



# The drivers of social exclusion:

## A review of the literature for the Social Exclusion Unit in the Breaking the Cycle series

### Summary

## Introduction

The Social Policy Research Unit (SPRU) at the University of York was commissioned by the Social Exclusion Unit (SEU) to undertake a review of the literature on the drivers of social exclusion. This review informed a wider programme of work conducted by the SEU taking stock of progress made to date on tackling social exclusion.

*Drivers* are factors that cause social exclusion. It is clear from the evidence that the association between drivers and social exclusion is not a simple one: there are difficulties in understanding the direction of the relationship between drivers; they interact and overlap; and there are problems in determining the underlying cause.

## Past drivers of social exclusion

Social exclusion has been driven in the past by demographic, labour market and policy factors.

- The key **demographic factors** have been large youth cohorts, ageing and increased dependency ratios, and family change, particularly the increase in lone parent families. Prospects for the future appear better: the decline in fertility means diminishing cohorts competing for jobs; the UK is on a relative ageing plateau; and although there is no diminution in lone parenthood, they and their circumstances are changing in ways that may help to protect them from social exclusion. Other possible socially excluding demographic trends include inward migration, single living and cohabitation.
- The key **labour market factors** have been unemployment, flexibility in the labour market, the dispersion of earnings and the concentration of work. These trends appear to have run their course. Unemployment is much reduced, employment is growing and policy is now better placed than in the past to cope with risks in the labour market.
- Social exclusion was also driven by **policy** issues. Particular problems included where benefits had not been up-rated in line with the growth of earnings, the abolition of some benefits, a more regressive tax system and cuts in expenditure on some services. Policy is critical and we now benefit from it being driven by the social exclusion agenda with targets and monitoring. The findings on the drivers that follow must be placed in a policy context.

## Current drivers of social exclusion:

### Low income

Low income is without doubt a key driver of social exclusion today. It is associated with a range of poor outcomes; many of these are long term. Income poverty is mainly driven by/associated with family type and employment circumstances. Over the recent past there has been a decline in pensioner poverty and an increase in child poverty and poverty in childless households. Those most at risk of social exclusion are the persistently poor – women and children, those living in lone parent households and single pensioner households. The Government is committed to the abolition of child poverty and tackling pensioner poverty. Despite the minimum wage, low wages, the non take-up of some means tested benefits such as Minimum Income Guarantee (now Pension Credit) and housing costs undermine the effectiveness of the improvements made to the safety net. But probably the most important fact is employment.

### Unemployment

Inability to participate in the labour market is generally considered a key indicator of social exclusion. Unemployment can be caused by other drivers of social exclusion such as ill-health, low educational attainment and lack of skills. Unemployment has been and still is falling, and employment both of men and women has been increasing. The proportion of lone parents in employment has been rising. The proportion of households without a person in employment is also falling, though it remains high. However, unemployment is spatially very concentrated and there are still areas with a considerable 'jobs gap'. There has been an increase in pay differentials with more low pay and the risk of low pay affecting certain groups more – women, young people, older males, long-term sick and disabled, and ethnic minorities. The low paid are also more likely to experience unemployment. Unemployment has knock on effects in other dimensions of social exclusion including homelessness, health, crime, and drug and alcohol problems.

### Education

Education has a pivotal role in the intergenerational transmission of social exclusion. In general, attainment has been rising but a significant proportion still leave school without attaining qualifications and basic skills, and the attainment gap may be growing. There is clear evidence that attainment is a predictor of adult outcomes in work and earnings and probably has effects on health, depression, civic participation, interaction skills and motivation. A number of factors drive educational attainment, including child and family characteristics, school factors, the relationships between parents and school, and locality factors. On balance the evidence suggests that education can reduce social exclusion.

### Ill health

Ill health is associated with social exclusion in a variety of ways. Health status is a determinant of social position. Unhealthy behaviour can drive social exclusion, and social exclusion itself and the other drivers of it can result in poor health. Several sub-domains under health were considered: problem drug use, alcohol misuse, mental health, teenage conceptions, child accidental deaths and premature death as illustrators of these relationships.

### Housing

Here, social exclusion was treated as covering those sleeping rough or staying in temporary and insecure forms of accommodation. Reasons for homelessness tend to be:

- **structural factors** such as housing shortages, unemployment and inequality, relationship breakdown and the closure of long stay hospitals;

- **risk factors** including family background, institutional history, socio-economic and health characteristics where there is a relationship in both directions – these all increase the risk of homelessness but also homelessness increases their risk; and
- **triggers**, which are the events that precipitate homelessness such as leaving prison or local authority care. People living at the margins of the housing market are trapped by their social exclusion, economically weak, unable to access decent housing and many are not ready to live in accommodation of their own.

## Transport

Lack of affordable, reliable and safe transport can restrict access to work, education, services, food shopping and socio-cultural activities. The growth of the car culture has in many ways exacerbated the problems of those without access to a car who have to rely mainly on buses, which can be expensive, inconvenient, unreliable and unsafe. Public expenditure on transport is regressive and dominated by the car.

## Social capital

Social capital is a concept about which there is still a degree of confusion. Most of the UK writing on the subject is theoretical. Empirical work suggests social capital is lower in areas of poverty, though there is some evidence that employment may inhibit the development of relationships and networks that enhance social capital at home.

## Neighbourhood

There is a debate in the literature about whether there are independent effects of living in a deprived neighbourhood. Poverty has become more spatially concentrated but it is much more difficult to investigate and conclude that neighbourhood *per se* impacts on social exclusion. Most studies focus on health outcomes and find a positive relationship between poor neighbourhoods and ill health, independent of the characteristics of the population. However, it was found that neighbourhood factors were less important than individual characteristics. Similar results have been found on educational outcomes and child development.

## Crime

The most powerful drivers of crime are community deprivation and income inequalities resulting from unemployment. Crime is spatially concentrated and associated with homelessness, poor health, parenting factors, drugs and alcohol misuse, school exclusion, leaving care and prison. A criminal record is itself likely to lead to exclusion, having an impact on the chances of obtaining employment in particular.

## Fear of crime

Fear of crime varies by neighbourhood and individual characteristics, with a strong association with age, gender and ethnicity. However, poor people are more likely to fear crime.

## Summary

Social exclusion is driven by a complex interplay of demographic, economic, social and behavioural factors that are linked and mutually reinforcing. It is cumulative and often intergenerational. The risks of social exclusion are not evenly shared but concentrated in the poorest individuals and communities. A combination of a healthy labour market, reduced demographic pressures and policy developments have begun to have an impact on social exclusion.

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