

## Monitoring poverty and social exclusion in Scotland (2002)

Using the latest available data, a report by the New Policy Institute contains an independent selection of indicators, maps and commentary that together present a picture of poverty, inequality and social exclusion in Scotland. The report shows:

-  Over the four-year period 1997/8 to 2000/1, the proportion of people in Scotland with relative low incomes rose slightly, to around 1.2 million people in 2000/1. Taking a longer view back to 1994/5, the overall sense is one of no change in this number.
-  At 30 per cent (equivalent to some 310,000 children in 2000/1), the proportion of children living in relative low-income households barely altered over the period 1997/8 to 2000/1.
-  Fewer of those on relative low income are now unemployed, while more are working. Among low-income, working-age households, 1 in 5 are unemployed, 2 in 5 contain someone who is working, while the other 2 in 5 are economically inactive. Many of the economically inactive who want paid work are classified as 'long-term sick and disabled'.
-  In spring 2002, nearly 210,000 working-age households had been without work for three years or more, the highest number for at least a decade.
-  The numbers claiming Working Families Tax Credit (WFTC) was continuing to rise in 2001/2, two years after its introduction. On average, the increase in the proportion of claimants was similar across local authority areas, rather than higher in areas of greater deprivation.
-  Although the proportion of school-leavers with a Standard Grade 1 or 2 rose sharply between 1996/7 and 2000/1, there has been no reduction since 1998/9 in the proportion leaving school with nothing more than a Standard Grade 5 or 6.
-  There has been substantial progress in reducing the number of homes without central heating. In 1999/0, the proportion of such homes had fallen to 8 per cent from 17 per cent over four years; among low-income homes, the proportion also halved, from 25 to 13 per cent.
-  Across a range of topics, from lack of access to basic financial services and products, to fear of walking alone in one's local area at night, people with lower incomes or from manual backgrounds are more likely to report problems than others.

## Summary of the indicators: performance over 5 years

Indicator	Over 5 years
<b>Low income</b>	
1 All individuals with low income	Steady
2 Children and pensioners with low income	Steady
3 Intensity of low income	Steady
4 Income inequality	Worsened
5 Spread of low income	Steady
6 Working-age people in receipt of benefit	Improved
7 On long-term benefit	Steady
<b>Employment and education</b>	
8 Risk of low income	Worsened
9 Risk of unemployment	N/A
10 Low attainment at school	Steady
11 Qualifications of school-leavers	Improved
12 Destination of school-leavers	Improved
13 Economic status of those of working age	Improved
14 Households without work for 2 years or more	Steady
15 In receipt of WFTC	Improved
16 Blue-collar employment	Worsened
17 Low pay and pay inequalities	Worsened
18 Insecure at work	Steady
19 Access to training	Steady
<b>Ill-health</b>	
20 Death rates for those aged 25 and 65	Improved
21 Long-standing illness or disability	N/A
22 Low birth-weight babies	Steady
23 Standardised mortality rates for three diseases	Steady
24 Suicides	Steady
25 Problem drug use	Steady
<b>Quality of life and social cohesion</b>	
26 Homeless households	Worsened
27 Affordable housing	Steady
28 Households without central heating	Improved
29 Satisfaction with services	N/A
30 Satisfaction with public transport	N/A
31 Without a bank or building society account	Steady
32 Satisfaction with local area	N/A
33 Participation in the local community	N/A
34 Voting	Worsened

## Background

Although modelled on the annual *Monitoring Poverty and Social Exclusion* report which covers Britain as whole, the indicators in this report have been assembled from scratch to reflect concerns and issues that were expressed to the researchers by people consulted in Scotland during the report's construction. The report is divided into four chapters covering income, education and employment, ill-health, and quality of life and social cohesion.

The report focuses both on aggregate progress in Scotland over time as well as differences within Scotland, whether by social class, age, gender, or local authority area, or between rural and urban areas. It covers both matters that are reserved to Westminster (where comparison with the rest of Great Britain is possible, especially on matters to do

with income) as well as those that are devolved to Holyrood.

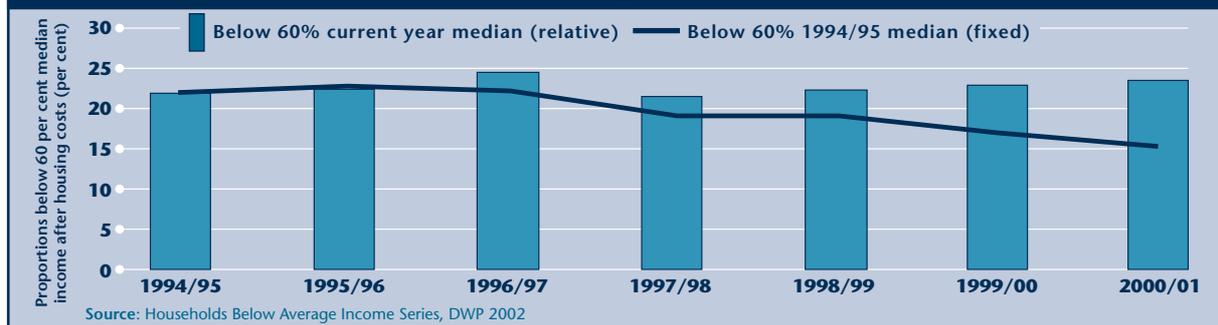
## The indicators

The following is a summary of the findings in the report.

### *Up to 2000/1, there was no fall in those on relative low income ...*

Over the four years 1997/8 to 2000/1, the proportion of people in Scotland below the relative low-income threshold rose slightly, from 21.5 to 23.5 per cent (see Figure 1), while the proportion of children (30 per cent) in that situation barely altered. By 2000/1 the proportions for Scotland, both for the whole population and for children, had become the same as those for Britain as a whole, after having been less in previous years.

**Figure 1: The proportion of people in households with relative low incomes has been rising gently since 1997/98. In contrast, the proportion below a fixed income threshold has been falling.**



*...nor any real longer-term change ...*

Over the seven-year period for which there is reliable data, the overall sense is one of little change, the average proportion on low income in 1998/9 to 2000/1 (23 per cent) being identical to that for in 1994/5 to 1996/7 (see Figure 1).

*... but, beneath the surface, there is change ...*

Thanks to falling unemployment, down from 8 per cent of the working-age population in 1994 to 6 per cent in 2000, there was a fall in the number of low-income, working-age households who are unemployed. The share they represent of all low-income households also fell, down from 25 per cent over the period 1994/5 to 1996/7, to 19 per cent over the 1998/9 to 2000/1 period. By contrast, there was a rise in the number of low-income households containing someone who is working, these 'working poor' households accounting for 41 per cent of the low-income, working-age households in the period 1998/9 to 2000/1. One factor that is likely to be related to this is the growth, albeit slow but nevertheless steady, in the inequality of earnings among men (although not among women) over at least the last decade.

*...and those solely reliant on benefits remain far short of the low-income threshold.*

As a result of various changes in the tax and benefit system, some low incomes have risen in real terms, thereby sharply reducing the number of people below an absolute low-income threshold (see Figure 1). Even so, some people who are solely reliant on means-tested benefits, for example couples whether with children or not, were still more than £60 a week short of the relative low-income threshold at the end of 2000.

*Recent evidence points both ways about what is now happening. On the positive side ...*

The low-income numbers for 2000/1 pre-date the big rise in the pensioners' Minimum Income Guarantee, from £78 to £92 for a single pensioner and from £122 to £141 for a pensioner couple, which took effect in April 2001. The downward movement in the proportion of pensioners that was visible in 2000/1 is

therefore likely to continue in 2001/2. In addition, the take-up of WFTC, which was introduced in October 1999, is still continuing to rise.

*...but the employment situation is mixed ...*

Over the two years from spring 2000, a period when the total number of jobs in Scotland was growing, the number of jobs in industry (manufacturing, energy, water and mining), construction and agriculture, fell by some 10 per cent. In view of the importance of households having two-earners to escape from low income, the loss of such predominantly male, manual jobs may be disproportionately important. Even during the five years to 2000, when the total number of jobs in these sectors remained broadly unchanged, several local authority districts lost more than 10 per cent of their jobs in these sectors.

*... and some deep-seated problems remain.*

Over the four years to 2001, there was a barely perceptible fall in the 340,000 working-age people who had been claiming one of the key social security benefits (a grouping which does not include WFTC) for two years or more, four-fifths of whom were sick or disabled. In spring 2002, nearly 210,000 working-age households had been without work for three years or more, the highest number for at least a decade. A high and rising proportion of unemployed people are only able to find short-term work, 45 per cent of those making a new claim for Jobseeker's Allowance in spring 2002 having last claimed the benefit less than six months previously.

*There are signs of progress in education ...*

Standard Grade attainment continued to climb through to 2001, both on average and for the weakest students. The proportion of school-leavers whose highest qualification is a Standard Grade 1 or 2 has risen sharply over the past five years, from 16 to 24 per cent, with a corresponding fall in the proportion getting nothing higher than a Standard Grade 3 or 4 (see Figure 2). The proportion going into further or higher education also rose, to above 50 per cent in 2000/1 from 40 per cent a decade earlier.



*... but the gap in attainment remains large ...*

The gap in attainment at Standard Grade between those at the bottom and the average is still large and shows no convincing sign of reducing. There has also been no reduction since 1998/9 in the numbers leaving school with either nothing or nothing higher than the lowest Standard Grades (5 or 6), some 5,000 school leavers in 2000/1 (see Figure 2). In spring 2000, around a fifth of all 19-year-olds - some 13,000 people - had no qualification (including vocational qualifications) better than an SVQ2 or equivalent, a proportion no different from 1996, although the trend since 2000 has been downward.

*... and for individuals this brings real risks.*

The fewer the qualifications a person has the higher their risk of unemployment, ranging from 4 per cent for those with higher education, 10 per cent for those with no more than Standard Grades, and 13 per cent for those with no qualifications. Unemployment remains high among young adults, especially men, around 1 in 7 of those aged 18 to 25 being unemployed in spring 2002. This is associated with further risks: 80 per cent of all 15- to 24-year-olds who commence a spell of treatment for drug-misuse are unemployed, with one-sixth of this group having never been employed.

*Progress has been made in tackling premature death ...*

For men aged 65, the death rate was more than a fifth lower in 2000 than it had been a decade earlier, with

most of the improvement coming in the last five years. A fall of such a magnitude, which is broadly typical of death rates for men throughout their 60s, is clearly very positive.

*... but the inequalities remain substantial ...*

Standardised mortality rates in the 10 per cent most deprived local areas were more than twice as high as in the least deprived 50 per cent, while for stomach cancer, lung cancer and heart disease, the rates in 2000 for the worst local authority areas were more than 30 per cent above average (see Map). The incidence of self-reported long-standing illness or disability is markedly higher among those in social rented accommodation, 1 in 5 of those aged under 45 and almost 1 in 2 for those aged 45 to 60.

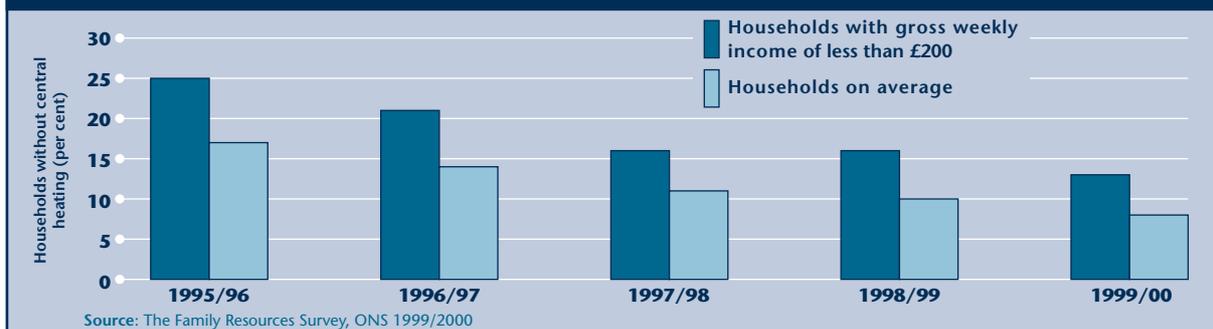
*... while some problems persist.*

There have been around 120 suicides among young adults aged 15 to 24 each year over the last decade, there being no sign of a fall here nor in the death rate from all causes for 25-year-olds. Some 1,300 underweight babies were born in 2001, low birth-weight being a signifier of likely health problems in later life. The proportion this represents (2.5 per cent) has remained unchanged over the previous decade.

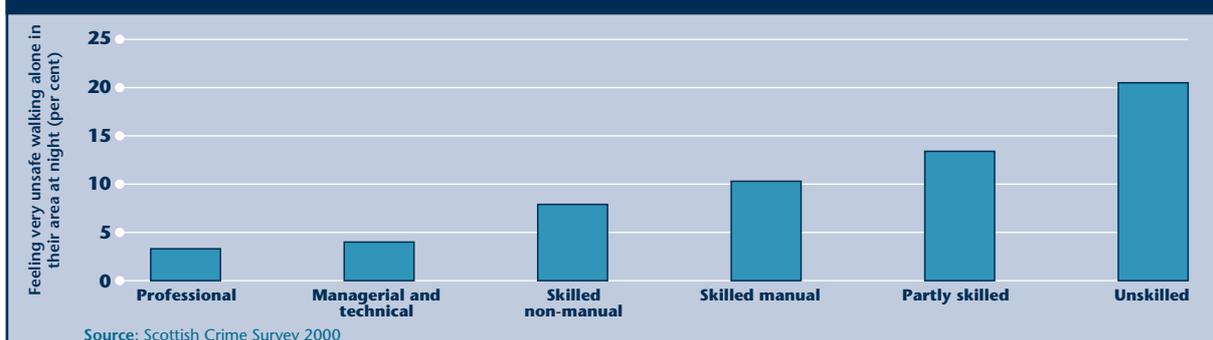
*The number of homes without central heating has halved ...*

In 1999/2000, the proportion of homes without central heating had fallen to 8 per cent from 17 per cent four years previously. For households with low

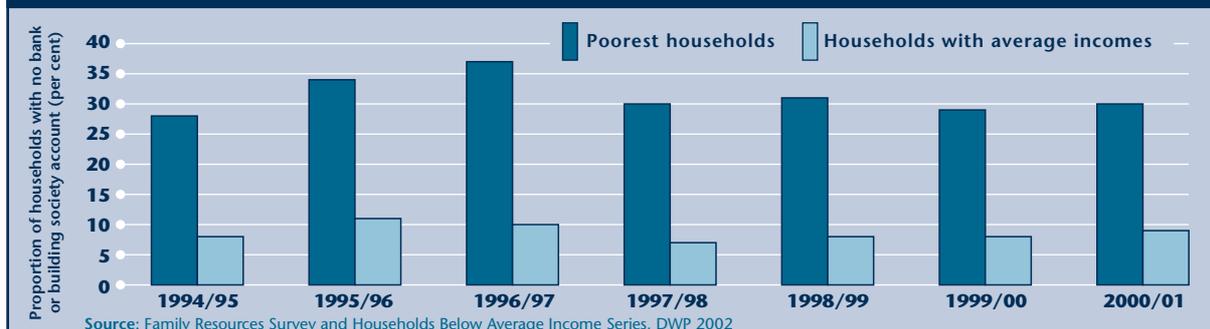
**Figure 3: Households with a low income are more likely than average to lack central heating, but the numbers have been coming down sharply.**



**Figure 4: People from manual backgrounds are much more likely to feel very unsafe after dark in their local area than people from non-manual backgrounds.**



**Figure 5: A third of the poorest households do not have any type of bank/building society account, compared with a tenth of households on average incomes.**



income, the proportion also halved, from 25 to 13 per cent (see Figure 3). This development is doubly good, not only for its effect on health but also because of the lower running costs associated with a more efficient heating system.

**...but homelessness is a growing problem.**

Some 34,000 households were deemed to be homeless in 1999/2000, a number that moved upwards over the 1990s. Despite the stock of properties in the social rented sector falling by a quarter (reflecting right-to-buy sales) during the 1990s, it is not obvious that the availability of affordable housing has got any worse, with the number of new lets each year remaining broadly constant over the 1990s.

**Particular groups face disproportionate problems ...**

More people from manual backgrounds are dissatisfied with the quality of the services provided by their local council than people from non-manual backgrounds. The feeling that it is very unsafe to walk alone in one's local area at night is held more often by those from manual backgrounds than those from professional or other non-manual backgrounds (see Figure 4). Almost half of those in rural areas find public transport inconvenient, compared with 1 in 10 in urban areas and 1 in 6 in small rural towns.

**... some of which are long-standing and well-known.**

The proportion of low-income households without any kind of bank or building society account remained in 2000/1 where it had been since 1994/5, at around 30 per cent, equivalent to some 130,000 households (see Figure 5). By contrast, the proportion for the population as a whole has remained at under 10 per cent. Only 1 in 5 people in urban areas feel involved in their local community, compared with 2 in 5 for those living in rural areas.

The decline in the turnout for the 2001 General Election compared with four years earlier was proportionately highest in those constituencies where turnout had been lowest to start with.

**About the project**

The study drew on data from a wide range of sources, including government-funded surveys, some administrative data and some local authority and health authority returns. The work has only been possible due to the co-operation of civil servants (particularly statisticians) across government.

**How to get further information**

The full report, **Monitoring poverty and social exclusion in Scotland** by Peter Kenway, Steven Fuller, Mohibur Rahman, Cathy Street and Guy Palmer, is published by the Joseph Rowntree Foundation (price £16.95, ISBN 1 85935 076 3).

A companion report looking at Great Britain, **Monitoring poverty and social exclusion 2002** by Guy Palmer, Mohibur Rahman and Peter Kenway, is also published by the JRF (price £16.95, ISBN 1 85935 074 7; you can also download this report free from [www.jrf.org.uk](http://www.jrf.org.uk), ISBN 1 85935 075 5).