and poverty. It is estimated that 8% of adults in Wales had severe debt problems in 2019.

Access to public and private services

- Social exclusion can limit people's ability to access key public services including education, health and social care, and social security, which can lead to entrenchment and exacerbation of social exclusion and poverty.
- Wales provides free universal education and health services which results in overall high levels of access and take-up, although there are groups for whom access could be improved. Quality or provision and outcomes is also inconsistent.
- The ability to pay for utilities is a key issue for people who are socially excluded. In 2018, 12% of households in Wales were living in fuel poverty.
- Issues around transport are known to contribute to social exclusion and poverty. In 2019-20, 13% of households in Wales did not have access to a private vehicle.
- Large areas of rural Wales are classified as highly deprived in terms of access to private and public services.
- Financial inclusion is important to the prevention of social exclusion and poverty. Around 2% of households in Wales do not hold any form of bank account.

Social resources

- Institutionalisation and family separation can contribute to social exclusion. Institutionalisation in Wales takes many forms including residential care, children looked after by the local authority, and

institutionalisation in prisons or young offender institutions.

- In recent years, there has been a decrease in young people institutionalised in Youth Offending Team settings while the number of children looked after by local authorities has significantly increased.
- Having adequate social support is highly important to people's mental and physical well-being. In 2019-20, 10% of people in Wales felt that they did not have plenty of people to rely on and 30% felt 'socially lonely'.

Economic and social participation

- Increased levels of employment and a reduction in worklessness have been key drivers of improvements in poverty levels in Wales in recent years.
- A lack of affordable childcare is a key driver of in-work poverty in Wales. Acting as the provider of other forms of unpaid care, such as caring for disabled, ill or elderly family members, can also lead to social exclusion and poverty. Participation in volunteer work can reduce social exclusion through the building of social networks. Around 26% of people in Wales participate in volunteer work.
- The nature of working life, including contract type, provision of paid leave and type of work, can influence people's susceptibility to social exclusion.
- Quality of work is a key issue in Wales. The proportion of people in low paid work in Wales is high and was increasing pre-pandemic.
- Lack of resources may limit people's ability to participate in common social activities, leading to social exclusion.

Culture, education and skills

- Qualifications and skills are key determinants of people's employability and income. The proportion of working age people with no qualifications fell to 8.4% in 2019 from around 15% in 2008.
- The 'attainment gap' between disadvantaged children and their peers can contribute to poverty and social exclusion in later life. By the end of KS4 children on Free School Meals in Wales are 50% less likely to achieve five or more 'good' GCSEs than their peers.
- Access to lifelong learning can help people improve their skills which can help people move out of social exclusion and poverty. Participation in education decreases with age. In 2019, only 11.2% of 25-30-year-olds in Wales were engaged in any form of education.
- The inability to access and take part in cultural leisure activities is a form of social exclusion and limits people's ability to accumulate cultural capital. Only one in five people in Wales participated in arts activities in 2018-19.
- A lack of access to the internet or suitable digital services can be both a symptom of and exacerbate social exclusion and poverty. Around 13% of households in Wales have no internet access.

Political and civic participation

- Citizenship status can impact upon people's ability to fully participate in political and civic life and in turn therefore impacts of the level of social exclusion they experience. More than 93% of people living in Wales are UK citizens.
- Enfranchisement is also a key element of participation in society. In 2016, only 45.5% of registered voters turned out to vote in the Assembly elections.

- Key barriers to civic participation in Wales include disillusionment, being confused by politics, finding politics unappealing and a lack of knowledge around political participation.
- Almost 50% of people in Wales who responded to the National Survey for Wales between 2012-2019 felt unable to influence decisions affecting their local area.

Health and wellbeing

- The connections between poor physical and mental health as both a cause and consequence of poverty and social exclusion are the subject of ongoing debate. The risk of poverty and social exclusion is higher for disabled people, the chronically ill and their families than for the rest of the Welsh population.
- Just under a quarter (24%) of people living in material deprivation in Wales in 2017-18 had a mental health disorder, while only 6% of people not living in material deprivation have any such disorder.
- Wales has the highest poverty rate among disabled people of all UK countries. In 2018 39% of disabled people in Wales lived in poverty compared to 22% of non-disabled people.
- People not in material deprivation in Wales have consistently reported higher life satisfaction than those in material deprivation.
- Low self-esteem and a lack of opportunities for personal development can be both a cause and consequence of social exclusion. Those who are socially excluded often have limited social networks and fewer opportunities to participate in activities which can contribute to their personal development and boost self-esteem.
- Stigma can be a contributing factor for social exclusion as people who are stigmatised often face discrimination and exclusion.

- There are links between poverty and social exclusion and social determinants of health such as smoking, obesity and inactivity, which are underpinned by structural as well as behavioural factors.

Living environment

- Housing costs represent one of the largest expenses for many households in Wales and are a key driver of poverty.
- Poverty is both a cause and consequence of homelessness. While homelessness is not always the result of poverty, most people's experiences of homelessness or severe housing insecurity are driven by poverty. In 2019-20, 31,320 households applied for homelessness assistance in Wales.
- In 2016-17, 60% of National Survey for Wales respondents in households in material deprivation felt safe at home, walking in the local area, and travelling. This compares to 75% of those not in material deprivation.
- 75-76% of people living in material deprivation in Wales report being satisfied with their local area compared to 87% of those not in material deprivation.
- Having access to open and green spaces is known to impact people's well-being. More than 50% of National Survey for Wales respondents stated that they were very satisfied with the quality of local green space in 2018-19. More than 70% found it 'very easy' to walk to green spaces.

Crime, harm and criminalisation

- 14.4% of adults in Wales had been the victim of a crime at least once in the year ending March 2020. This rises to 16% among adults in the most deprived areas of Wales.

- People in the most deprived areas of Wales report the highest levels of worry about crime.
- Bullying and harassment can be both a cause and consequence of social exclusion. Those living in material deprivation in Wales reported higher levels of workplace bullying (17%) compared to their non-deprived counterparts (11%) in the 2019-20 National Survey for Wales.
- The National Survey for Wales has consistently recorded higher levels of discrimination experienced by people living in the most deprived areas of Wales.
- According to Crime Survey for England and Wales estimates, 38% of people in Wales experienced or witnessed some form of anti-social behaviour in their local area in 2019.
- In 2019, there were 149 Welsh prisoners per 100,000 of the population of Wales. Together England and Wales have the 8th highest rate of imprisonment in the EU.

Social exclusion in Wales going forward

The Coronavirus pandemic is having a comparatively greater impact on those who are socially excluded. The uncertain future of the pandemic and the impact of Brexit further complicate any attempts to predict the trajectory social exclusion in Wales. However, it is likely that the pandemic will exacerbate social exclusion for those already affected in Wales and will push many people to experience social exclusion for the first time.

Please refer to the third briefing in the series, *The impact of Coronavirus on poverty and social exclusion in Wales*, for more information on the impact of Coronavirus on future trajectories of social exclusion (and poverty) in Wales.



Find out more

For the full report see Carter, I. (2022). *Poverty and social exclusion in Wales*. 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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