

## COMMUNITY APPROACHES TO POVERTY IN WALES

### John Osmond and Jessica Mugaseth

The Welsh Assembly Government has taken a lead in tackling poverty and social exclusion through community improvement that holds important lessons for the rest of the UK. But while Wales has risen rapidly up Britain's job creation league in the past five years, high levels of chronic sickness and other economic inactivity continue to place it near the top of the UK statistics that measure social disadvantage.

John Osmond, IWA Director, and Jessica Mugaseth, IWA Research Officer, argue that if we have any chance of tackling poverty in Wales over the coming decade we will have to get to grips with the intractable concentration of localised difficulties in the southern Valleys. As they say, "There is no doubt that if their problems could be tackled on a systematic basis, and their range of dismal statistics brought closer to the Welsh average, then the salience of Wales as a hot spot for poverty and disadvantage in the UK would be much reduced, if not eliminated altogether."

They highlight there examples of good practice which, if followed more widely, would boost the effectiveness of the Assembly Government's Communities First strategy for tackling poverty:

- At the *Gellideg Foundation* in Merthyr residents have created their own organisation on a formerly run-down estate to provide job training, restore buildings and establish new community facilities, including a café, a crèche and outdoor sports area. The Foundation has raised more than £700,000, including European Union money, and now employs 13 members of staff. This is a story of how a group of people with few resources and little formal education, came to build a real community. In the the process they have analysed the power structures within their estate and the world beyond and come to understand some of the problems that have been holding them back. It is a story of genuine empowerment from below. If it is to be successful the Communities First programme needs to draw on the lessons provided by the Gellideg Foundation and apply them across Wales.
- A fresh approach to planning rural development is proposed by the Centre for Enterprise and Rural Development at the University of Wales, Bangor. Existing 'islands of poverty' in the Welsh hinterland would be helped to attract new investment and jobs by linking them with nearby towns to create specially-funded 'development domains'.

- The *Community Enterprise Wales* initiative, originally established through the Welsh Development Agency to help disadvantaged communities to generate their own enterprise and employment opportunities, needs to be extended. Although it has helped to establish more than 400 social enterprise groups across Wales, it needs to become a mainstream part of the Communities First programme if it is to achieve its full potential.

This essay is a contribution to *Overcoming disadvantage: An agenda for the next 20 years*, published by the Joseph Rowntree Foundation in January 2004. The book also includes contributions from four other UK ‘think tanks’: the IPPR (Institute for Public Policy Research), the Social Market Foundation, Policy Exchange and the Scottish Council Foundation. It is available from York Publishing Services, 64 Hallfield Road, Layerthorpe, York YO31 7ZQ price £8.95 plus £2 p&p. Or it can be obtained as a free download from [www.jrf.org.uk](http://www.jrf.org.uk).

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Looking at the present state of the Welsh economy it is possible to paint an optimistic picture of recovery and modernisation with, for example, the country rapidly moving up the UK’s job creation league. Towards the end of 2003 Economic Development Minister Andrew Davies declared that since the advent of the National Assembly in 1999, Wales had “leapfrogged” Northern Ireland, Scotland, London, the West Midlands, the North West and Yorkshire in the UK. Welsh unemployment was now lower than all these regions, placed at fourth rather than eleventh place in the league table.<sup>1</sup> At the same time, however, persistently high levels of economic inactivity, largely caused by chronic sickness, combine with other difficulties to place Wales at or near the top of UK statistics for poverty and disadvantage. Some of the key statistics are shown in Table 1. Competing interpretations of economic performance and relative wealth and poverty lie at the heart of Welsh political debate and controversy.

**Table 1: Key Welsh Poverty Statistics**

	<b>Wales</b>	<b>United Kingdom</b>
Population, 2001 (’000s)	2,903.2	58,836.7
Percentage aged under 16	20.2	20.1
Percentage at pension age and over	20.1	18.4
Mortality rate (UK 100)	102	100
Economic inactivity (Spring 2002, %)	27.9	21.5

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<sup>1</sup> Andrew Davies, ‘Jobs to Rejoice Over’, *Western Mail*, 13 September 2003. He reported that, “The number of economically inactive people who want a job has fallen by a quarter during the Assembly’s first term. At the same time the level of economic activity has increased by 67,000 and we have cut in half the economic activity gap between Wales and the UK as a whole.”

GDP per head (1999, UK 100)	80.5	100
Average weekly household income (1998-2001)	£376	£480
Average weekly household expenditure (1998-2001)	£315.40	£365.80
Households in receipt of Income Support (2000/01)	20%	16%
Population with household income below 60 percent of median income (2001/02)	25%	22% (GB)
Children living in households with income below 60 percent of median income (2001/02)	31%	30% (GB)
Lone Parent Households (2001)	7.3%	6.5%
Permanently sick or disabled (2001)	9.2%	5.8%

Source: Office for National Statistics

The National Assembly was launched in 1999 at the same time as west Wales and the Valleys - about half of the country - qualified for European Union Objective One funding. While this meant that Wales stood to benefit from considerable extra investment, more than £1.3 billion over a seven-year period to 2006, it also reflected the unenviable reality that across west Wales and the Valleys - the largest Objective One area designated in the UK - gross domestic product was less than 75 per cent of the European average. In contrast, the eastern part of the county - along the English border and in the north-east and south east - Wales enjoyed a GDP close to the European average.

In 1999 Welsh GDP as a whole was a little over 80 per cent of the UK average. In early policy statements the Labour-led Assembly Government declared that its underlying economic objective was to raise the figure to 90 per cent by 2010. However, this soon appeared over-ambitious since within a few years, by the beginning of the Assembly's second term, the latest available statistics were moving in the opposite direction. Wales' GDP (now referred to as 'gross value added') slipped from 79.2 per cent of the UK average in 1999, to 79 per cent in 2000, and 78.8 per cent in 2001.<sup>2</sup> While the UK economy as a whole, led by the more prosperous regions of the South East and Midlands continued to grow, Wales along with the other older industrial parts of the UK grew less fast, if at all. Inevitably the Welsh economy was slipping further behind.

Deep-seated structural problems were the widely acknowledged cause. As is well known, during the 1970s and 1980s Wales lost most of the jobs in coal and steel that had largely sustained its economy during the 20<sup>th</sup> Century. Employment in coal mining, which stood at more than 100,000 in the mid 1950s fell to less than 2,000 by the mid 1990s. The collapse of the steel industry happened later but faster, from 72,000 in 1980 to a little over 16,000 by the mid 1990s. These jobs were largely replaced by a remarkable growth in manufacturing and the service sector in the last two decades of the century. However,

<sup>2</sup> 'Wales Slips Further in UK Wealth Table', *Western Mail*, 21 August 2003

many of these jobs were part time, to a large extent substituted women for men and were generally less well paid.

In the late 1990s and the first few years of the new century yet another wave of structural change took place. Between 1998 and 2002 Wales lost some 44,000 manufacturing jobs in the private sector as inward investment declined and jobs moved to eastern Europe, north Africa and the Far East where wage rates were far cheaper. In the same period these losses were more than compensated by the creation of 67,000 jobs in public administration, overwhelmingly in health and education. In 2002, 32 per cent of Welsh employment was in public administration, well ahead of any other UK economic region. The North East was closest, with 29 per cent, while the figures for London the South East, East and East Midlands were more distant at 23 per cent. The overall result has been that Wales has substituted higher value adding, higher productivity, export earning jobs for, by and large, jobs likely to be increasingly reliant on financial transfers from Whitehall. As Phil Cooke, Director of the Centre for Advanced Studies, at Cardiff University, has put it:

“Under devolution, due to an absence of *visionary* policy making to tackle changed global economic realities, Wales is becoming more dependent not less on London for the underwriting of its economic future. As a *precaution* against rising net job loss the Assembly Government has used its own block grant resources, growing as UK expenditure on health and education burgeons, to increase employment rapidly in those sectors plus direct public administration ... Wales seems to have brought forth a new model of job-generation, the nearest predecessor of which may be that practised by Gosplan, the Soviet Union’s economic development agency.”<sup>3</sup>

From the point of view of poverty and disadvantage, an even more fundamental problem is on the supply side of the Welsh economy. For instance, around one in ten of young people leave Welsh schools and colleges without any qualifications. By GCSE stage only around 50 per cent achieve A-C grades in English and just 40 per cent in maths. The source of this problem is simple reading and writing, the fact that large numbers of Welsh people – at all ages – perform poorly in these, literally, basic skills. As Kevin Morgan, Director of the Regeneration Institute at Cardiff University, has remarked:

“One wonders if we have the skills to enter the knowledge economy when one in four of the population is functionally illiterate and one in three functionally innumerate.”<sup>4</sup>

Underlying these imbalances is an even more intractable concentration of localised difficulties in the south Wales Valleys. Their unique combination of high economic inactivity rates, high morbidity, low educational achievement, and an ingrained cultural homogeneity separate them from the rest of Wales, let alone the rest of the United Kingdom. In fact, the Valleys completely distort the Welsh policy agenda. There is no doubt that if their problems were tackled on a systematic basis, and their range of dismal statistics brought closer to the Welsh average, then the salience of Wales as a hot spot for poverty and disadvantage in the UK would be much reduced, if not eliminated altogether.

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<sup>3</sup> Phil Cooke ‘Economic Governance: Scotland’s Visionary and Wales’s Precautionary Approach’ in John Osmond (Ed.) *Second Term Challenge: Can the Welsh Assembly Government Hold its Course?*, Institute of Welsh Affairs, October 2003.

<sup>4</sup> Kevin Morgan, ‘Over-worked, Under-Resourced and Unloved’, *Agenda*, journal of the Institute of Welsh Affairs, Autumn 2001, an assessment of the first two years of the National Assembly.

## THE ASSEMBLY GOVERNMENT'S APPROACH

In its first term the Assembly Government increasingly aligned itself with the social exclusion agenda, a position it emphasised in the run up to the May 2003 election. Its approach was articulated most clearly by the First Minister Rhodri Morgan in what became known as his 'Clear Red Water' address at the end of 2002. In it he drew attention to a philosophical distinctiveness between *Welsh* and *New Labour*:

“Our commitment to equality leads directly to a model of the relationship between the government and the individual which regards that individual as a citizen rather than as a consumer. Approaches which prioritise choice over equality of outcome rest, in the end, upon a market approach to public services, in which individual economic actors pursue their own best interests with little regard for wider considerations.”<sup>5</sup>

Rhodri Morgan argued that a key theme in the first four years of the Assembly had been the creation of a new set of citizenship rights which, as far as possible, were free at the point of use, universal, and unconditional. He then listed five examples where the Assembly Government had introduced free services to provide individuals with an enhanced sense that they were stakeholders in society:

- Free school milk for youngest children.
- A free nursery place for every three year old.
- Free prescriptions for young people in the age range 16-25.
- Free entry to museums and galleries for all our citizens.
- Free local bus travel for pensioners and disabled people.

Services that were reserved for the poor, he added, very quickly become poor services. Two symbolic commitments appeared in Welsh Labour's May 2003 election manifesto. These were abolition of prescription charges (albeit that free prescriptions already extended to 88 per cent of the population) and free breakfasts for children in primary schools.

In administrative terms the most significant innovation in his Cabinet appointments after the election was the new position of Minister for Social Justice and the appointment of former Finance Minister Edwina Hart to the post. Rhodri Morgan described the new portfolio as representing the central challenge facing his Administration in its second term. As he put it, “We've got to deliver for the people in Wales who've got left behind and where the new prosperity has not reached them.”<sup>6</sup>

Edwina Hart's main weapon in tackling deprivation is the administration's flagship Communities First programme, aimed at tackling the deprivation concentrated largely within the Objective 1 region of rural west Wales and the old industrial south Wales

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<sup>5</sup> Rhodri Morgan, Speech to the National Centre for Public Policy, University of Wales, Swansea, 11 December 2002.

<sup>6</sup> *Welsh Mirror*, 10 May 2003

Valleys.<sup>7</sup> Involving expenditure of £83 million over the first three years (2002-05), the programme is targeting 142 of Wales' most disadvantaged communities. It has a lifespan of at least ten years with the long-term intention of tackling the underlying factors that contribute to poverty. It is intended too that the communities themselves, in partnership with statutory bodies, voluntary groups and the private sector, will identify their requirements and how to address them. Capacity building – that is, building leadership from within the communities themselves – forms a central part of this strategy.

Few would quarrel with any of these objectives, but the challenge will be to put in place practical measures to ensure they are delivered. Mrs Hart's appointment can be understood in terms of the Administration's recognition of this challenge. There are at least three further, inter-related problems. First, the Assembly Government's Economic Development division was not centrally involved in the development of the programme. Instead it was motivated by Edwina Hart's Communities department. This is despite the programme's underlying purpose being to tackle economic inactivity rates, and in turn address the Assembly Government's core objective of raising overall Welsh GDP from 80 per cent to 90 per cent of the UK average by 2010.

Secondly, the main agents for the delivery of Communities First are local authorities. These are the organisations to which money is flowing and which are doing the recruiting. Yet a central aim of the project is to build leadership capacity from within the affected communities. While local authorities are theoretically representative of the communities because of their democratically elected position, they are often distrusted because of their previously poor service provision to deprived communities. There is a danger that the programme's capacity building objective might end up in communities becoming alienated from the process.<sup>8</sup>

Finally, it is not clear what the programme's precise targets are, or how they will be evaluated. How can 'capacity building' be assessed? It is the case that in April 2003 the Assembly Government commissioned a large-scale Evaluation Project, worth around £1million. However, this will not report for some years. In short, it is not that the policy being adopted is inherently wrong or misguided. Rather, there is little sense of how it will be delivered effectively on the ground and thereby make a real difference.

This is also the case in other policy areas that have the potential to make a large impact on social exclusion across Wales. Another example is the Assembly Government's Basic Skills Strategy. Launched in April 2001, it will have cost £27 million by April 2004. However, by the end of this period it is far from clear:

- how its impact will be assessed; or
- how future improvements will be made in pursuing what must be a long-term policy commitment.

The Assembly Government did commission an evaluation programme in early 2003, but the results will be delivered too late to have any impact on the delivery of the Strategy's

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<sup>7</sup> For an analysis of the origins and development of the programme, see: Dave Adamson and Eilidh Johnston, 'Communities First' in J. Osmond and J. B. Jones (Eds.) *Birth of Welsh Democracy: The First Term of the National Assembly for Wales*, Institute of Welsh Affairs, 2003.

<sup>8</sup> Attention to this was drawn by Barbara Castle, one of Edwina Hart's advisers in drawing up the strategy. As she put it, Communities First "was meant to be a 'bottom up' project rather than a 'top down' one. Things have not worked out that way", *Western Mail*, 29 August 2003.

first three-year period. Despite such criticisms an analysis of Assembly Government policy initiatives reveals a determination to devise special programmes and allocate available budgets to assist those most at risk. The following provides evidence of a concerted determination to back up Welsh Labour rhetoric with positive interventions:

### **The Family**

The incidence of child poverty in Wales is amongst the highest in the UK. In 2000-01, 33 per cent of children in Wales lived in households with incomes below half mean income after housing costs, compared with 30 per cent in Great Britain.<sup>9</sup> In its first term, the Assembly Government established a Cabinet Sub-committee on Children and Young people to give a lead to children and young people's issues. This was complemented by a Child Poverty Task Group charged with developing a strategy for combating child poverty in Wales. Following extensive consultations this is due to be published in September 2004.

As part of its strategy in 2003-04 the Assembly Government created a unified grant fund known as *Cymorth* ('Help') to bring together under one umbrella £39 million (during the first year) from various funding strands. Part of this money is being used for childcare provision to release parents to work or attend training schemes. This strikes directly against economic inactivity which is often at the heart of child poverty.

The Assembly Government has also resolved that that investment in early years education, is an effective way of tackling both child deprivation and the basic skills deficit. Two initiatives stand out. Firstly, every three-year-old in Wales should have the opportunity to receive free half-time education by 2004. The Assembly Government provided £12m in 2002-3 towards this objective and commissioned an audit to identify current provision and estimates of future demand in Wales across all sectors. Secondly, each Local Authority is to develop at least one pilot integrated early years centre by September 2004. These centres will provide 'wrap-around' day-care together with a range of support services from pre-natal parenting through to adult learning. Integrated centres will seek to tackle wider social problems in Wales such as child poverty and a high rate of teenage mothers. They will be jointly funded by local authorities' social services and education budgets.

### **Teenage Pregnancy and Lone Parents**

Closely related to child poverty is the relatively high prevalence of teenage pregnancy and single parenthood in Wales. Although the incidence of teenage pregnancy is beginning to decline, Wales still has some of the highest figures in Europe, ranging from 42 conceptions per 1,000 in Monmouth to over 91 in Caerphilly. These compare with an English average of 44 per 1,000 in 2000.<sup>10</sup> Overall, rates of teenage pregnancy are highest in the areas of greatest deprivation and among the most vulnerable young people, including those in care and those who have been excluded from school. The Assembly Government responded early on, launching a Strategic Framework for Promoting Sexual Health in Wales in 2000, with the main objective of reducing teenage pregnancy.

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<sup>9</sup> National Statistics, Statistical Bulletin Child Poverty, SB43/2002, May 2002.

<sup>10</sup> Office for National Statistics

## **Carers**

Census figures indicate that 11.7 per cent of the Welsh population (340,700 people) provide unpaid care compared with 9.9 per cent in England. Of these 26.3 per cent (20.5 per cent in England) provide 50 or more hours of care per week. As part of its *Carers' Strategy* the Assembly Government allocated an extra £4.6 million to local authorities in 2002-03 for enhanced support to carers.

## **Long Term Illness**

Latest figures figure show that 23.3 percent of the Welsh population have a limiting long-term illness compared with 17.9 per cent in England. In fact, the English figures is even below the lowest local authority percentage in Wales, Cardiff with 18.8 percent. At 30 per cent Merthyr has the dubious distinction of the highest rate. Wales also has a significantly higher amount of the population who are permanently sick or disabled, almost double the UK average of 5.3 percent, at 9.2 percent.<sup>11</sup> The Assembly Government is planning to abolish home care charges for disabled people, ensuring that people can afford care in their own homes.

## **The Elderly**

At the other end of the demographic scale, Wales is also facing mounting problems with an ageing population. The age distribution of the population in Wales differs from that for the UK with a higher proportion of people in retirement age, a trend set to continue. It is predicted that those in retirement age will increase by 11 per cent to nearly 650,000 in 2021 (and continuing to rise thereafter).<sup>12</sup> This increase in the elderly population will put pressure not only on the benefit system but also the healthcare structure. At the same time places in local authority homes in Wales have declined by 36 percent between 1991 and 2001, to 4,534 places<sup>13</sup>.

Recognising these changing demographics, in January 2003 the Assembly Government produced a *Strategy for Older people* which complements the UK's *Better Government for Older people*. This ten-year programme identifies a number of strategic aims and objectives, provides a policy rationale and outlines an implementation plan to take forward more detailed actions and projects. The Assembly Government is also establishing a Cabinet sub committee to ensure continued and coherent focus on the needs of older people. A national partnership forum for older people is being introduced to ensure progress on the strategy is monitored and that older people and their representatives have a voice at national level. The Assembly Government's most recent strategy, *Wales: A Better Country*, published in September 2003, contains a commitment to appoint an older people's commissioner to ensure the needs of older people are reflected in services and policy.

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<sup>11</sup> Census 2001

<sup>12</sup> Government Actuary's Department 2001-based interim population projections for Wales.

<sup>13</sup> [www.lgdu-wales.gov.uk](http://www.lgdu-wales.gov.uk).

## Housing

Housing in Wales is substantially older than the rest of the United Kingdom with 35 per cent of homes built before 1919, compared with only 21 per cent in England.<sup>14</sup> Much of this stock is in poor condition with a higher unfitness rate in Wales than in England. In 2001 the Assembly Government published a National Housing Strategy aimed at bringing all social housing in the country up to a new *Welsh Housing Quality Standard* by 2012. In addition 2002-04 £3.2 million was given to care and repair agencies to enable older and disabled people to carry out improvements to their homes.

## DEVELOPMENT BY COMMUNITY

From a Welsh perspective the Joseph Rowntree Foundation's paper *Tackling Disadvantage: A 20-year enterprise* comes across as a highly Anglo-centric document. This is not to suggest that its overview or analysis are poorly judged. Nor is its main prescription that, with modest adjustments, the UK government's expenditure patterns could go a long way to reduce poverty. Rather, it is that the perspective tends to concentrate on the predicament of individuals within society rather than with society itself. That is to say, problems are addressed in terms of lone mothers, children at risk, the disabled, or the elderly living on their own and solutions are formulated accordingly. An alternative approach is to consider first the wider context of the communities within which disadvantaged people live and consider how the collective condition can be improved.

This is typically the Welsh starting point, which stresses a more holistic approach to the communities within which individuals have to find ways of improving their life chances. And this is notwithstanding the continual difficulty that many individuals may be alienated from the communities within which they are fated to live. It is no accident that the main Assembly Government programme designed to engage with social exclusion is entitled *Communities First*. Indeed, Welsh policy makers have been very precise in identifying the 142 communities that qualify according to the multiple index of deprivation. Of course, Wales has more than its fair share of people within the categories of deprivation identified in the Rowntree report, as the analysis earlier in this chapter has demonstrated. However, the instinctive Welsh view is both to describe problems, and think of solutions, in terms of the needs of communities as a whole. This may simply be a response to the smaller and therefore more intimate scale of Welsh society. It probably also reflects that when thinking about their identity the Welsh tend to associate themselves in the first instance with their immediate locality – their town, village or valley (the Welsh language term is *bro*) - rather than with Wales as a whole.

In this respect it is worth highlighting three initiatives, one in the south Wales Valleys, another in rural Wales, and the third covering Wales as a whole. If taken up on a wider scale these would certainly assist in addressing social deprivation in Wales in the next twenty years.

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<sup>14</sup> Welsh Housing Statistics 2002, April 2003; English House condition survey 2001, July 2003.

## Gellideg, Merthyr

The first initiative is in Merthyr, which is one of the most severely deprived local authorities in Wales and the whole of the UK (see Table 2). Faced with this catalogue of deprivation, a common picture across the Heads of the Valleys, it is tempting to throw one's hands up in despair. Yet the beginnings of a response have been discovered within the community itself, from the run-down Gellideg estate in Merthyr. This story is of how a group of people with few resources and little formal education, came to build a real community.

Today they have their own organisation, the Gellideg Foundation, which has raised more than £700,000 (including a successful bid for £500,000 Objective 1 funding) and now has a staff of thirteen. With these resources they have provided job training, restored and equipped community buildings, created an outdoor sports area, a café, a crèche, and employed their own community workers. In the process they have analysed the power structures within the estate and the world beyond and come to understand some of the problems that have been holding them back.<sup>15</sup> It is a story of genuine empowerment from below, to which as we have seen the Communities First programme aspires. If it is to be successful it needs to draw on the lessons provided by the Gellideg Foundation and apply them across Wales.

**Table 2: Merthyr's Poverty Statistics**



One interesting learning point from Gellideg project has been the contrasting attitudes of men and women to their circumstances and the need for policy makers to respond. It showed that a failure to apply a gender perspective, being in effect 'gender-blind' means that policy interventions can unconsciously reinforce gender stereotyping. So, for example, pre-school provision become in practice a mother and toddler group, thereby excluding men. Such stereotyping limits the life choices available to men and women and

<sup>15</sup> For a fuller description of how the Gellideg Foundation came into being and operates see Helen Buhaenko, 'Combating the Gender Contract', *Agenda*, journal of the Institute of Welsh Affairs, Spring 2003. See also an Oxfam Cymru report on the project, *Fifty Voices are Better than One: Combating Social Exclusion and Gender Stereotyping in Gellideg in the South Wales Valleys*, April 2003, available from Oxfam Cymru, Market Buildings, St Mary Street, Cardiff CF10 1AT.

can reinforce inequalities. Many such messages emerged from the Gellideg survey. For example, the following attitudes to employment were reported:

“Unemployment for men is seen as the norm ... Many younger men show a strong desire to start their own business. When explored further, this desire often comes from a fear of being unemployable by others, sometimes because of the stigma of being an ex-offender. Lack of business experience and little knowledge of finances are the primary obstacles to pursuing this interest. Young men also feel that factories are likely to take on women ahead of men because women are cheaper to employ ... Older men feel on the margins of the economy, believing that there is little point in retraining and that it would be humiliating to do so. Their perception is that the computer-literate young get the chances, and that their own plentiful experience in both formal and informal employment is not valued in the job market.

Women need to find employment that fits around the needs of their children. On the whole men do not take a part in childcare responsibilities. Women caring for children look for job opportunities that fit around school hours – these jobs are invariably low-paid and part-time and do not make going to work pay ... Young women feel that the lack of sound advice is preventing them from accessing training, education and employment opportunities ... It is felt by all groups that everyone is struggling to survive. One woman said: “When everything has been paid out on the household I have about £20 a fortnight left. When food or other necessities are short I just go without.”<sup>16</sup>

The messages emerging from Gellideg have informed the many campaigning organisations in Wales that address poverty questions. For instance, at the time of the May 2003 Assembly elections Anti-Poverty Network Cymru urged the parties to put poverty questions higher up their agenda, and in particular to:

- Ensure that anti-poverty policy development is informed and led by those in poverty – essential if it is to be successful in countering social exclusion.
- Ensure Local Government becomes more accountable and participatory in its approach.
- Introduce participatory budgeting in Wales - a powerful mechanism which enables local people to determine the allocation of budgets in their area.
- People living in poverty must be involved in the monitoring and evaluation of anti-poverty measures.<sup>17</sup>

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<sup>16</sup> *Ibid.*

<sup>17</sup> Anti-Poverty Network Cymru, *A Call for an Outward Looking Wales*, May 2003. The network comprises: Amnesty International Wales, CAFOD, Christian Aid, Cyfanfyd – The Development Education Association for Wales, Displaced People In Action, Friends of the Earth Cardiff, Friends of the Earth Cymru, Help the Aged Cymru, Minority Ethnic Women’s Network - MEWN Cymru, The National Group on Homeworking, Oxfam Cymru, Refugee Media Group in Wales, Save the Children / Tearfund, UNA Wales, VSO Wales, The Wales Fair Trade Forum, Wales Women’s National Coalition, Welsh Food Alliance, Welsh Centre for International Affairs, Welsh Refugee Council, Womankind, WWF Cymru.

## Rural Wales

The second initiative highlighted here, which proposes radical re-thinking of spatial planning in rural Wales, also relates to the 'Unequal Places' section of the JRF *Tackling Disadvantage* paper. Islands of poverty, often isolated and because of that cut off from prospects of revival, are to be found across the Welsh hinterland. The need, therefore, is for all parts of rural Wales to have a relationship with a nearby urban settlement. An important study, produced by the Centre for Enterprise and Rural Development at the University of Wales, Bangor, has identified around a dozen such 'development domains' in rural Wales and proposed a sustainable development strategy linked to them.<sup>18</sup>

The main argument is that development priority should be given to key centres in rural Wales to counter the magnetic attraction of southern Wales, and in particular Cardiff. It is a radical response to the widely recognised need for a distribution of investment and economic activity from the wealthier parts of mainly urban Wales to the rest of the country. Typically, the expensively produced Assembly Government's Spatial Plan for Wales acknowledges this, but fails to come up with a targeted strategy. Instead, it relies on declaratory injunctions.<sup>19</sup> In contrast the Bangor proposal envisages the establishment of a special fund to be administered by Regeneration Authorities for each of the 'development domains' it suggests. These will comprise existing settlements in rural Wales combined with the Irish ports of Holyhead and Fishguard - hence the term 'domain' to describe them. A strategic approach for each of these 'domains' should include:

- Their development as regional growth centres.
- Investment in urban renewal programmes and in projects to fill in their infrastructure deficits.
- Investment in their Education Institutions – or the creation of institutions where they do not exist.
- Designation of as many of them as possible as a national centre for some activity – for example e-commerce in the Haven; and software in Bangor.
- Build on their existing attributes to attract inward investment, linking local enterprise and with education institutions.
- Develop tourism in their surrounding hinterlands with facilities that could service both tourism and local market needs.
- Upgrade communication links between them and the main urban centres in north and south Wales.
- Decentralise Assembly Government departments, for example Agriculture to Aberystwyth, the Roads Division to Bangor; and the so-called Assembly-sponsored public bodies, for example the Arts Council of Wales to Carmarthen; and the Environment Agency to Dolgellau.

By themselves such policy proposals are not especially original. However, taken together, and placed within the context of a new spatial strategy for rural Wales, they are highly challenging to established thinking. The potential for utilising Objective One investment

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<sup>18</sup> Gareth Wyn Jones and Einir Young, *A Bright Future for Rural Wales: An approach to securing greater economic and social justice within Wales and between Wales and the rest of the UK and the EU and to moving towards a more sustainable future*, Working Paper No 1, Centre for Enterprise and Regional Development, University of Wales, Bangor, April 2003. See also their 'Rural Revival Strategy' in *Agenda*, journal of the Institute of Welsh Affairs, Spring 2003.

<sup>19</sup> Welsh Assembly Government, *People, Places, Futures: The Wales Spatial Plan*, October 2003.

is obvious. Undoubtedly, the notion of focusing investment in such specifically designated 'domains' will generate controversy. What, it will be asked, is to happen to those majority locations in rural Wales that are not chosen as part of such a strategy? The answer is that a growth pole approach along these lines would assist rural Wales as a whole. Certainly a radical approach is needed if the intractable problems of rural Wales are to be addressed systematically. And in any event, locations with natural advantages tend to develop anyway. Unplanned, however, they remain unfocused and do not develop to optimum advantage.

### **Community Enterprise Wales**

The third community development initiative we have chosen to highlight focuses on the work of Community Enterprise Wales, established a decade ago as a spin-out, social economy networking organisation, from the Welsh Development Agency. In that time the organisation has helped establish more than 400 groups across Wales which, taken together, have created a recognisable social economy in the country. For many disadvantaged communities developing the social economy is the best, and perhaps the only opportunity for generating economic activity.

On many of Wales's so called 'Sink' estates there are models of economic development in being that are helping residents of all ages address their own identified social and economic need. As we have seen with the Gellideg example above, they are being developed in partnership with the various 'communities' within the estates - geographical, lifestyle, gender specific interest, while recognising the diversity and not treating an estate, as a homogenous whole. They begin by letting the consumers decide what services they want, where and who should deliver at prices they can afford. As one research paper from Community Enterprise Wales puts it:

“Contrary to the popular myths that have arisen around estates, like Ely, St Mellons (in Cardiff), Gurnos (in Merthyr), and Penrhys (in the Rhondda), the vast majority of people want opportunities to get into jobs, earn money and contribute. They don't want, or respond positively to patronising development strategies. Enterprise in its widest sense is illustrated across these estates. To quote one Gurnos resident 'people have to be enterprising to live'.”<sup>20</sup>

Strategies are being developed which have the potential to:

- Contribute to local regeneration.
- Mix commercial and public finance in creative ways to increase investment in deprived communities.
- Combine market opportunity with better access to services.
- Challenge the traditional roles and boundaries between public, private and the community across Wales.

However, the full potential of Community Enterprise Wales has yet to be realised. For instance, its work has not been mainstreamed in the Communities First initiative, a

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<sup>20</sup> Community Enterprise Wales, *Strategic Regeneration: A Role for Enterprising Communities*, April 2002.

glaring omission which will need to be rectified if the Assembly Government's flagship policy for addressing disadvantage is to have the impact it deserves.

## CONCLUSION

Pockets of extreme poverty exist throughout Wales, with the south Wales valleys a particular problem area both for the numbers involved and the extent and range of deprivation. Other concentrations exist along parts of the north Wales coastline, in Holyhead on Anglesey, in south Pembrokeshire around Milford Haven and Pembroke, and in certain wards in Cardiff, Newport and Swansea, as well as in a number of rural areas.

The problems in the valleys are complex, and result from the failure of many communities to adapt to the loss of jobs in traditional sectors such as coal and steel and more recently to the decline in manufacturing industry. This has left a legacy of reported ill-health, low skill levels and aspirations, and consequently low employment activity rates. On the surface unemployment appears to have reached tolerably low levels, but when combined with sickness and disability claimants the proportions not working are higher than virtually anywhere else in the UK. For example, more than 30 per cent of the population in both Merthyr Tydfil and Blaenau Gwent are claiming benefits of one kind or another, compared with just under 20 per cent for Wales as a whole. In both cases, too, more than 20 per cent are registered as sick or disabled. This last compares with a Welsh figure of 13.3 per cent.

In some valley communities the number of households without an adult in employment is approaching 50 per cent and the proportion of pupils claiming free school meals is in some authorities more than 50 per cent higher than in Wales generally. Other factors leading to higher levels of poverty in parts of Wales, including the valleys, are the large number of single parents and young (teenage) parents.

Partly also reflecting the loss of what were well-paid if hard jobs in traditional industries and their replacement if at all by lower paid work in manufacturing, food processing and service industries, average weekly earnings for those in work are significantly lower in the poorer parts of Wales both for men and women. Men in the Rhondda secure 92 per cent of Welsh average gross weekly earnings (with Wales itself well below the UK figure). Access to vehicles, a key to finding employment in areas with poor public transport facilities, is also lower in many parts of Wales, including the valleys, than in the rest of the UK.

The location and scale of these problems means that they are unlikely to be addressed by conventional means of attracting inward investment or persuading private firms, whether in the manufacturing or service sectors, to move in and provide jobs. In the first instance the challenge is to create a greater range of social capital, by developing the social economy. Only then will there be a realistic chance of putting in place the more normal mix of private, public and voluntary sector activity that characterises less disadvantaged parts of the country. In rural Wales the message is in part the same. But here there is the additional challenge of creating communities of such critical mass that they can attract the full range of employment and lifestyle opportunities that people have the right to expect. This is the rationale behind the development domains' approach sketched out above.

Wales has a formidable amount of poverty and deprivation to address, more than most other parts of the United Kingdom. However, it also has a political leadership highly sensitive to the challenge and a determination to try and address it. Perhaps more important even than that, Wales has a latent strength in its powerful sense of community which holds out the potential of producing long term, community-based solutions.

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