



**GWEINI**

Cyngor Gwaith Cymunedol Cristnogol yng Nghymru  
The Council of Christian Community Work in Wales

**RESPONSE TO**

**THE ECONOMIC DEVELOPMENT AND  
TRANSPORT COMMITTEE'S  
POLICY REVIEW**

**ON**

**'ECONOMIC INACTIVITY'**

**MARCH 2004**

## **INTRODUCTION TO GWEINI**

*GWEINI: The Council of Christian Community Work in Wales* is an umbrella body formed in 1999 for the purpose of:

- Representing Christian Voluntary Sector projects to government at all levels
- Providing a policy development service.
- Capacity building within the sector.
- Helping Christian Voluntary Sector projects build relationship with the wider voluntary sector.

The Christian Voluntary Sector that GWEINI represents provides an array of services including youth exclusion projects, homelessness projects, business start-ups, drug rehabilitation units, parent and toddler groups, pensioners lunch clubs, keep fit, children's projects etc. It is as such an important community/welfare providing partner for local government and indeed the National Assembly.<sup>1</sup>

## **ECONOMIC INACTIVITY POLICY REVIEW**

Gweini welcomes the fact that the Economic Development and Transport Committee has embarked upon a policy review examining economic inactivity. The levels of inactivity in Wales, despite recent falls, define a central challenge that we must address if the Welsh economy is to break free from the past and embrace serious growth. The committee should be congratulated for isolating this key challenge and making it the subject of a review.

## **LOCATING THE INACTIVITY GAP**

The Background Paper states; 'In broad terms, economic models suggest that around half of the higher inactivity rate in Wales compared to the rest of GB can be explained by characteristics of the Welsh population such as age, skills levels, gender, self-reported ill health and so on. The corollary of this is that around half of the excess inactivity cannot be explained by these characteristics.'<sup>2</sup> It is the contention of this submission that, to a significant extent, the excess inactivity that cannot be accounted for, and thus in relationship to which ameliorating strategies cannot be devised, relates to specifically relational challenges. It is the purpose of this submission to a) demonstrate the relational basis of much inactivity and b) examine how best to respond to this root cause of inactivity.

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<sup>1</sup> Strategically the Council represents Christian Voluntary Sector projects right across the denominational spectrum from within the older denominations e.g. Church in Wales and the Baptist Church to the new denominations of the 20<sup>th</sup> Century, e.g. Elim and Assemblies of God Pentecostal churches etc.

<sup>2</sup> Economic Development and Transport Committee Paper 3, EDT2 05-03(p3), para 33, p. 9.

## **DEFINING OUR TERMS**

Before moving to consider relational approaches to inactivity in detail, it is necessary to first make some more than simply semantic comments about terminology. Inactivity is a dangerously blunt category. No matter what qualifications follow, one cannot escape the fact that the general connotation surrounding 'inactivity' is negative. Whilst this is entirely appropriate when discussing long term, unemployment and long term sickness, it is manifestly inappropriate when discussing students, or full time parents. The fact that students and full time parents are deemed to be 'economically inactive' is ironically a species of precisely the short-termism with which any policy addressing inactivity must engage. The student is investing in his/her capacity to maximise output in the long term, whilst the full time parent is investing in the development of the child and thus the child's economic potential in adulthood. Only a polity seized by short-termism could possibly permit these two activities to be deemed to be a form of economic inactivity. Given that those engaged in the early stages of a business venture, defined primarily by investment rather than output, would not be deemed to be economically inactive, neither should students or full time parents. For reasons that will become clearer during the course of this submission, we would suggest that there is a need for two categories, 'inactivity' which is undesirable and defined by e.g. long term sickness and unemployment and 'pre-business investment' defined by students and full time parents.

## **THE RELATIONAL APPROACH TO INACTIVITY**

Having addressed this terminological problem, this submission will now proceed in Part 1, to define the current inactivity challenge from a relational perspective before Part 2 then goes on to consider relational responses to that challenge.

### **PART 1: THE RELATIONAL SEEDS OF INACTIVITY**

In addressing the challenge of inactivity it is important to reflect on the broader economic context in which it is situated, economic globalization. Economic globalization is premised on an economic dynamism and extra-territoriality that brings huge social fluidity that can damage the human/social capital on which it depends.<sup>3</sup> The nature of current growth can thus undermine the prospects for long term growth. Discussing this reality in the context of the emergence of the 'sustainable development agenda' Gareth Wyn Jones makes the following observation:<sup>4</sup>

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<sup>3</sup> For detailed definitions of human and social capital please see Stephen Aldridge and David Halpern with Sarah Fitzpatrick, for instance, name seven! See: 'Social Capital: A Discussion Paper, Performance and Innovation Unit, Cabinet Office, April 2001.

<sup>4</sup> In considering the problem of inactivity from a relational perspective, this submission focuses on the plight of human capital, social capital and, through the grid of sustainable development, the plight of the social environment. Whilst using the contrasting terms of 'capital' and the 'environment', it is the contention of this submission that the three categories are remarkably similar and actually interdependent. Human capital relates to the educational potential of a person or

Although the global economy has succeeded in generating wealth, 'it has created an economic precariousness and social dislocation for a majority of individuals and communities. This is reflected by crime, drug abuse, communal fear, economic migration, increased investment in personal security and prisons, in a disillusioned, disenfranchised underclass and in a loss of cultural heritage, including many of the world's languages.'<sup>5</sup>

For the purposes of inactivity the above disenfranchisement is primarily significant to the extent that it results in an inability to access the skills that empower one to fulfil a meaningful role in contemporary economic life. Given the significant training opportunities that exist today, it is our contention that this disenfranchisement, as manifest in Wales, is not necessarily the result of an absence of educational opportunity but often rather the lack of capacity to access educational opportunity. So then, what is the basis for the relationship between the new precariousness and the difficulty in accessing educational opportunity?

The last thirty years have witnessed a curious paradox. On the one hand certain parts of society have undergone rapid development in that the level of hard skills education has, in some very real senses, risen. On the other hand, however, in some quarters there has been a degeneration of human and indeed social capital through various forms of social breakdown (especially within the home) which, informed by the new economic precariousness, are placing strains on the social environment.<sup>6</sup> This social breakdown has affected human development, undermining people's ability, in both child and adulthood, to access hard skills and thus develop into productive economic agents and responsible citizens. It is thus giving rise to a significant developmental challenge.<sup>7</sup>

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group of people whilst social capital refers to networks of relationship within civil society upheld by trust. Oftentimes high educational potential correlates to good relationships since educated individuals, conscious of both their rights and responsibilities, tend to have more of a 'can do' approach to problems which results in initiatives and the development of relational networks. Both positive developments in human capital and especially social capital, meanwhile, make for social environmental wellbeing. Symmetrically the reverse is true. Thus each category refers to the standing of the social realm/environment upon which economic output depends.

<sup>5</sup> Wyn Jones, 'Sustainable Development', *The National Assembly Agenda*, Ed John Osmond, Cardiff, IWA, 1998, p. 133.

<sup>6</sup> For reflection on the basis that these social changes have in the new economic precariousness see:

Penny Mansfield 'Good Relations', *The Good Life*, London, Demos, p. 41.

R Lesthaeghe 'A Century of demographic and cultural change in Western Europe: an exploration of underlying dimensions', *Population and Development Review*, No 19, 411-435;

van de Kaa 'Europe's Second Demographic Transition', *Population Bulletin*, vol 42, No 1, 1-58;

Charles Handy, Good Business, *The Good Life*, London, Demos, p. 121.

Schluter and Lee, *The R Factor*, pp. 135-138

<sup>7</sup> Richard Douthwaite, 'The Growth Illusion' in Jonathan Greenberg and William

In an optimal situation children receive key social investments from their parents as they grow up into adulthood. These social and relational investments help children to become whole individuals with that critical sense of purpose and ability, as young people and adults, to further themselves within the educational system. Specifically they obtain the ability to nurture vision and motivation which enables them to see their conventional education through to the end and into a career. At one time this kind of education would never have been seen as part of formal instruction and talked of using the economically loaded language of 'investment.' It happened implicitly within the home rather than explicitly through educational programmes.

As our social fabric finds itself under new pressure, however, there is an increasing need to harness conventional, 'hard skills' training strategies to preceding, explicit, 'soft skills' social and emotional educational programmes that help to restore wellbeing and a sense of purpose. Once empowered with the requisite social and emotional infrastructure, people who at one time were unable to pursue conventional education and a career are liberated from the shackles of inactivity. Set free to discover their potential, they come to the place where they are able to make a positive contribution to the economy and society at large. Strategies that engage in this kind of social investment constitute perhaps the most basic expression of human and indeed social capital development, preparing the way for further human capital development through conventional college courses.<sup>8</sup>

## **HUMAN CAPITAL INVESTMENT IN PRACTICE**

Having considered something of the logic of a relational understanding of inactivity, the paper will now seek to unpack it by examining relevant reflections from other organisations both from beyond and within the state. This will demonstrate the reality and cost of 'alienation based inactivity' and in so doing will critically highlight its social and relational roots.

### **a. BARNARDOS AND 'COUNTING THE COST OF CHILD POVERTY'**

A particularly clear expression of the reality and cost of 'alienation based inactivity,' and its the social/relational basis, is seen in Barnardos report, *Counting the Cost of Child Poverty*. Documenting the development of six children from difficult home situations, Barnardos demonstrates very clearly the economic consequences of damaged home environments, and consequentially the absence of required social and emotional investments, on child development. We cite Barnardo's synopses of the development of just two children.

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Kistler (Ed) *Buying America Back*, Tulsa, Okla, Council Oak Books, 1992, pp. 92-96.  
John Gray, *False Dawn: The Delusions of Global Capitalism*, London, Granta, 1998, p. 2, p. 58, p. 72.

<sup>8</sup> In some contexts this form of human capital development can be described as 'capacity building'. This term tends to refer, however, to providing training for local communities to enable them to corporately engage with community regeneration challenges, draw down funding etc. It does not tend to be applied to individuals and their efforts to obtain basic social and emotional skills.

**Michael aged 17:** 'Michael's early years, being passed around various relations, gave him no sense of permanence or belonging. His absent father was involved in crime and Michael himself stole cars at 12, and was soon sent to a young person's unit. His mother needed help for mental health problems but didn't get the emotional support she needed.

Michael got involved in cannabis and heroin abuse, and he found it hard to hold down his college training place. He later spent a period on remand for shoplifting to support his habit. Today Michael is living in bed and breakfast attending a Barnardo's project and trying to move forward with his life.'

*Counting the Costs of Child Poverty* estimated that Michael's lifestyle 'involving crime, the need for assistance from social services, periods spent on remand, in prison, and with addiction workers, along with time spent with Barnardo's, has cost society £320,252. A proper network of support for Michael's family including treatment for his mother's depression, parental support programmes, debt counselling, alcohol treatment and educational support, along with leaving care services to help him back into work would have cost just £27,487.<sup>9</sup>

**Duane aged 23:** 'Born the child of a mother who grew up with no sense of security or self worth, Duane turned to alcohol and drugs to help him cope. Taken into local authority care at eight, by 14 he began taking drugs and drinking and his violent behaviour landed him in trouble with the police. Is his future going to be anything more than drugs, violence and prison sentences?'<sup>10</sup>

*Counting the Costs of Child Poverty* estimated that the total cost of Duane to society, carried by social services, the police, judiciary, prison and Barnardos, and also manifest through the damage done to property, cost £522,903! Proactive support for Duane and his mother during his early years, they contend, meanwhile, would have cost just £12,858.<sup>11</sup>

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<sup>9</sup> Barnardo's 'Counting the cost of child poverty: Press Release', October 2000. If you would like a copy of the report please contact Barnardo's Press Office on (0208) 498 7555.

Mike Hughes, Anna Downie and Neera Sharma, *Counting the Cost of Child Poverty*, Ilford, Barnardos, 2000, pp. 31-34.

The sober statistic which the report brings to one's attention is that had the state made that proactive investment of £27,487 it could have saved something in the region of £292,765!

A similar case for greater government investment in people relationally is made by Ed Straw, *Relative Values: Support for relationships and parenting*, London, Demos, 1998, pp. 34-36.

Also see The Lords and Commons *Family and Child Protection Group, Family Matters: A Report to the Home Secretary*, The Rt. Hon. Jack Straw MP, Moggerhanger, 1998, especially chapter 6.

The Family Matters Institute, *The Cost of Family Breakdown*, Moggerhanger, FMI, 2001.

<sup>10</sup> Mike Hughes, Anna Downie and Neera Sharma, *Counting the Cost of Child Poverty*, Ilford, Barnardos, 2000, p. 4.

<sup>11</sup> *Ibid.*, p. 27-29.

Furthermore, from the long-term inactivity perspective, it is important to recognise, when considering the costs of not investing in the lives of Michael and Duane, that the figures cited above are only the costs attached to two people up till the ages of 17 and 23. Imagine the cost of all the Michaels and Duanes whose lives are not helped by welfare initiatives by the time they reach their 30<sup>th</sup> or 50<sup>th</sup> birthday!

For the purpose of this submission the important thing is to recognise that both Michael and Duane - and indeed all the people examined in the report - came from profoundly difficult home situations and a complete absence of adequate parenting. This had major impact on the development of the 6 young people and their 'work readiness'.

## **b. COMMUNITY REGENERATION AND THE WDA**

Moving away from the focus provided by voluntary sector organisations to a public body, namely the Welsh Development Agency, it is interesting to note that in recognising the barrier social exclusion presents for economic development, the WDA defines it very broadly. This provides the opportunity for articulating a solution that focuses on training and the development of entrepreneurial skills in equally broad terms.

'2.3 The social impact of Wales' economic problems is 'social exclusion' - when individuals or areas suffer from a combination of linked problems such as unemployment, poor housing, high crime environments, bad health, and family breakdown. Whether social exclusion occurs in whole communities, in small pockets, or affecting individuals, its symptoms create a difficult climate for economic regeneration - a workforce with limited skills, low confidence and poor health limits their economic activity; communities who lack confidence and enterprise in adapting to change; and an unattractive environment for economic development.'<sup>12</sup>

Thus here we see implicit recognition from a public body that any economic development strategy addressing inactivity must embrace a conception of human capital development that is wide enough to engage with the breadth of social exclusion. It must, therefore, seek to foster the requisite social and emotional equipment to nurture vision and motivation in order to facilitate the pursuit of skills, confidence, and enterprise.

Although there is in the above, the basis for recognising the need for a broader approach to human capital development, however, the implications of its breadth remain rather too implicit. There is thus a need for the WDA and the Assembly to work with relevant voluntary projects to develop an understanding of what this means in practice. We are, however, beginning to make comments about how to respond to the challenge of inactivity, which means that we must now move to Part 2 and consideration of the relational solution to inactivity.

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Had the state invested this relatively small sum into Duane's development, it could have saved society £510,045, i.e. more than half a million pounds!

<sup>12</sup>WDA, Community Regeneration for the WDA, May 2000, 2.3.

## **PART 2: RELATIONAL SOLUTIONS TO INACTIVITY**

In considering possible avenues of response to the challenge of inactivity, this submission would draw the committee's attention to a number of possible courses of action which orient around the role of the Christian and wider voluntary sector in economic development. The submission will first consider relational based solutions to inactivity provided by voluntary projects in general terms before focusing on one specific project and then making some closing observations about the relationship between the voluntary sector and economic development.

### **HUMAN/SOCIAL CAPITAL DEVELOPMENT & THE VOLUNTARY SECTOR**

Christian and other voluntary projects provide relational investments that help to develop the requisite social and emotional infrastructure to nurture vision and motivation, on the following bases:

- **PROACTIVE RELATIONAL INVESTMENT**

Many church projects are created specifically to invest in human capital, e.g. mothers and toddlers groups, parentcraft classes, etc. Projects such as these play a key proactive role in national human capital investment.

- **REACTIVE RELATIONAL INVESTMENT**

Then there are church projects such as those working in the fields of youth exclusion and drug addiction that seek to regenerate damaged lives. Projects such as these play a key reactive role in national human capital investment.

### **THE GAP**

A good example of a Christian Voluntary Sector project that addresses potential economic inactivity before it has an opportunity to manifest, is the GAP. It expresses its role in relationship to economic inactivity in the following terms:



#### **BACKGROUND**

'The Gap was initiated as a response to local need. We work in an area of serious disadvantage and deprivation, high unemployment, high teenage pregnancy, issues of poverty, family breakdown, crime and disillusionment. We became aware of increasing numbers of young people drifting from education, or excluded from school, without skills or qualifications. Without intervention these young people added to the spiral of poverty and unemployment around them. We recognised a gap between school and work/further education.

#### **AIMS**

The Gap was born as a grass roots measure to train, educate and re-motivate this forgotten target group and so participate in the regeneration of a community.

The aims of The Gap are to re-motivate and engage disaffected young people to –

- find and fulfill their potential
- develop skills for life, that is social skills and employability skills
- gain qualifications that have real currency
- renew hope and self-esteem
- develop confidence to make wise and independent choices
- assist them in their transition to independence
- take up positive citizenship within their community

### **THE NATURE OF THE CHALLENGE**

It is common for the young people that we work with to have no aspirations for their future. Their hope is shaped by their experience, and what they see around them is unemployment, early parenthood, crime and relational breakdown. It is typical to belong to a network of inter-related families, housed along neighbouring streets, brothers and sisters of several fathers, all struggling for survival. There is little notion of the future, beyond the lottery, payday or Friday night. There is no culture of “can do” but a vicious circle of dead ends.

Complicated chains of family breakdown results in unintended neglect of children within the home. Children are growing up on the streets. We have had to take kids to the dentist or doctor ourselves, suffering ear infections, rotting teeth, abscesses. Basic skills are poor. 49% adults in the community have a reading age below 8yrs. 20% 16 yr old boys are leaving school with no qualifications at all. 16 yr olds on The Gap struggle with simple spelling and sentence structure. Parents are not playing with their children; parents are not reading with their children. - Since we began The Gap we have initiated a Homework Club for 7-11yrs, and a Learning through Play Parent and Infant group for 0-3yrs in light of these issues within our community.

The absence of basic skills is accompanied by another problem for “work readiness” – basic social skills. The lack of parenting means that most of the young people we work with have a poor grasp of basic social skills needed to get on in the world. What is appropriate behaviour? What is appropriate language? There is an absence of responsibility for one’s actions, no sense of community responsibility, no respect for property, resulting in violence and crime which is often seen as a leisure pursuit. The lack of social investment in the community results in lack of purpose and hence no motivation to move on, or to see relevance in education.

### **THE SOLUTION!**

Our challenge on The Gap is not merely to provide a new curriculum, but to challenge a mind set. To raise aspirations, to create a vision of opportunity, and to then equip young people with the relevant skills to realise these hopes and thus avoid economic inactivity.

Our first task is to equip our young people with soft skills. The first areas we cover are communication and teamwork. The ability to negotiate relationships, to compromise, co-operate, to see the other person's point of view. How to explain how you feel, what you want, to express an opinion, to listen. Assertive skills, how to say "no", personal rights, other peoples rights. What are required social norms for behaviour, how must behaviour be appropriate to different settings, language, personal hygiene, and sex-education. Issues of time keeping, managing money. Developing a problem-solving attitude to life. Examining and understanding how relationships work, at home, at work and with friends. This necessary "social" education has to take place within a secure, yet fun environment. The young people need to be enjoying what they do, and see that it is purposeful for their future.

The Gap programme then moves on to hard skills. Over a 7-month period young people will gain basic qualifications in Internet, Computers, Telephone Skills, Job Interview Technique, Writing Skills, Budgeting etc. The Gap also provides training in less mundane subject areas including Digital Photography, Outdoor Cooking, Kayaking, Rock climbing, People and Health, Community Awareness and Beauty.

When young people become socially and emotionally equipped they gain self-respect, their vision of a possible future begins to take place. At the same time ambitions must be realistic and achievable, not fuelled by TV fantasy, but be attainable, assisted by the accumulation of relevant qualifications.

Relationships are a key factor to the success of the Gap programme. Quality staff committed to working with this target group. In some ways the staff find themselves in a parental role. Encouraging, motivating, supporting, challenging every teenager to achieve. Each Gap student develops a personal action plan of what they want to achieve, of changes needed for progression. Typical goals are to overcome fears, overcome temper, achieve qualifications and give up fighting. For some it is the first time they have woken up to a sense of responsibility that very much comes from feeling a sense of belonging arising from relationship. Being part of a team provides an environment of nurture, encouragement and security. Education / qualifications alone are not enough to bring change. Some kind of hope provides the motivation needed to move on.

## **SUCCESS**

The success and relevance of the course is measured in part by attendance. We all know that young people vote with their feet. The teenagers evidence a typical 80-95% attendance rate on the project compared with an attendance in Year 10 at school that ranged from 0 to 3 days per week.

More importantly the Gap measures its success by the fact that it has definitely been able to provide the combination of skills and emotional/social equipping required to help young people move on to the next stage. This is seen in the fact that the majority gain places at college, take up employment or move successfully into apprenticeships. The programme achieves its aims of *filling the gap* between school and work/further education.'

## **EVER CLOSER PARTNERS? BUSINESS & THE VOLUNTARY SECTOR**

In considering the key role played by the Christian and wider voluntary sector, in economic development, it is important to reflect, in closing, in more detail on the relationship, and the perceived relationship, between the voluntary sector and economic development. The fact that there is a relationship between the voluntary sector and the economy is now widely recognised on certain bases. First, there is a basis for an 'existential relationship' on the grounds that, with an annual turnover of £630 million per annum,<sup>13</sup> the voluntary sector *is an important part* of the economy, 'the third sector.' Second, there is a limited basis for an 'instrumental relationship' on the basis of what the sector actually does. Specifically by supporting the social environment the sector helps alleviate social problems which, if left to develop, could become a problem for business. This instrumental relationship, however, is negative in the sense that, seeking to prevent social problems that might get in the way of growth, it removes obstacles to growth rather than being recognised as positively and actively playing a role in the promotion of growth. There is, however, a need for recognition of, and engagement with, the crucial positive instrumental relationship that exists between economic development and the voluntary sector of the kind demonstrated above. The role of the voluntary sector in economic development in terms of tackling the relational bases for inactivity is actually part of the human capital development continuum and as such it must be seen to play a full and positive instrumental role in economic development. It might seem strange but voluntary sector projects working in the field actually do so in part because they want to see increased GDP per head.

## **THE WAY AHEAD**

Having addressed the challenge of inactivity in terms of 'age, skills levels, gender, self-reported ill health and so on,'<sup>14</sup> this submission argues that the Assembly would be well advised to examine the potential offered by more relational forms of investment. Specifically, if the Assembly was to invest in relational forms of investment through the voluntary sector, it is our contention that it would see very good returns on its investment.

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<sup>13</sup> Bryan Collis, *Wales Voluntary Sector Almanac 2003*, Cardiff, WCVA, p. 41.

<sup>14</sup> Economic Development and Transport Committee Paper 3, EDT2 05-03(p3), para 33, p. 9.

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