RESEARCH

A review of evidence on socio-economic disadvantage and inequalities of outcome (summary)

This research is a quick reference guide providing a general overview of the evidence in different areas related to socio-economic deprivation.

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Introduction and methodology

The introduction of the Socio-economic Duty makes it essential for certain public bodies to address how their decisions impact people experiencing socio-economic deprivation in Wales. This report is a summary of key evidence relating to how socio-economic deprivation affects the people of Wales, with a particular focus on how it affects those with protected characteristics as well as communities of place and interest. It highlights the intersectionality that is key when examining deprivation and summarises the key inequalities of outcome that certain groups face. This report is structured under the six key themes of education, work, living standards, health, justice, and participation. This work will provide a source of evidence for policymakers and public bodies implementing the Duty.

The aims of the research were to:

- present a picture of socio-economic disadvantage and the related inequalities of outcome in Wales
- to summarise research on socio-economic disadvantage and related inequalities of outcome for particular communities, focusing on those with protected characteristics and communities and/or places of interest.
A rapid literature review was undertaken to explore these research aims within the themes of education, work, living standards, health, justice and participation with desk-based literature and evidence reviewed from a range of key sources identified after initial scoping work. Due to time constraints this approach was used rather than a systematic review. Therefore, the literature review supporting this research should be used to give an indication of the extent and nature of the evidence base rather than being an exhaustive summary, although care was taken throughout to evaluate the usefulness and robustness of all sources.

**Main findings**

**Education**

Socio-economic deprivation is linked to worse educational outcomes in children, as well as negative impacts on physical, emotional, and mental health. Child poverty and unequal educational opportunities have been linked, with children who experience disadvantages growing up being less likely to gain qualifications in school and have poorer long term educational and economic prospects. This is known as the attainment gap and can be evidenced as early as primary school. If not addressed it only grows over time and exacerbates existing inequalities. Housing, health inequalities and labour market disadvantages exacerbate the disadvantages already present with, for example, factors such as an inadequate environment in which to do homework making it harder to engage with the educational process and cultural barriers impacting the reach of certain interventions aimed at improving access to education. These poorer outcomes can have a cyclical impact on poverty with disadvantaged children experiencing further disadvantages as adults and then being less able to provide a good start in life for their own children. While current evidence is unclear on the impacts of the pandemic and the restrictions imposed on society on children’s development, these need to be carefully monitored to be aware of how inequalities could be worsened.
Work

A prosperous economy with a strong, vibrant workforce that can adapt to the changing world of work is key for the future of Wales. However, there remain high numbers of people in Wales struggling to make ends meet due to low-paid work or insufficient hours and being in work does not necessarily prevent people experiencing poverty. Working households in Wales represent 56 per cent of people living in poverty, compared to 39 per cent measured 20 years ago, and most children living in poverty in Wales live in working households. Low-paid work is a key contributor to in-work poverty. It is difficult to escape poverty when you are not paid enough or there are not many well paid jobs in your area and some sectors are particularly prone to contributing to in-work poverty. Low paid work is more likely to be hazardous and stressful, impacting physical and mental wellbeing. Insecure or low paid work can directly affect how much people can afford to eat and low-income workers are more likely to experience working environments which negatively affect their mental and physical health.

The poverty premium also means that sometimes the poorest households end up paying the most for basic goods and services such as household bills and public transport which can contribute to the financial pressures being in low paid work may cause. Furthermore, race, gender, and disability pay disparities still exist in Wales and these are evident in evidence around employment with disabled people being less likely to work in high-pay occupations and being twice as likely to be unemployed compared to non-disabled people. Evidence also shows that the pay gap still exists in Wales for women, disabled people and ethnic minorities.

Living standards

Inadequate housing, lack of heating/hot water facilities, and food insecurity are issues facing many people of Wales. Having a safe, warm and adequate place to live with access to enough and nutritious food are key components of well-being. Despite research showing that housing conditions have improved over the last 10 years there are still several issues which disproportionately affect
those experiencing social or economic disadvantage. The property market is inaccessible to many due to rising housing costs, and inflated rents mean that many people in Wales are spending large proportions of their income on housing. Higher housing costs can also exclude first time buyers from the property market and people can become trapped in a cycle of renting with a reduction in their ability to save and the cost of buying a home rising faster than wages. Half of the Black, Asian and Minority Ethnic population in Wales live in rented properties compared to under a third of the White population. Deprived areas in Wales also tend to have more overcrowding, further contributing to socio-economic disadvantage and poorer well-being outcomes.

Fuel poverty is a complex problem with links to physical and mental wellbeing and is more likely to impact vulnerable people including lone parents, older people, disabled people and those living in rural areas. Access to green space is also linked to health and wellbeing and evidence shows that those in economically deprived areas tend to have less available good quality green space as well as being more likely to live in more polluted areas which can add to existing health risks.

Food insecurity is increasing, even amongst working people, with food bank usage increasing driven by factors such as the inability to pay for food due to low-income and poor work, lack of nutritional and cooking knowledge and lack of access to cooking facilities. People on lower incomes may have poorer diets as a result of these inequalities and this has a negative impact on health, with particular poorer outcomes on children’s physical and mental development.

**Health**

Health inequalities disproportionately affect certain communities and socio-economic deprivation is linked to worse health outcomes. Health outcomes are linked to factors such as having the conditions to sustain income security and social protection, decent living conditions, social and human capital, access to adequate health services and decent employment and working conditions. Health inequalities are evident in Wales with adults in the most deprived parts of the country having lower life expectancies and children in more deprived areas
having worse health outcomes. Mental health is worse in the most deprived areas of Wales and deprivation is linked to increased stress, mental health problems and suicide. The links between health and deprivation are complex and due to a number of interrelated factors. Those living in more deprived areas may have poorer access to sport and be less able to have healthier diets. This can lead to poorer physical outcomes. Living in more deprived areas can also affect mental well-being. Poorer mental well-being being is linked to a range of factors, including economic and work related stress, structural problems around participation and feeling part of a community which can increase loneliness and social isolation.

There are many examples of the intersectionality between health and factors such as race, socio-economic status, gender and age. Disabled people and those living in rural communities face barriers in access to healthcare, with disabled people also having more unmet care needs due to waiting lists or costs. LGBTQ+ people are more likely to suffer from higher rates of psychological distress and lower levels of satisfaction with health services.

**Justice**

Socio-economic deprivation is linked to greater chances of interacting with the justice system, being a victim of crime, or not feeling safe in a community. The justice system in Wales faces challenges relating to cuts to legal aid, alignments between policy and spending and complex issues in prisons, courts and offender management. There is an overrepresentation of people identifying as belonging to an ethnic minority group in prisons in Wales when compared to the general population. A review of the youth justice system in England and Wales found that there were high numbers of Black, Muslim and White working class boys in the justice system and that many suffer from mental or other health problems as well as learning difficulties. The underlying factors behind this are complex and lie outside of the justice system itself but can be linked to broader systemic issues such as socio-economic deprivation, education and employment.

Certain communities are more likely to experience crime, harassment and discrimination, such as LGBTQ+ people, disabled people or people with mental
health conditions. Police reported numbers for race-, sexuality-, and disability-related hate crimes are increasing, but there are still issues of under-reporting and the results may be affected by changes to reporting methods and other contributing factors. Reported hate crimes also do not take account of less extreme but still important incidents which may be underreported such as low-level and frequent harassment, fear and social exclusion that disabled people and LGBTQ+ individuals report experiencing. Most people who experience domestic violence are women, and those in LGBTQ+ relationships and disabled people are more likely to experience domestic violence and abuse.

Feelings of personal safety and security are also important for maintaining safe, cohesive communities. Evidence shows that women, the elderly, people experiencing material deprivation and those who did not feel a sense of cohesion in their community are all more likely to feel unsafe in their local area.

**Participation**

Participation relates to people being involved in making decisions that affect them, and having choices and a voice in public life as well as being involved in communities and having the freedom to access services and interact with people with autonomy. In general, satisfaction with people’s local area is high in Wales. However, those experiencing socio-economic deprivation generally have poorer participation in public life, participating in fewer sport and cultural events. Although the political landscape in Wales is generally fair, women, Ethnic Minority people and disabled people continuing to be under-represented in senior roles in several areas.

Access to services can be limited by a range of factors. These range from issues with the adequate provision of services, to difficulty fully participating in cultural life due to discrimination, with full participation in Wales being linked to race, gender identity or disability. Transgender people report being more likely to avoid social situations due to fear of harassment and data from Race Council Cymru shows that 75 per cent of all Ethnic Minority people have experienced racism within the past 5 years in Wales. Disabled people are more likely to struggle accessing public transport and this can impact on people’s wellbeing as it limits
access to services, social lives, work, and leisure activities.

Internet access across Wales is generally high, but is worse in rural areas. Those living in rural areas, disabled people, economically inactive people and older people face barriers to internet access due to having less support to improve understanding and skills needed to be able to interact with digital services. Digital exclusion can leave people isolated if they cannot access services which may be ‘digital-only’.

Conclusions

Progress has been made in several areas related to equality and socio-economic disadvantage in recent years, and the implementation of the Socio-economic Duty means that these should receive closer attention in the future. However, the inequalities that are already present cannot be ignored. Those experiencing socio-economic disadvantage are more likely to have poorer outcomes in the areas of work, living standards, health, justice, and participation in public life. These areas are complex and interlinked and problems in one area often lead to a ‘knock-on’ effect on others.

Socio-economic disadvantage is highly intersectional. Deprivation interacts with protected characteristics, and certain communities and geographies may also experience worse outcomes in other areas. The intersectionality between deprivation and other characteristics can be thought of as a web, where different areas connect, compounding and exacerbating each other. Socio-economic disadvantage can quickly become cyclical and difficult to escape and being able to tackle this complexity requires an understanding of how these linkages work and contributions from a wide range of stakeholders.

The COVID-19 pandemic has impacted on all areas of life across the UK. Emerging evidence has highlighted existing inequalities and areas where inequalities have the potential to be exacerbated. Monitoring of the impacts and outcomes of the pandemic on groups facing socio-economic disadvantage will be key in the coming months and years to understand more about these impacts and develop strategies to mitigate and improve them where possible.
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