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**Author:** Grzegorz Libor

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Grzegorz Libor

University of Silesia in Katowice

# WALES

## Introduction

Inherent characteristic of not only modern, but also ancient world was and still is its diversity being a consequence of both natural differences and perhaps, above all, man's own activity. Some of these differences are the result of giving biological and psychological differences significant social role and importance, whose examples, today located in the center of national and international policy, can be various forms of discrimination based for instance on sex, age or origin. Some are completely artificial, constituting a product of collisions of majority with somehow—usually culturally—different minority. Its features as well as certain behaviors of its members differ from generally accepted norms and standards typical for a given area, region or country, causing in this way more or less drastic tensions. In consequence, as important as geographical and/or territorial boundaries are also cultural frontiers which determine who is 'in' and who is 'out' or—using terminology suggested inter alia by Zygmunt Bauman—determine the division on 'we' and 'they' in the same or even more degree (Bauman 1999, 44–60). So it is not surprising that a fear of different and often incomprehensible favors and promises quite varied defensive reactions today.

There is also one more reason for that. Each of us—although we are willing to admit it to a different extent—likes being superior to others, likes the taste of victory, as well as a feeling of respect and admiration. Moreover, we also like possessing what others cannot have—love dominating as well as having power over others. Not without reason there are thousands of guides that try to teach us how to influence other people to achieve our personal goals (Rubin 2006)! In fact, we have those who have power or using other words who have mastered manipulation techniques better than the others and those who are subject to it.

The problem is that all these divisions, whether they are artificial or not, often combine one with another, which makes them even harder to overcome. One

of them undoubtedly is a division on the rich and the poor, the shape of which is affected by many different factors including for example our own capacities. However, not always, as practice shows, these capacities appear to be the most important ones. Sometimes we need something more, something that we all call 'luck'.

Among many definitions of luck, one of them—according to which it is a specific combination of such factors as place, time, as well as actors involved that leads to positive consequences (Zwoliński 2013, 14–19)—seems to be particularly useful from the point of view of our analysis. It means that the chances to be successful or, in other words, the chances that such 'a favorable coincidence' will happen will be greater in the places where particular conditions occur. Therefore, breaking the bonds of poverty in their natural environment and overcoming existing barriers and stereotypes very often turns out a difficult task to do. Yet, still, it does not mean that such divisions are not undergoing any changes. Some of them are taking place in their surroundings, the others in the structure of different social groups. A group membership is not given once and for all. There are many examples of changing social position from lower to higher and in the opposite direction from higher to lower, which, to be honest, influences this dynamics to a greater degree than any central or local policy.

For many, however, the existence of social inequalities and divisions is a *conditio sine qua non* of further social, political, and economic progress or development, while being and staying poor is an autonomous decision of each individual or simply its own fault, but not a consequence of any independent, external factors. In this case, life resembles a zero-sum game where the gain of one always entails the loss of the other. Despite the fact that this Darwinian vision of social relationships is rarely expressed today, mainly due to the controversy it is arising, it is still quite popular being the basis of attitudes (hidden part of human behavior) of many social actors.

To believe in a world without social inequalities may seem a beautiful challenge, yet, as one of the Polish proverbs says, hope is the mother of fools, but dies last. Paradoxically, at the same time, this hope allows the entire social structure—despite numerous conflicts and divisions that cross it in many often unpredictable ways—to maintain relatively stable. From this perspective, the actions taken at different levels of government resemble 'sham operations', as their implementation is more important than objectives and results to achieve, which certainly sheds new light on an existing problem of social inequality, including the division on the rich and the poor that will be discussed below on the example of Wales.

## Poor Europe

It might seem that after the collapse of communism in Central-Eastern Europe and the emergence of the European Union the problem of poverty should have been resolved due to the reforms implemented. However, as it is clear from the data published by the European Union, in 2012, 24.8% of its inhabitants—more than 120 million—were at risk of poverty or social exclusion, 28% were children, 25.3% adults, and 19.3% were people over 65 years old. In addition, 9.9% of population were severely materially deprived. Generally, poverty touched more women than men (People at Risk of Poverty or Social Exclusion 2014). Therefore, it is not surprising that one of the European Union strategies—the Europe 2020 Strategy—aims, among others things, to reduce the number of people living in poverty and experiencing social exclusion by at least 20 million till 2020 (Poverty and Social Exclusion 2014). However, today we already know that this goal will be rather difficult to achieve.

Nevertheless, each member state of the European Union struggles with poverty and social exclusion to a different extent. The Member States with the highest AROPE rates in 2012 were Bulgaria (49.3%), Romania (41.7%), Latvia (36.2%), and Greece (34.6%), with the lowest the Netherlands (15.0%), the Czech Republic (15.4%), and Sweden (15.6%) (People at Risk of Poverty or Social Exclusion 2014). At the same time, welfare systems differ from each other when it comes to their assumptions, instruments used, as well as their efficiency. The most effective ones reduce the risk of poverty by approximately 35%, while the least effective only by about 15% (Poverty and Social Exclusion 2014).

## Poor Wales

The decision to concentrate in this part of book on Wales whose membership in the European Union as a stateless nation is a consequence of the membership of the United Kingdom was not accidental.

1. Firstly, the concept of peripherality refers not only to the geographical location of Wales, but also to the place of Wales and Welsh issues in the modern science. It seems that not enough attention was paid to Wales and its problems so far.
2. Secondly, in recent years Wales has experienced a series of transformations—both social and political ones that are mainly the aftermath of the power devolution phenomenon which, from the political and legal point of view, means either a transfer of a group of competencies originally performed by central

parliamentary bodies and their members into democratically elected institutions, extracted on the basis of geographical criterion, or the creation and functioning of unelected bodies operating as a part of governmental structures. At any time, however, a decision to extend or limit their number can be made (MacKinnon 2013). In the case of Wales this process has begun in the 1990s and led to the creation of the National Assembly of Wales and the Welsh Government. With time they have received more and more competencies also in the field of social inequalities discussed in this article.

3. Thirdly, the events that take place in Scotland (referendum on independence) certainly justify the need to pay more attention to what is happening in other parts of the UK, including Wales, as it can lead to the reinforcement of separatist tendencies throughout the whole United Kingdom.

One of the key questions in the discussion about various kinds of social divisions is the question concerning their borders and limits. This also happens in the case of the division on the rich and the poor. What, then, determines that some people are qualified and considered as poor while the others are seen as those who are doing much better in their lives, those who have almost everything, even the things that for typical John Smith would be a sign of extravagance or splendor? Moreover, the existence of John Smith also forces to think about his own position in the division on the rich and the poor. It seems that he is still located somewhere in the middle, despite the negative trends that have been taking place in the last few years. Not only the number of rich people is on the increase but also those who are struggling to make ends meet, as well as those who are not able to do it. As a result, today the middle class, being the basis of a democratic world order and guarantee of peace, is less numerous than in the past.

Basically, there are two approaches used to define the poverty line—these are the subjective and objective one. The first approach is defined almost everywhere in the same or a similar way, that is, through the prism of respondents' feelings and experiences. It takes into account the opinions of a representative part of the population, hence its name. The respondents describe their financial situation, indicating the difficulties and problems they find the most important. In contrary, the objective approach uses existing statistical data, the choice of which is of great importance. It has the impact on who will be qualified as poor and will have a chance to benefit from the support of governmental institutions and NGOs (Ravallion 2012).

The definition of poverty that holds true in the United Kingdom is also used in Wales. It refers to the achievements of international organizations, especially the achievements of the United Nations and its definition of absolute and overall poverty adopted in 1995 and regarded as examples of relative definitions of poverty, namely those that take into account specific characteristics of a given area, country or region and therefore should not be confused with the subjective ones. In the case of the United Kingdom, both are calculated using the income threshold which is currently 60% of the median income of all UK households. This type of ap-

proach has become the subject of sharp criticism, finding expression, for example, in the deprivation model proposed by Peter Townsend in his book *Poverty in the United Kingdom* and in the perceived deprivation model elaborated by PSE—Poverty and Social Exclusion in 1999. Other models pay more attention to legal issues and the question of possibility, such as for example David Woodward's concept of poverty or the already mentioned subjectivist definition of poverty. For many the decision of choosing the income threshold of 60% has been rather arbitrary and does not say anything about the standard of living just as in the case of previous threshold which was 50%. As a result, in recent years the adjustments have been made not only when it comes to the size of the threshold, but also when it comes to the calculation procedure—the average has been replaced by the median. Income is here understood as net income, that is, total income minus direct taxes and plus the value of any social security benefits received (www.poverty.ac.uk 2014).

The publication of HBAI, which takes into account the already mentioned income threshold of 60% of the median income of all households, shows that the median value in the years 2011/2012 was GBP 427pw, Before Housing Costs (BHC) and GBP 367pw, After Housing Costs (AHC), while the value of 60% of the income threshold was respectively GBP 256pw, BHC and GBP 220pw, AHC. Correspondingly, in the past three to four years about 9% of all Welsh households were experiencing poverty and its negative consequences (Davies 2013, 2).

Statistical data show that 23% of the Welsh (690 thousand) live in the low income households and the problem of poverty is geographically diversified. Western, north-western, and eastern parts of Wales (mainly rural) are the areas where working people collecting different types of benefits dominate. South Wales Valleys are the regions with the highest percentage of persons that do not work but take advantage of beneficial support. Mostly, however, the problem of poverty affects the old industrial regions where the economic transition turned out extremely unfavorable.

The same sources show that low incomes are received more often by families with at least one person having a part-time job (29%) than by families with all members having full-time job (7%). A higher percentage of the poor was also recorded among families with disabled adults in the ratio of 30% to 19%.

Of all people affected by poverty 58% were adults of working age, 29% were children and 12% were pensioners. Ten years earlier the situation was as follows: 50% were adults of working age, 31% were children, and 19% were pensioners. Only in the case of children a slight decrease can be observed.

Not much but still, women (23%) were more affected by poverty than men (21%). However, in the case of pensioners, men (15%) had to struggle with poverty more often than women (13%).

Moreover, in 2012, 26.5% of the Welsh population remained economically inactive of which only one-fifth had the status of an unemployed, that is, an individual wanted to work, was actively looking for a job and was ready to take it. The

average of the Welsh economy was in this respect higher than the average of the United Kingdom economy for about 3.5%, that is, 65 thousand people.

In addition, there are almost 235 thousand adults of working age with disabilities who do not work, of which more than one-third declare such willingness (Monitoring Poverty and Social Exclusion in Wales 2013).

## Welsh Stereotypes

In this way, different stereotypes have appeared, particularly those concerning the reasons why so many people have been affected by poverty and its negative consequences. Although they are not true, they still enjoy quite big popularity negatively affecting not only the well-being of those persons that are struggling with poverty, but also the actions taken and instruments used to help them. In the case of Wales these are:

*Stereotype 1*—poor people live in poverty because they are lazy and do not want to work. However, more poor children come from working households than from unemployed ones.

*Stereotype 2*—poor people are addicted to alcohol and drugs, and this addiction is seen as one of the reasons for poverty. In fact, the addiction is the cause of poverty only in 4% of all cases.

*Stereotype 3*—the poor are not really poor, their poverty stems from the fact that they cannot properly manage the resources they possess. In reality, the poor are often characterized by greater resourcefulness and ability to deal with multiple problems.

*Stereotype 4*—the poor swindle money and/or work in the underground economy. According to official figures, however, only 0.9% of the budget spent on social issues become the subject of various types of abuse.

*Stereotype 5*—poor people have easy and enjoyable life. On the contrary, they must deal with various difficulties and problems. Very often, because of the lack of funds for meeting basic needs, they neglect other needs.

*Stereotype 6*—the expenses on the poor contribute to an increase in the budget deficit. Over the past 20 years, the amount of taxes dedicated for this purpose, in terms of proportions have not changed.

*Stereotype 7*—poor families cause different social problems. But the truth is that they experience social difficulties themselves not being their source (Truth and Lies about Poverty: Ending Comfortable Myths about Poverty 2013).

## And So What?

In the opinion of many, for people who have part-time jobs the only chance to get out of poverty is to start full-time jobs. For 11% of them, however, full-time job is still not possible—whether due to poor health, disability or other duties, as well as responsibilities, for example childcare. For those having full-time jobs the only way to improve their situation is to work overtime. However, taking into account that the extra 73p of every GBP 1 of gross earnings goes to the UK Treasury, it is important not only to increase the number of extra hours, but also wages (Monitoring Poverty and Social Exclusion in Wales 2013).

The most attention is, however, paid to child poverty whose level is the highest in the whole United Kingdom and which negatively affects not only children's school results, but also has a serious impact on their career opportunities. That is why O'Neill writes:

Wales shares many of the challenges that neighbouring countries face in tackling child poverty, yet there is a growing sense, backed up by figures, that Wales has fared particularly badly. This is especially true when examining child poverty rates at a local level with many former industrial and manufacturing areas, such as the South Wales Valleys, and areas of northeast Wales previously reliant on tourism faring particularly badly. This underlines Wales's vulnerability to change, such as that in the 1980s. The legacy of that era, coupled with more recent pressures, makes tackling child poverty over the next decade all the more difficult. Unemployment levels are currently higher than in both England and Scotland, and this is before the public expenditure cuts announced by the Chancellor have taken effect. (O'Neil 2010, 32)

Wales has also the highest percentage of elderly people struggling with the problem of poverty but here the most important are health issues, limited access to fuel and financial services, as well as to transport and the Internet.

The consequences of living in poverty for older people include loss of independence, difficulty accessing transport, and inability to afford basic essentials such as food and energy. Progress has been made in tackling pensioner poverty over the past 15 years and it is encouraging that absolute levels have dropped and that Wales is now closer to the UK average than previously was the case. However, significant numbers of older people are still forced to survive on very low incomes. (Francis 2010, 68)

The existence of these issues is no longer just a problem of unfavorable statistics but primarily a problem of people who are struggling with their consequences in everyday life, especially today, when the economic crisis turned into another

one—the crisis of the welfare state, against which, however, the Welsh Government intends to fight a bit differently than the British authorities.

The Welsh Government is not only planning to do that but also has necessary capabilities that result from the aforementioned process of power devolution that started in the 1990s of 20th century. The problems experienced by Wales and their scale, as well as instruments used are different from those that can be found in other UK regions. It is because it is always a matter of finding a right balance between redistribution and recognition. While the aim of redistributive social policy is to fight against the income inequality, the recognition rather refers to all actions taken against social exclusion.

It seems that the British Government had forgotten about this important issue, starting in 2008 a reform that should have increased the employment among residents of the United Kingdom, including Wales. For this purpose it has replaced Incapacity Benefit (IB) with Employment and Support Allowance (ESA) and reducing the age of the youngest child after which lone parents have to search work. As a result, by 2014/15 it is predicted that the loss will be £165 per working-age adult. The reform will impact disabled people because of the replacing Disability Living Allowance with the Personal Independence Payment as well, which will mean the loss of £55. (Monitoring Poverty and Social Exclusion in Wales 2013)

However, the effectiveness of such measures can be questioned taking into account the fact that “the economy and labor market are stagnant, wages and hours are being squeezed and public spending is being cut” (Kenway and Winckler 2013, 1). In addition, the economic crisis has led to an increase in unemployment especially among young people, which carries the risk of a new wave of poverty and social exclusion in the future.

The Welsh government social care is to some extent independent. It consists of a few quite different strategies for example *Child Poverty Strategy* from 2005, *Children and Families (Wales) Measure* from 2010, *Child Poverty Strategy* from 2011, as well as *Tackling Poverty Action Plan* for the years 2012–2013. Their most important goals are: (1) to prevent poverty through programs such as *Early Years and Childcare*, *Flying Start*, *Families First*, *Team around the Family*, *Pupil Deprivation Grant*, and *Designed Smile* that focus on equalizing educational opportunities of children; (2) to reduce the number of unemployed households and increase the number of young people working or studying through *Community Benefits*, *Economic Growth Fund*, *Jobs Growth Wales*, *Youth Engagement Framework* or *Childcare*. The final aim is to mitigate the impact of poverty on the access to health care, financial services, housing, and the Internet. Here the following programs seem to be especially important: *Improving Primary Care*, *Credit Unions*, *Advice Services*, *Digital Inclusion*, *Supporting People*, as well as *Arbed and Nest*. The implementation of the above strategies assumes the involvement of a large group of partners, including for example: *Tackling Poverty External Advisory Group*, *Tackling Pover-*

*ty Implementation Board, End Child Poverty Network, Local Authority Anti-Poverty Champions, Knowledge and Analytical Services, as well as the Welsh Government Tackling Poverty Champions.*

This does not mean that the work issues are ignored or neglected by the Welsh authorities. Part of the responsibility was taken over by NGOs, which realize different projects financed from their own funds, public funds or the EU, in order to reduce the number of people staying outside the labor market. These projects include for example: *3Gs—Life Support, Grewe—Work Placements and Skills for Adults, Dove—Café Sarn Helen, Cymdeithas Tai Eryri—Community Energy Wardens Project, Prime Cymru, Scope—Supported Employment, Oxfam—Sustainable Livelihoods Project, Carmarthen Family Centre (TNI): Lone Parents Project, Bron Afon Community Housing, The Clink Charity—Clink Cymru at HMP Cardiff.* Their effectiveness varies from 10% to 25% (Kenway, Winckler 2013).

## Conclusion

The review of documents and publications on poverty in Wales leads to the following conclusions. Firstly, one can see that the most important problems of modern Wales are both children and elderly poverty. Secondly, the Welsh authorities try to take advantage of all the possibilities that the power devolution phenomenon creates to reduce the proportion of people struggling with poverty and its negative consequences in their lives. Eventual success in this field may not only influence positively the support given to the Welsh authorities, but also to the devolution phenomenon in its different aspects. The effectiveness of the Welsh government programs in the fight against poverty and social exclusion will also decide on the level of its legitimacy. Thus, its actions—especially in the light of the strained relations between Welsh and British government—will not take the form of sham operations in the way they were defined before as stake is to build a strong national identity and not only a simple fight against poverty. A role that the education has to play in this policy is difficult to overestimate. Such an attitude explains the provisions of the strategies described above.

Finally, the attention should be also paid to the place of employment issues in the Welsh policy. Many tasks in this field have been taken by NGOs which try to prepare more and more innovative solutions of increasing the economic activity of Welsh residents.

Like other countries Wales is also experiencing negative consequences of the economic crisis. Consequently, it is not surprising that the economic issues have dominated non-economic ones related to social exclusion or the consensual model developed by PSE.

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Grzegorz Libor

## Walia

### Streszczenie

Głównym celem niniejszego artykułu jest zobrazowanie problemu ubóstwa w Walii, który wydaje się dość specyficzny z uwagi na ograniczenia możliwości zarówno rządu walijskiego, jak i Zgromadzenia Narodowego Walii, spowodowane przez zjawisko dewolucji władzy, w walce z negatywnymi skutkami i źródłami problemu. Dewolucja nie tylko umożliwiła powstawanie owych ograniczeń, ale również dała organom władzy pewne kompetencje, które nadal bardzo różnią się od „normalnych” i pozostawiają wiele do życzenia. W tych wyjątkowych okolicznościach władze walijskie muszą radzić sobie z różnego rodzaju problemami, na przykład wynikającymi z ubóstwa. Najbardziej istotne kwestie to ubóstwo wśród dzieci oraz wysoki wskaźnik braku aktywności gospodarczej wśród mieszkańców Walii. Ze względu na wyżej wspomniane bariery prawne rząd walijski przygotowuje wszystkie swoje strategie, zakładając udział organizacji pozarządowych, które nie są zależne od tego rodzaju ograniczeń.

Grzegorz Libor

## Pays de Galles

### Résumé

L'objectif principal du présent article est d'examiner le problème de pauvreté au Pays de Galles qui semble être assez particulier en raison des limitations des possibilités résultant de la dévolution du pouvoir – aussi bien du gouvernement gallois que de l'Assemblée nationale du Pays de Galles – et concernant la lutte contre les conséquences et les causes négatives de ce problème. La dévolution n'a pas uniquement contribué à la parution de ces limitations, mais elle a aussi procuré aux organes du pouvoir certaines compétences qui diffèrent toujours de « la norme » et laissent beaucoup à désirer. Dans ces circonstances exceptionnelles, les autorités galloises doivent traiter des problèmes variés résultant de la pauvreté. La pauvreté infantine et le degré élevé d'inactivité économique des habitants du Pays de Galles sont les questions les plus importantes. Étant donné les obstacles juridiques mentionnés ci-dessus, le gouvernement gallois prépare toutes ses stratégies en prenant en considération la participation des organisations non gouvernementales qui ne dépendent pas de ce type de restrictions.