

# Devolution, deprivation and disadvantage: lessons from Scotland

On the eve of Scottish devolution in 1999 there were strong hopes that redressing social injustice would be an enduring feature of the new government, especially when the (then) First Minister promised: 'to take action to tackle exclusion, and develop policies, which will promote a more inclusive, cohesive and ultimately sustainable society.'<sup>1</sup> Eight years on, and with the third Scottish elections due in May, Gill Scott and Gerry Mooney look at whether this ambition has been realised.

- a increase in the risks of poverty and exclusion for groups who had previously turned to the state for support, including lone parents, the elderly and the disabled;
- a 10-year decline in the economy that had left a geographically concentrated legacy of long-term unemployment and associated poverty, and a skills base that did not match newly developing areas of the economy;
- a growing divide between the most affluent and those with low incomes, and between those in secure, well-paid work and the unemployed or under-employed.<sup>2</sup>

In many ways, this was a similar position to that of other areas of the UK. Devolution offered the hope and expectation that new forms of governance would help to generate innovative and successful policies.

## Poverty policy

Following devolution it was possible to exercise a range of powers in areas of social policy that could significantly affect child poverty. These included social care, health, housing, education and area regeneration. Child poverty in Scotland, however, like other parts of the UK, is subject to powerful UK policy shifts as well as powerful factors outside the remit of policy makers. Post-1999, the devolved Scottish government could, for example, do little to redistribute income and wealth: fiscal and social security policy remain very clearly powers reserved to the UK government in Westminster. With this in mind, we have to recognise that key issues affecting child poverty – low wages, low benefits and difficulties relating to tax credits are just as likely to affect families in Scotland as elsewhere in the UK. Indeed, as a recent submission to the Scottish Affairs Committee investigation on poverty in Scotland commented:

*If the targets for reducing and eventually 'abolishing' child poverty in Scotland are to be met, the Government needs to target additional resources through the tax credit system.<sup>3</sup>*



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## Poverty in Scotland 1999

Expectations were high in 1999 that a devolved Scottish government would produce a robust strategy to tackle the multiple social problems that scarred Scottish society. And there can be little doubt that foremost among these were problems of poverty. The Scottish Executive was faced with:

- a 15-year decline in public spending per head in key areas such as housing, transport and health;
- a rise in child poverty and social exclusion that had put Scotland and the UK near the bottom of the league in Europe;

Here, however, we focus on those policy areas that could create, at least potentially, 'clear tartan difference' in policy direction and impact. Many expected the Scottish Executive to use its devolved powers over education, health, housing and economic development to develop more effective social policy measures than had been possible under the old regime. Indeed, devolution in 1999 was generally welcomed as allowing the development of distinctively 'Scottish solutions for Scottish problems'.<sup>4</sup> In 1999, the publication of *Social Justice: a Scotland where everyone matters* saw the Scottish Executive first set out its wide-ranging social justice strategy. It was presented as 'the most comprehensive framework ever for tackling poverty in Scotland'.<sup>5</sup> This programme was founded on a 'life cycle approach' that focused on both people and places. Ten long-term targets were identified for achieving a more socially just Scotland. These included defeating child poverty within a generation (thereby reflecting the commitment given in 1998 by the Government at Westminster); ensuring that every 19-year-old was in education, training or work; full employment; and reducing inequalities between different communities across Scotland.

Following the second Holyrood Parliament elections in 2003, the Social Justice Strategy was reviewed and the outcome was a revised approach.<sup>6</sup> 'Social justice' was 'dropped' as the term describing anti-poverty policy, and was replaced by the more New Labour-sounding *Closing the Opportunity Gap*. This had three broad aims: to prevent individuals or families from falling into poverty; to provide pathways out of poverty; and to sustain individuals or families in a lifestyle free from poverty. The intention was to focus on those areas of policy in which the Scottish Executive could add to the anti-poverty policies of Westminster. In 2004, six objectives were identified. A number were primarily concerned with tackling worklessness and improving employability for a range of socially disadvantaged groups. Other targets were concerned with improving Scotland's appalling health record and area regeneration.

#### Tackling childhood poverty

Children and young people featured directly in a number of the targets. These included a focus on reducing the proportion of 16–19-year-olds not in education, employment or training by 2008, on improving the educational attainment of the lowest attaining pupils, and on ensuring an integrated package of appropriate health, care and education support for children who need it. However, whilst the high level aims of

*Closing the Opportunity Gap* focused on poverty, the more specific targets, which included child poverty targets, largely focused on work as the route out of poverty for this and the next generation. We can see here the echoes of UK-wide policy developments. Specific work-focused policy initiatives came to include the Working for Families fund that targeted resources at 20 local authorities to help parents, particularly lone parents, toward employment by overcoming childcare problems.<sup>7</sup>

#### Considering the impact of policy

What has been the result of these developments in Scotland? This is a complex question as many of the challenges of effective anti-poverty policy involve both the direct policies of the Scottish Executive and the reserved fiscal and social security issues of Westminster. They highlight the need and value of an integrated UK and Scottish approach to poverty. Nevertheless, there is room for 'Scottish solutions to Scottish problems'. The last five years have provided invaluable experience of an integrated approach to policy development and delivery within the new devolved Scotland. This is not to suggest that the understanding of poverty and the impact policy could make was not available prior to devolution, but the clearer targets for poverty reduction, the growing confidence of the devolved government and far more accurate, robust data at Scottish level provide a more effective, but by no means complete, base for evaluating policy and trends in poverty that are affected by the Scottish Executive and UK government.

On the basis of the information available, it does seem as though, despite some disputes over the figures, anti-poverty policy has begun to be more integrated and effective. Absolute poverty has fallen and the numbers living in households with less than 60 per cent of 1998 median income has fallen. Indeed, the proportion of children in low-income households in Scotland fell from 30 per cent in 2000/01 to 25 per cent in 2004/05 and the fall was greater than that for children in England and Wales in the same period. (From 30 to 28 per cent in England and 33 per cent to 28 per cent in Wales). However, despite these reductions, poverty remains unacceptably high across the entire UK.<sup>8</sup>

#### Looking to the future

In May 2007 the third Scottish Parliament elections will take place. What are the prospects for further developments in anti-poverty policy? As we have seen there has been some evidence of success but achieving the abolition of child

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poverty north and south of the border is proving much more elusive. Scottish children are still far more likely than adults to be poor; work does not automatically take families out of poverty when there are so many low paid and insecure jobs and where social injustice at work is rarely on the agenda of government. Other significant areas remain where policy makers could focus their attention if social injustice is to be addressed and a fairer society developed. There is much that needs to be done through fiscal and social security routes based in Westminster, not least an increased minimum wage and improvements to tax credits. However, in addition, the Scottish Executive needs to do the following.

- Recognise the continuing depth of poverty for some, and the low level of social mobility for many. Long-term plans and commitments are needed, rather than 'media friendly' initiatives that can lead to disappointment and anger amongst the electorate.
- Work with the DWP to support people making the transition into employment more effectively. More flexible packages that support families are needed. Over half of children living in poverty are in households in which an adult is working.<sup>9</sup> Scottish initiatives like the lone-parent student childcare support grant<sup>10</sup> are useful, but others could include the provision of advice services on employment and training rights, money and debt advice, and childcare.<sup>11</sup> Despite the minimum wage and tax credits, low pay, job insecurity, lack of flexibility for working parents, and sparse in-work support for those with disability or long-term illness continues to undermine work as a route out of poverty.
- Improve the quality of public services, particularly childcare, education, health and housing. Education, skills and childcare are important areas where a difference can be made, and remain major areas where the Scottish Executive can make a difference to people at various stages of their lives, particularly households with children. It is not just through services though. The majority of low-paid workers work in the public sector services and many of these workers have seen their pay and conditions eroded, not least as a result of assorted privatisation and PPP programmes. There is an obvious contradiction in government policy in this respect.

#### Likely prospects

How likely is it that challenges such as these will be addressed? In the summer of 2006 the Scottish Executive launched its 'Futures Project', an analysis of where Scotland is now

and the challenges it faces in the coming years. In November 2006 the First Minister announced a vision of where he thought Scotland's problems lay and where he thought a strategy based on this analysis should be heading. Poverty was at the heart of his analysis, and its reduction and expansion of opportunities for all is seen as essential for a future Scotland:

*Poverty and inequality are at the root of Scotland's greatest weaknesses. I am not satisfied with where we are... It is possible for Scotland to be the kind of country where the brightest and the best can reach for the very top but those who start at the bottom can rise too.*<sup>12</sup>

The First Minister's vision revolves around the creation of a meritocratic Scotland. His solution, like Blair before, highlights education, education, education! However, while there is recognition that inequality is a scourge on Scottish society, there is little in the way of concrete proposals or ideas on how this is to be addressed. Scotland is a land of far-reaching inequalities and social divisions and, since New Labour was first elected in 1997, the gap between rich and poor has reached unprecedented levels, in no small part a product of the pervasive spread of neo-liberal and market-driven social and economic policies. The problem of poverty remains, as it has ever been, a problem of wealth and inequality. In this respect the devolved Scotland is little different from other countries, both in the devolved UK and beyond. ■

Gill Scott is Professor of Social Inclusion and Equality in the School of Law and Social Sciences, Glasgow Caledonian University.

Gerry Mooney is Senior Lecturer in Social Policy and Staff Tutor, Faculty of Social Sciences, The Open University.

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