Whose Economy? An introduction
A Whose Economy Seminar Paper

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September 2011
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Whose Economy Seminar Papers are a follow up to the series of seminars held in Scotland between November 2010 and March 2011. They are written to contribute to public debate and to invite feedback on development and policy issues. These papers are ‘work in progress’ documents, and do not necessarily constitute final publications or reflect Oxfam policy positions. The views and recommendations expressed are those of the authors and not necessarily those of Oxfam. For more information, or to comment on this paper, email ktrebeck@oxfam.org.uk
Whose Economy? Background and aims

Over the autumn and winter of 2010-2011, the University of the West of Scotland and Oxfam organised the Whose Economy seminar series, with an agenda set by the Oxfam discussion paper: Whose Economy? Winners and Losers in the Scottish Economy by Katherine Trebeck.1 The publication of this paper set out the context of poverty and inequality in Scotland today, and looked at the historical factors and structural changes that have contributed to the current situation. The seminar series brought together researchers, representative organisations, policymakers and people with experience of poverty. It aimed to examine key developments that have influenced the livelihoods of communities in Scotland and, from the perspective of vulnerable communities, to explore the implications of structural changes in the Scottish economy. The series explored the questions: what kind of economy is being created in Scotland and, specifically, to whose benefit? It also looked forward to creating a new model for Scotland: one which shares the benefits of growth fairly; creates high quality, sustainable jobs for those who can work while protecting those who can’t; and prioritises social goals such as cohesion, strong communities, and empowerment.

Speakers at the four seminars – which were held in Glasgow, Edinburgh, Stirling and Inverness – were invited to discuss the relevant actors and how the interaction of the pursuit of economic growth and other policy trends (such as welfare reform) has impacted on communities across Scotland. At each event, there was highly informed participation from the floor, as well exploring the specific themes in some depth, so that the arguments and ways forward could be refined for the series of seminar papers and other dissemination.

As discussed at the opening seminars in Edinburgh and in Stirling, the papers by McKendrick, Walsh, and Collins and McCartney explore the essential dimensions of socio-economic divisions in Scotland, offering a forensic analysis of the depths of inequality and the causes of poverty and deprivation.

Many Scots face a life characterised by high mortality, economic inactivity, mental and physical ill-health, poor educational attainment, and increasing exclusion, as addressed in the papers by Collins and McCartney, Walsh, and Welford, and presented at the seminars in Glasgow and Stirling in particular. Poverty is concentrated in geographical areas such as Glasgow and the West of Scotland; and women, people from minority ethnic communities, and new migrants are more likely to be poor than other groups. Poverty is often associated with worklessness – often due to unemployment, disability, illness or caring responsibilities. Work, however, is not necessarily a route out of poverty, as many jobs do not pay enough to live on, as discussed in Glasgow (see papers by Warhurst and Sinfield).

The roots of poverty in Scotland are both historical and structural. In recent decades, the economy has shifted from one based on manufacturing to a service-led, supposedly ‘knowledge economy’ (Scottish Executive, 2001), with retail and

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call centres expanding as manufacturing declines (see the papers by Boyd and Warhurst in particular). Glasgow, for example, was once the second city of the British Empire. Now it is Britain’s second biggest shopping destination (see papers by Carlisle and Hanlon, Hamilton, and Welford). In this new economic landscape, people face increased risk in taking – and attempting to keep – a job; a job which may offer them little security and require a high degree of flexibility on their part. Despite this, work is seen by government and policy-makers as the route out of poverty – with the responsibility for becoming employable firmly resting on the individual, who must acquire the skills and behaviours that will make them attractive to employers (see papers by Sinfield and Warhurst).

Oxfam’s analysis of poverty around the world and in the UK uses the ‘Sustainable Livelihoods Approach’. Individuals, families, communities and societies are considered to require five types of assets – financial (income and capital), human (skills, talent, health), social (relationships and support networks), natural (environment), and physical (infrastructure, services, equipment, and transport) – to prevent poverty and vulnerability over the long term. In vulnerable communities the most important (and sometimes the only) asset available to families and individuals is their family relationships and social networks (Orr et al., 2006). These social assets enable poor families and individuals to share resources, helping them to even out fluctuating fortunes and to cope in difficult circumstances. Naturally, one of the topics visited at each of the seminars, and as reported in several of the seminar papers, identified this as the real ‘Big Society’ in Scotland, where local residents and neighbours attempted to ameliorate the worst effects of poverty on their families and communities. Yet recent economic development in Scotland and the UK positions individuals as cheap, flexible labour, akin to just-in-time inventory, available when business needs them and expendable when it does not (see the paper by Boyd). This, paradoxically, both relies on the crucial support systems in poor communities and simultaneously threatens to destroy them.

But in response to economic restructuring and persistent poverty, anti-poverty policy in Scotland (and the UK) has tended to prioritise only narrow economic growth policies, emphasising employment and physical regeneration, but not social goals such as community cohesion, strong relationships between people, a sense of empowerment, and sustainability (see papers by Paton and Hastings). Strong communities seem to be valued because they can contribute to economic growth, rather than the other way round. The lessons from the vulnerable rural communities in the Highlands and Islands are especially significant, as examined in the paper by Braunholtz-Speight and in presentations by Watt, Gubbins, Danson, and Trebeck. Such economic growth and regeneration strategies have not reduced poverty and inequality in Scotland, and anti-poverty policies have, in some cases, made things worse rather than better.

Oxfam believes that it is possible to overcome poverty, both in Scotland and the UK. As the sixth richest country in the world, we certainly have adequate

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2 This refers to Glasgow’s standing in the Victorian era, when it was one of the world’s pre-eminent centres of engineering, shipbuilding and international trade.
resources to do so. It’s about allocating those resources in a more effective and sustainable way. It is a sad indictment of one of the richest countries in the world that such a seminar series is still necessary in the twenty-first century. The papers in this series offer expert analyses, prescriptions and suggestions for strategic change. Actions are prescribed for all levels of government and society. The statistics and proposals are consistent with the work of Oxfam on the Humankind Index (www.oxfam.org.uk/humankindindex) and other agencies for change in Scotland, including the public, social and private sectors. But there is a key and essential role for all members of Scottish society in debating, addressing and meeting the challenges of poverty and deprivation. The discussions and debates on what sort of Scotland we want to build will come ever more to the fore in the run-up to a Scottish independence referendum. The issues raised and confronted here must be at the heart of those conversations, and this series of papers offers valuable contributions to that debate.
References


Whose welfare state now?
A Whose Economy Seminar Paper

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June 2011
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Executive summary

‘Whose welfare state?’ is as important a question today as it was half a century ago. Too many people believe that those on lower incomes only take and do not contribute to society. The evidence shows that those in poverty are forced to contribute a bigger share of their lower incomes in taxes, but receive inadequate benefits that make life challenging and stressful for them and their families. Far from helping people into work, these benefits trap people in poverty. The level of demand – not the behaviour of those out of work - is the main factor affecting both overall and long-term unemployment. Yet the widespread acceptance of tax and benefit myths makes it even more difficult to obtain support for policies that will reduce levels of poverty and inequality – poverty and inequality which is much higher in the UK than in most other market economies.

A fair welfare state needs a lower level of unemployment and better jobs, as well as better benefits. Many ‘countries socialise the responsibility of preventing citizens from being poor’ much more successfully than the UK has done.¹ We need to learn from them and give greater priority to reducing inequalities.

This paper argues that, to be successful, the welfare state has to collect fairly from all and redistribute fairly at the right time to meet the right needs. We must vigorously challenge the myths of taxation and benefits. We need to work to establish ‘a society for people’ where the welfare state prevents poverty and reduces inequality.
Introduction: the damaging myths of tax and benefit

‘Whose welfare state?’ asked Brian Abel-Smith, a social economist, over 50 years ago. The middle classes ‘feel that too much is being given to too many at too high a standard, and they are being forced to foot the whole bill’.

Today ‘we the people’ are told that we are not like ‘them the poor’: we are the givers; they are the takers (see Mooney, this collection). We are ‘hard-pressed, hardworking taxpayers’. They, said then Labour Prime Minister Tony Blair, ‘are languishing on benefits’ or ‘resting on benefits’, as Michael Forsyth, then Conservative Minister for Employment, put it – ‘a lifestyle choice’ in the words of George Osborne, the Coalition Chancellor of the Exchequer.

But these two distinct and distancing worlds of givers and takers do not exist. Virtually all of us pay taxes: virtually all of us receive benefits over our lifetimes, from child benefits to pensions. But there are many myths obscuring this reality. In taxation, 33 per cent of personal income is collected in various taxes. Overall the richest fifth of households pay no larger a share than most of us, but the poorest fifth do – 36 per cent.

The main reasons for this are council tax – even with council tax benefit – and, especially, indirect taxes (such as VAT). Their impact is so regressive because the lower your income, the more of it you have to spend to get by. By contrast, the better-off can take advantage of a plethora of tax reliefs to save more and reduce their contribution to the revenue, and so to the common good. A fair welfare state would reverse this upside-down outcome where those in poverty pay a greater share of their income than the rich towards funding the welfare state.

Why do we have less poverty than the United States, but much more than Norway, Sweden and Denmark? The reasons lie very much more in the distribution systems of the respective countries than in the personal behaviour of people in poverty. ‘Why some affluent Western democracies maintain substantial poverty and others are more egalitarian and accomplish low levels of poverty’ is mainly due to ‘the generosity of the welfare state’. Out of 24 European countries, only one (Estonia) has more poverty among the unemployed than we do. Only seven countries have higher rates of poverty among those in work; and when poverty among all those aged 18-64 years is considered, only six EU countries are worse: yet the UK is one of the richest nations.
In the UK unemployment and poverty are still linked

In the UK, unemployment and poverty are as linked as they were in the 1930s: ‘loss of employment is the single most significant cause of entry to poverty’. Denmark had as much unemployment as us in the 1980s, but nothing like as much poverty, because the society was organised differently with a more civilised and decent system of benefits.

Lack of demand, not the behaviour of those left long out of work, is the most important cause of long-term unemployment. Flying in the face of such evidence, government ministers of all political persuasions tell us we need to increase incentives to ‘activate’ people who are out of work, not give them ‘passive’ benefits. But research shows inadequate benefits are harmful, not passive, and make life harsher and more difficult for those out of work and their families. They reinforce poor wages in work, and European Commission studies show we have significantly poorer quality of work, and more poor quality jobs, than many other European countries.

Beveridge’s view of full employment was clear: ‘decent jobs, fair wages, of such a kind and so located that the unemployed can reasonably be expected to take them’. A very conventional liberal, Beveridge, did not think that any job was the answer. A fairer welfare state can only work to produce a lower level of unemployment with better jobs (see Boyd and Warhurst, this collection).

It is clear that ‘unemployment heightens the risk of people falling into poverty, and poverty in turn makes it more difficult for people to return to work’. Out of work without enough undermines individual and family resilience. So inadequate benefits – currently £67.50 a week for those over 24 – trap people in poverty and do not help to reduce unemployment.

Too many paid more than they earn are part of the problem

If more people knew how far unemployment benefits have been run down, there would be less talk of ‘resting on benefits’. In 1970, unemployment benefit was about 20 per cent of the average wage: it is now less than 11 per cent, one of the poorest rates in Europe. Over the same period the total remuneration of the chief executives of FTSE 100 companies has risen by well over an extraordinary 1,000 per cent. Such salaries, now in the realm of some £3.5 million a year, compared to that £67.50 a week for those out of work, sharpen growing inequalities – with
alarming consequences for social cohesion. One investment banker told colleagues arranging team bonuses in the mid-1990s: ‘If the rest of the country knew what we were being paid, there would be tumbrels on the streets and heads carried around on pikes.’ That banker is Lord Freud, adviser to the last Labour government on welfare reform and now the Coalition Government’s Minister for Welfare Reform, who has declared legal definitions of homelessness too generous and needing to be made ‘more realistic’.

Outrage over such rewards flared and then flagged again after the credit crunch. ‘Inequalities in earnings and incomes are high in Britain, both compared with other industrialised countries, and compared with 30 years ago. Over the most recent decades earnings inequality has narrowed a little and income inequality has stabilised on some measures, but the large inequality growth of the 1980s has not been reversed.’

If we want a fairer society, we must tackle many being paid more than they earn – and many others earning more than they are paid. And those who are paid more get more than pay. Hay Management has recommended a typical reward package for middle management, where benefits far beyond the fringe multiply basic salary by two-and-a-half times. Generous tax reliefs on such benefits further erode any semblance of a fair contribution to taxes.

‘The art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least amount of hissing’, as Jean-Baptiste Colbert, the Chancellor to Louis XIV put it over three centuries ago. Yet, in Racing Away, the Institute of Fiscal Studies showed how very well the most highly paid have been doing. The richest tenth of the top one per cent has a pre-tax income which is 31 times the average. But the value of tax reliefs for people in this group are 86 times the average, and this enables them to keep further ahead. Instead of taxation operating to reduce inequality, as expected, it actually reinforces and widens inequalities in many hidden ways. A fixed maximum limit to the value of tax reliefs for every taxpayer would be much easier and fairer.

In 1958 Brian Abel-Smith wrote: ‘the middle classes get the lion’s share of the public social services, the elephant’s share of occupational welfare privileges and in addition can claim generous tax allowances to reduce their tax liability’. His question, ‘whose welfare state?’, is even more urgent today.

The wider costs of greater inequality

The UK is a wealthy, but unequal, country. We know less about inequality in wealth than income, but it also matters: ‘mortality closely relates to wealth: more than twice as many men, and nearly four times as many women, from the least-wealthy fifth of over-50s die within a six year period, as of those from the wealthiest fifth’. It isn’t just a matter of politics, but also of life and death (see McCartney and Collins, this collection). Half a century ago Peter Townsend argued that, ‘if that overdone phrase “a classless society” means anything, it is a
society where differences in reward are much narrower than in Britain today [1958] and where people of different background and accomplishment can mix easily and without guilt; and also a society where respect for people is valued most of all. For that brings a real equality.”

Yet, ‘economic advantage reinforces itself across the lifecycle, and onto the next generation. It matters more in Britain who your parents are than in many other countries. Intergenerational mobility appears lower in more unequal societies – moving up a ladder is harder if its rungs are further apart, and those who start higher up fight harder to ensure that their children do not slip down.’

This is why we need to take a much closer account of growing evidence that ‘more equal societies almost always do better’, the subtitle of The Spirit Level. They work better for everyone, not just those at the bottom. The greater the inequality in a country, the higher the level of poverty: the institutional and structural arrangements maintaining inequality are also perpetuating poverty. As G.D.H. Cole argued in the 1950s, ‘the welfare state is only a way of redistributing some income without interfering with the causes of its maldistribution.’

More inequality means more poverty and social exclusion because inequality has a dynamic of its own. Before the First World War, Richard Tawney pointed out: ‘what thoughtful rich people call the problem of poverty, thinking poor people call, with equal justice, the problem of riches.’ Upstream policies are needed to tackle the inequality while downstream services can help those already affected. But without more effort upstream, support measures continue to be swamped. Changes need to be structural to tackle structural problems. We need to prevent the preservation and reinforcement of a class-fractured society.

Not only are these inequalities far worse now, but there’s a wide gap between media and political presentations of people trapped at the bottom of society and the reality of their experience. We need to be challenging these myths much more vigorously (see Mooney and Welford, this collection).

Conclusion – ‘a society for people’

Iain Duncan Smith described his new ‘welfare reform’, Universal Credit, as ‘Beveridge for today, with a hint of Tebbit’. He went out of his way to praise the Beveridge of Voluntary Action, 1948, over his more famous report on Social Insurance and Allied Services in 1942. But did the Minister read Voluntary Action carefully enough? Beveridge calls its last chapter, ‘First things first’, and begins: ‘The Beveridge Report of 1942 set out a practical programme for putting first things first. There was to be bread and health for all at all times before cake and circuses for anybody at any time, so far as this order of priority could be enforced by redistribution of money.’

Such redistributive priorities have been rejected by the present administration in favour of a smaller state and a lower welfare bill. If you are constantly told that people have got too much, you’re not going to ask whether they’re getting all –
or even any – of what they’re entitled to. Making a fairer society for all is not something that can be left to the government.

**Recommendations**

- We, the people, need to play an active part in rebalancing priorities right across society to achieve the aims of Beveridge in 1948 and Abel-Smith and Townsend in 1958 and to show that ‘more equal societies almost always do better’. 26

- We need higher benefit levels; better coverage and higher take-up, and more help for caring to avoid excluding the most vulnerable and promoting a genuine sense of social inclusion.

- We need to challenge welfare and tax myths and propaganda much more vigorously, and ensure a better distribution of resources and respect across the whole of society.

- We need fairer taxation so that all can contribute to building up the common wealth of our society (see Boyd, this collection).

- We need more and better jobs with decent pay, not dead-end ones that trap people into poverty (see Warhurst, this collection).

- We need to prevent the preservation and reinforcement of a class-fractured society.

- We need, above all, more work upstream on the demand side, with sustainable strategies that enrich and strengthen a democratic society for the future. Then we will create what Brian Abel-Smith and Peter Townsend called for half a century ago – ‘a society for people’ where the welfare state prevents poverty and reduces inequality.
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Notes

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The Scottish economy
A Whose Economy Seminar Paper

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June 2011

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Executive summary

Scotland has become a more unequal society over the past 30 years, as it has struggled to adapt to changing economic circumstances. Poorly handled industrial change has left too many Scottish communities scarred by persistent economic inactivity. Economic development policies have failed to create the quality employment base on which all thriving societies are built.

However, significant opportunities now present themselves as Scotland seeks to lead the world in the transition to a low-carbon economy. The implosion of deregulated financial capitalism in the crash of 2007-09, provides the intellectual justification for a new, more interventionist approach, which seeks to connect sustainable economic growth to the living standards of all.

Introduction

Scotland, a small, comparatively wealthy nation on Europe’s periphery, has left a mark on the world economy out of all proportion to its size. The Scottish Enlightenment provided much of the intellectual foundations on which modern democracies and economies were built; the pioneering of public education – Scotland was the world’s first ‘literate nation’ – had a palpable economic as well as social payoff. This included the engineering prowess exported to all parts of the world and the capacity for innovation – the ‘spirit of invention’ – that led to so many iconic and transformative products and technologies being developed within Scotland’s shores. It is no exaggeration to describe the Scotland of the early twentieth century as an industrial superpower.

A decline in the mid part of the last century can be explained by over-specialisation in heavy industry and failure to diversify into lighter consumer-based industries. High levels of outward migration were witnessed, as decent work opportunities grew scarcer with the decline of heavy industry. From the 1960s onwards, regional policy, inward investment, North Sea oil and the growth of financial services at least partially arrested the decline.

In common with most of the developed world, Scotland experienced ongoing deindustrialisation through the latter part of the twentieth century and first decade of the twenty-first. The impact of the shift to a service-led economy was, however, more severe in Scotland (and the UK) than in most other nations, as income and wealth inequality grew exponentially, social mobility declined, and persistent long-term worklessness became an apparently intractable problem.

Scotland does, however, continue to enjoy a number of enduring advantages: a relatively highly-skilled workforce; strong comparative advantage in a number of key industrial sectors; and a natural and cultural heritage that makes it a desirable nation in which to live and work and, for many, a wonderful place to visit.
1. The Scottish economy in 2011

Some 30 months after the peak of the banking crisis and some 15 months since the ‘great recession’ of 2008/09 technically ended, the Scottish economy remains in a precarious state. Small declines in the headline rate of International Labour Organization (ILO) unemployment in the latter part of 2010 and early 2011 have obscured a number of worrying labour market trends: youth unemployment is stubbornly high; long-term unemployment continues to rise on a number of measures; women are being disproportionately affected; and the rise in underemployment – people in work, but unable to access the full-time permanent positions they seek – is the great hidden story of the great recession and its aftermath.2

Since the Conservative/Liberal Democrat coalition UK government assumed office in May 2010, the recovery has weakened; GDP growth has stalled since September 2010. Real wages are estimated to be lower in 2011 than 2005; the last time real wages fell over a six-year period was the 1920s.3 Real household income fell in 2010 for the first time since 1981.4 All forward-looking indicators of consumer confidence – for example, the number of people expecting the general economic situation to deteriorate over the next 12 months5 – were collapsing before the coalition’s spending cuts programme started in earnest from April 2011. There is little sign of the private sector investment boom the coalition is relying on to drive growth as austerity bites.6

2. Opportunities

The challenges are profound, but there is little doubt that the Scottish economy has significant opportunities, even as it continues to struggle out of recession. As mentioned above, Scotland retains strong comparative advantage in a number of areas: financial services, energy, life sciences, tourism, food and drink, health services and education services. Although manufacturing employment has declined precipitously over the past 30 years, a number of sub-sectors such as aerospace, defence, and marine and advanced engineering continue to perform well in competitive global markets. Scotland’s natural environment, research base and the strong political commitment expressed in the Climate Change Scotland Act (2009) have combined to create massive opportunity in a range of low-carbon industries. The industrial and employment benefits of developing onshore and offshore renewable energy technologies is generally well understood; less so are opportunities in areas such as improvement of the built environment, and data storage and processing.
3. The current policy framework

On assuming office in 2007, the SNP minority Scottish Government published an economic strategy that included, for the first time, a range of targets. These included specific targets on GDP growth (‘to match the GDP growth rate of the small independent EU countries by 2017’, ‘to raise Scotland’s GDP growth rate to the UK level’) and productivity (‘to rank in the top quartile for productivity amongst our key trading partners in the OECD by 2017’); but also targets on solidarity (‘to increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017’), cohesion (to narrow the gap in participation between Scotland’s best and worst performing regions by 2017’) and sustainability (‘to reduce emissions by 2011 and by 80% by 2050’). The solidarity, cohesion and sustainability targets became known as the ‘golden rules’.

Given the Scottish Government’s limited economic powers, setting growth targets was regarded as a bold move at the time, although the financial crisis and recession subsequently reduced the political and media focus on Scotland’s performance relative to other nations. In any case, the greater challenge always lay in reconciling the growth targets with the golden rules.

Since the 1970s, in common with the UK, the proceeds of economic growth in Scotland have been increasingly narrowly shared; too few quality jobs have been created; policy development and implementation is increasingly the province of business (usually financial) and government elites, with other economic ‘stakeholders’ relegated to marginal status; and 30 years of weak and irrelevant supply side interventions, such as deregulation of product and labour markets, have consigned communities to worklessness, undermined productive industry and weakened final demand. Far-reaching reform is necessary if Scottish Government targets on growth, productivity, solidarity and cohesion are to be achieved. As things stand, both the policy framework and the theory that underpins it are not up to the challenge.

4. Pervasive myths

Since devolution, debate over Scotland’s economic future has been narrow – dominated by a few shrill voices, and a no-go area for most of Scotland’s citizens and their civic representatives. Recurring themes – routinely expressed through the interventions of employer organisations, the Scottish think-tank community, media commentators and too many politicians – are that the public sector is too big and necessarily crowds out more productive private sector activity and jobs; that Scotland is over-regulated and over-taxed and is therefore not a good place to do business; and that proactive industrial policy will necessarily do more harm than good.
The blind acceptance of these orthodoxies across a wide political spectrum limits and skews debate and leads to irrelevant, and often damaging, policy (a prime example is the Scottish Government’s Small Business Bonus Scheme – an expensive scheme of very dubious economic value). This is all the more disappointing given that evidence points in the other direction: the UK economy is assessed by the OECD as having the third least regulated labour market in the developed world and the second least regulated product market. The World Bank ranks the UK economy as the fourth best country in the world in which to do business and assesses the total tax rate for business at 37.3 per cent; well below the average of 43 per cent. The Scandinavian countries, the most enduringly successful in the world and highly competitive according to often-cited measures, all have public sectors at least as large as Scotland’s.

The downside of having a relatively deregulated economy is (deliberately?) overlooked: growing inequality, a preponderance of bad jobs, and the tendency to instability which was so vividly illustrated by the recent banking crisis.

5. Conclusion – a renewed policy framework

It would be helpful if a level of agreement could be achieved on whether the 2007/09 global financial crisis actually, as this writer firmly believes, represented the end of a failed economic and social model. Compared with the period of managed capitalism that preceded it, three decades of deregulation (particularly of finance), flexible labour markets (making the workplace a less fair and democratic place, inequality (weakening final demand), and lowering business taxation (shifting the responsibility of funding vital public services increasingly onto workers) achieved moderate GDP and productivity growth, an exponential rise in inequality of income and wealth, and a decline in social mobility.

The global financial crisis of 2008 blew away many of the orthodoxies (particularly around deregulation and the role of the state) which have underpinned economic policy since the early 1980s. The crisis provided an opportunity to create a new economic architecture to reconnect a strong, flexible economy to the living standards of all, not just to the rich. Unfortunately, not only was the opportunity not grasped, but those interests that promoted deregulated financial capitalism have quickly reasserted almost unchallenged primacy over economic policy development; witness the coalition government’s Plan for Growth which is almost exclusively based on business tax cuts and deregulation.

In terms of the fundamental reform necessary to create a fairer, more sustainable, economic and social model, little can be achieved at Scottish level as long as the devolution of powers remains so limited. Policy must change fundamentally in three areas where the majority of powers are reserved to Westminster:
• There must be substantial structural and regulatory reform of the UK financial sector to avoid another crisis and to create a system that supports, rather than undermines, the wider economy. It is widely recognised that the UK financial system is uniquely bad at performing this basic function.

• As is widely recognised across the political spectrum, a longer-term rebalancing towards manufacturing is required. This will be dependent on effective financial and corporate governance reform at UK level, and the creation of a new, modern industrial strategy for Scotland which seeks to utilise every devolved lever to help support manufacturing in environmentally-sustainable industries. Policy-makers must realise that, through the provision of middle-income, middle-status jobs, and the sustenance of local supply chains, manufacturing is a force for social cohesion in a way that services are not.

• The rebuilding and careful nurturing of the economy’s equalising institutions which mitigate the tendency of Anglo-Saxon style capitalism to create extremes of wealth. These must include stronger trade unions, progressive taxation, living wages, and a new, more balanced, approach to business regulation. Current research is attributing the rise in income inequality in the US and UK (outliers compared to most of the developed world) to changes in norms and institutions and not, as is commonly assumed, to skill-biased technological change, immigration and trade.

At the Scottish level, questions have to be asked as to whether an economic development strategy that focuses so tightly on growing ‘key sectors’ can achieve the social goals encapsulated in the ‘golden rules’. This is especially true when funding for local regeneration projects has diminished and when clarity is often lacking over which arm of government has responsibility for such projects.

The financial crisis and subsequent recession represented a failure of politics on a grand scale. Political parties will continue to argue over who is to blame, but it is clear to Scotland’s trade unions that all Scotland’s major political parties were complicit in propping up the failed economic model. All bought into the myth that wanton deregulation and low business taxes are a prerequisite for economic success. All failed to recognise that the weakening of the economy’s equalising institutions would have a profoundly detrimental impact on equality, social mobility and cohesion. Most importantly, all failed to recognise that their often laudable social objectives could not be reconciled with a growth model that inevitably concentrated wealth in the hands of a tiny portion of society.

If economic powers in Scotland continue to be so limited, and if economic development policy continues to be developed primarily to satisfy business interests, then inevitably Scotland will be a less fair and democratic place; it will also be more unstable and prone to further systemic crises.

The prosperity of Scotland’s citizens has to be prioritised over the demands of mobile capital. Borrowing powers, if forthcoming, must be used to fund the energy, transport and digital infrastructure necessary both to drive sustainable growth and to ensure its benefits are broadly shared. The creation of rewarding, decently-remunerated employment should be an explicit policy goal. Modern
industrial policy should be boldly implemented to maximise Scotland’s advantages and generate the benefits that would otherwise be lost to the market’s short-termism. The Scottish economy can support a vibrant and prosperous society, but a new approach – one that is radical in ambition and challenging to prevailing economic orthodoxy – is required.
Notes


2 Office for National Statistics, Regional Labour Market, Monthly Data: Scotland, May 2011

3 See speech given by Mervyn King, Governor, Bank of England at the Civic Centre, Newcastle on 25 January 2011.


6 ONS, Second estimate of Gross Domestic Product, 1st Quarter 2011 confirmed a 7.1% decline in business investment over the quarter.

7 The international institutions do not assess Scotland separately, but given that policy in these areas is largely or exclusively reserved, it is fair to assume Scotland would rank alongside the UK.

8 This average is skewed by outliers such as Ireland.

9 See, for instance, the World Economic Forum’s Global Competitiveness Index; a measure of dubious value but one routinely cited by UK politicians arguing for tax cuts and deregulation. For a longer discussion of these issues, see ‘The Wrong Plan for Growth: Budget 2011, the Global Competitiveness Report and the dangers of formulating policy on a false premise’, Scottish Trades Union Congress 2011

10 Ibid.

Desperately seeking poverty (alleviation): towards poverty sensitive budgeting in local government

A Whose Economy Seminar Paper

John H McKendrick

July 2011
About the author

Dr. John H McKendrick is a Senior Lecturer in the Glasgow School of Business and Society at Glasgow Caledonian University. His research is primarily concerned with informing the work of practitioners and campaigners beyond the academy who seek to tackle poverty in Scotland, the UK and the EU. He is co-author of Poverty in Scotland 2011 (CPAG) and recently completed three guides for practitioners in Scotland, one on ‘Measuring Poverty’, one on ‘Tackling Child Poverty Locally’ and one on ‘Poverty Sensitive Budgeting, Decision Making and Practice’ (all published by the Scottish Government in 2011). He is a member of Eurochild and has supported the work of two transnational workshops in the EU (‘Child Poverty’ in 2009, and ‘Active Ageing, Poverty and Social Inclusion’ in 2010). He is a member of the Expert Panel for Oxfam Scotland’s ‘The Humankind Index’.

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Whose Economy Seminar Papers are a follow up to the series of seminars held in Scotland between November 2010 and March 2011. They are written to contribute to public debate and to invite feedback on development and policy issues. These papers are ‘work in progress’ documents, and do not necessarily constitute final publications or reflect Oxfam policy positions. The views and recommendations expressed are those of the author and not necessarily those of Oxfam. For more information, or to comment on this paper, email ktrebeck@oxfam.org.uk
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Executive summary

Added to significant funding cuts in the years ahead, local government in Scotland may also be faced with additional workload if the Third Sector and private sector cannot absorb public sector job losses and/or are not able to provide conditions of employment that allow existing standards of living to be maintained. The prospect of local government being tasked with achieving more with each unit of resource looms large. It is widely accepted that local government will need to reduce costs and increase income; loss of services is inevitable. Although there is much support for protecting frontline services, particularly those meeting the needs of the most vulnerable, it is less clear exactly how this is to be achieved.

In this paper, it is argued that poverty sensitive budgeting should be developed as a means to ensure that public sector service restructuring (downscaling) is undertaken in a manner that takes account of the needs of people experiencing poverty. Innovations in North Lanarkshire do not quite manage to achieve this and better models are required. The prospects for poverty sensitive decision making is heightened in areas such as Falkirk, where local government has implemented a Poverty Impact Assessment Budget Tool to assist the attainment of its strategic goal to tackle poverty throughout the district.
1. Introduction

The social and economic problem that is poverty in Scotland is recognised across Scottish civil society, demonstrated not least by the wide range of specialisms, institutions and interest groups represented in Oxfam’s Whose Economy series. Action to tackle poverty and regenerate Scotland’s impoverished communities can be found at the local level, through the work of Community Planning Partnerships and by Scottish Government, evidenced for example by the prominence it accords to redressing the huge imbalances in household income.

However, despite these efforts, there is no shortage of poverty in Scotland. The most recent estimate suggests that almost one million people are living in poverty in Scotland, comprised of 250,000 children, 120,000 pensioners and 600,000 adults of working age (Scottish Government, 2011). Things are certainly not getting better – current levels of poverty in Scotland are higher than they were five years ago.

What is also certain is that local government in Scotland will not be able to sustain existing levels of service provision in the years ahead. Having agreed with the Scottish Government not to increase the level of income which it can raise through Council Tax, the swingeing cuts to its block grant have forced local authorities to seek to simultaneously maximise income and reduce costs.

Thus, there is a pressing need for poverty sensitive decision-making to ensure that Scotland’s most vulnerable citizens – the one in five who are living in poverty – are not further disadvantaged and marginalised through austerity cuts to public services. When budgets are being set, the impact on poverty must be central and integral to the decisions that are made.

This paper considers the prospects for poverty sensitive budgeting in Scottish local government. It starts with a false dawn (North Lanarkshire Council’s Hard Choices, Big Decisions consultation) and ends with a note of optimism (Falkirk Council’s tool for Poverty Impact Budget Assessment). In between, it outlines the benefits and prerequisites for successful poverty sensitive budgeting.
2. **Hard Choices, Tough Decisions** – shaping the future of public services in North Lanarkshire

The challenge

Faced with the prospect of reducing its budget of £908m by £55m over the financial years 2011/12 and 2012/13, North Lanarkshire Council (NLC) sought to face up to ‘hard choices by making tough decisions’. A savings programme was designed by NLC management, with targets set for six areas: workforce deployment (£23m), service prioritisation (£16m), asset management (£5m), income generation (£5m), procurement (£5m), and sharing services (£16m) (NLC, 2009, p.5).

A progressive response – participatory budgeting and acknowledging need

In common with several local authorities in Scotland, NLC canvassed the opinions of those who live and work in the area, inviting them to ‘have their say in the future of their services’ (see Figure 1). Through Hard Choices, Tough Decisions, stakeholders were introduced to the background pressures on the budget, the Council’s priorities, the scale of the savings that were required, the budget, and current spending. Plans, current work and potential savings were outlined for each of NLC’s five priority areas (health and wellbeing, environment, lifelong learning, regeneration, and development). Stakeholders were invited to have their say: to comment on the savings options that were being considered (particularly those pertaining to service prioritisation), make other suggestions, and express their thoughts on the way in which NLC was proposing to respond to the challenge.

NLC’s approach is to be applauded. First and foremost, it engaged residents and workers in the budget process, directly asking each for their priorities and preferences. Furthermore, although the options were unpalatable, for example: ‘Unfortunately the financial position means we will have to reduce, in some cases stop, some of our services with the potential loss of a further 253 posts’ (NLC, 2009, p.5), the necessity of, and ability to, continue to provide services to the ‘young, the elderly and the vulnerable’ was asserted (NLC, 2009, p.6).
Desperately seeking poverty (alleviation): towards poverty sensitive budgeting in local government

A Whose Economy Seminar Paper, June 2011

Figure 1. Extracts from North Lanarkshire Council’s *Hard Choices, Big Decisions* public consultation document

**Health and wellbeing**

In North Lanarkshire our life expectancy is increasing, council services and facilities are better used, we invest more in health improvement services and we have better quality housing.

We still have work to do. Many people have poor health, homelessness still exists and the older population is increasing.

In our plans for the area we made commitments to:

- provide excellent care and support services;
- help people to have better physical and mental wellbeing;
- reduce health inequalities;
- improve access to good quality and affordable housing.

<table>
<thead>
<tr>
<th>Possible savings</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remove funding for public health nursing provision</td>
<td>240,000</td>
</tr>
<tr>
<td>Remove free fruit for primary 1-2 children</td>
<td>140,000</td>
</tr>
<tr>
<td>Provide the breakfast service only in schools in the most deprived areas</td>
<td>100,000</td>
</tr>
<tr>
<td>Reduce spend on direct support from independent providers of specialist home support to former long-stay hospital residents</td>
<td>1,750,000</td>
</tr>
<tr>
<td>Increase the home safety service within trading standards</td>
<td>50,000</td>
</tr>
<tr>
<td>Increase home support charges to the Scottish average</td>
<td>700,000</td>
</tr>
<tr>
<td>Charge for the community alarm service (currently free)</td>
<td>1,780,000</td>
</tr>
</tbody>
</table>

What we do

Provide or arrange support to children and young people affected by disability, child protection and family problems, including care and accommodation for children and young people unable to remain at home. *We spend £36.5m.*

Provide services to the courts, prisons and the community including supervising offenders with the aim of reducing re-offending. *We spend £6.7m.*

Work with other agencies such as the NHS to promote health improvement. *Provide advice and advocacy on welfare benefits. We spend £1m.*

Provide community care services for older people and people with dementia, mental health problems, learning disabilities, physical disabilities and addictions. Services include: home and day care, equipment and adaptations, community alarms and residential care. *We spend £129.1m.*
The shortcomings

Although a progressive step, there are limitations to what can be achieved through NLC’s approach.

First, the ‘participation’ in this budgeting exercise is limited to expression of opinion. It also not clear how the individual stakeholder responses were translated into collective expressions of preference. Elsewhere in the UK, higher levels of public responsibility and accountability are being promoted through participatory budgeting, in which stakeholders are at the heart of the decision-making process.\textsuperscript{vi}

Second, the expressed opinions of stakeholders would only have made a marginal contribution to the final decisions that were reached; for example, a weighting of ten per cent was accorded to ‘what our citizens want us to do’ in the statistical exercise to robustly determine the priority of functions in the Housing and Social Work Directorate. This can be compared to weightings of 20 per cent for ‘how our costs compare’, 20 per cent for the priorities that were determined in the Corporate Plan, and 50 per cent for ‘statutory responsibilities’ (Executive Director of Housing and Social Work Services, NLC, 2010).

Finally, although NLC discharged its public duty by undertaking an Equalities Impact Assessment (EQIA) of the likely impact of the cuts that it proposed (Head of Community Information and Learning, NLC, 2010), such an approach only inadvertently and indirectly protects people experiencing poverty. This is, of course, a general observation on the limitations of EQIA (rather than a particular criticism of NLC); in EQIA, the policy priority is equity for equality groups, rather than tackling the vulnerability of people living in poverty. However, NLC should not be totally absolved of criticism; as will be considered later, local government in Scotland is at liberty to take additional steps to ensure that the budget decisions it makes are rooted in the need to protect people living in poverty.

3. The benefits of poverty sensitive budgeting

What could be gained by local government practising poverty sensitive budgeting? Poverty sensitive budgeting pursues budget decisions that are rooted in an understanding of local poverty and making a more effective contribution toward the amelioration or eradication of this poverty.

At the level of senior management facing the challenge of resource allocation across Directorates, it should be a tool to ensure that those Directorates which make greatest contributions to tackling poverty are adequately resourced. Within Directorates, it is a tool that should be used to ensure that service delivery is focused and coherent. For example, when presented with a possible budget
saving of £600,000 if childcare services in council nurseries were to be scaled back to term-time provision (NLC, 2009, p.11) knowledge of the practical difficulties that would present to working lone parents living on the margins of poverty might be factored into the analysis, to counter what may have seemed an attractive cut in purely financial terms.

This is not to suggest that local government managers are oblivious to the implications of the decisions that they make. Rather, it is contended that tools to facilitate poverty sensitive budgeting would enable them to make progressive decisions with greater authority and consistency. Making more explicit the impact on local poverty of service-related decisions would not only emphasise the symbolic commitment of local government to tackle poverty, and provide the means to caution against decisions that were either regressive or even non-progressive, it would also have a formative impact on practice, as ‘thinking tackling poverty’ became embedded root and branch throughout the organisation.

Taking poverty impact to the heart of local government decision-making is a logical extension of, and a practical step to facilitate, mainstreaming of tackling poverty and the promotion of tackling poverty as ‘everybody’s business (HM Treasury, DWP and DCSF, 2008) both of which have grown in prominence in recent years.

4. Making poverty sensitive budgeting work

Poverty sensitive budgeting is a tool that could facilitate more effective decision-making. It will be most effective when it is viewed as a mechanism that assists local government personnel to work toward achieving the poverty reduction/amelioration targets of an anti-poverty strategy. Without an overarching strategic vision to tackle poverty, and without a strong rationale for considering poverty impact, poverty sensitive budgeting will not fulfil its potential.

It must also be acknowledged that this approach entails changes to working practices, which will be more demanding of staff. For example, finance officers, in addition to budget setting and management, might be required to have a working knowledge of poverty and of how government services operate to tackle poverty. On the other hand, those officers with primary responsibility for anti-poverty work might also be required to acquire a working knowledge of macro-level budgeting and financial planning. More probably, poverty sensitive budgeting will require a closer working relationship between officers who have tended not to work together, i.e. those responsible for budget setting and those responsible for tackling poverty. This challenge is surmountable, but it must be recognised that poverty sensitive budgeting is likely to make further demands of staff who already have key responsibilities and heavy workloads within their organisation.

What is readily apparent is that poverty sensitive budgeting will only be successful if it is accepted, valued and adopted wholeheartedly by staff. If the
concept and practice is not embraced, then there is a risk that it becomes merely an administrative burden, which may serve to de-motivate staff rather than to focus and invigorate them. For this reason, poverty sensitive budgeting is best left to those local authorities that have adopted a strong anti-poverty focus, and in which there is strong support for this work from Council leaders and across the political spectrum. Elsewhere, the immediate priority should be to invest in poverty awareness training.

5. Towards a conclusion

The need to protect the most vulnerable has featured in Scottish local government austerity debates. However, this is rarely explicitly articulated as the need to protect services for people experiencing poverty. Furthermore, at the critical stage of budget setting, the poverty impact of decisions to reshape Scotland’s public services is an absent presence: present in the sense that it is implicit that decisions will be taken to protect vulnerable groups (such as those living in poverty), yet absent in the sense that information on poverty impact is not available and is not therefore directly factored into the decision-making process.

The immediate challenge ahead is not to learn more about local poverty. Rather, what is required is that we use what we already know in new ways. Practitioners’ and analysts’ knowledge and understanding of local poverty needs to be available to managers and finance officers in a manner that will enable key decisions to take account of poverty impact.

6. The final word – Falkirk Council’s Poverty Impact Assessment Budget Tool

At present, poverty sensitive budgeting is more of a concept than a practice. Nevertheless, the last year has brought some significant developments, including: a roundtable of interested parties from across local and Scottish Government; the work of an Action Learning Set of officers from local government and the Third Sector; the publication by the Scottish Government of a Learning Point on the Prospects for Poverty Sensitive Community Budgeting; and the publication of a further, and more substantial Scottish Government report (with sample tools) on Poverty Sensitive Decision-making, Practice and Analysis.

Most pleasing of all, and to conclude this paper on a high note, has been the introduction by Falkirk Council of a Poverty Impact Assessment Budget Tool (see Figure 2). By its own admission, this is currently work-in-progress; however, the Council is to be commended for taking a bold step forward towards embedding poverty sensitive decision-making in the budget process.
**Figure 2. Falkirk Council’s Poverty Impact Assessment Budget Tool**

<table>
<thead>
<tr>
<th>Appendix 2A</th>
<th>Poverty Impact Assessment Tool - Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Falkirk Council is committed to reducing poverty amongst disadvantaged communities and particular household group and vulnerable communities as set out in above guidelines. Action is being considered that will increase the number of people living in poverty, action should be identified that would reduce impact on the communities and households that could be adversely affected.</td>
<td></td>
</tr>
</tbody>
</table>

**Budget changes - description of proposed change/increase in budget**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost-saving measures</td>
<td>Local service reduction</td>
</tr>
<tr>
<td>Service increases</td>
<td>Falkirk Council Area</td>
</tr>
<tr>
<td>Service increases</td>
<td>Falkirk Council Area</td>
</tr>
<tr>
<td>Service increases</td>
<td>Falkirk Council Area</td>
</tr>
<tr>
<td>Time scale</td>
<td>One time or all</td>
</tr>
</tbody>
</table>
| Geographical impact | Whole area?

**Service area impact**

<table>
<thead>
<tr>
<th>Type of area affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of area affected</td>
</tr>
</tbody>
</table>

**Impact on outcomes**

<table>
<thead>
<tr>
<th>Whole outcomes or the specific groups (Daycare settings)</th>
</tr>
</thead>
</table>
| Who will benefit?

**Action**

<table>
<thead>
<tr>
<th>Whole outcomes or the specific groups (Daycare settings)</th>
</tr>
</thead>
<tbody>
<tr>
<td>How will these be affected?</td>
</tr>
</tbody>
</table>

**Further details**

<table>
<thead>
<tr>
<th>Whole outcomes or the specific groups (Daycare settings)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who will benefit?</td>
</tr>
<tr>
<td>How will these be affected?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Whole outcomes or the specific groups (Daycare settings)</th>
</tr>
</thead>
</table>
| What are the potential benefits?

**Appendix 2B | Impact of Reducing / Increasing Budget On Poverty**

<table>
<thead>
<tr>
<th>What will be the impact of this budget line on the priority areas?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive impact</td>
</tr>
<tr>
<td>Negative impact</td>
</tr>
<tr>
<td>Increase the number of people living in poverty</td>
</tr>
<tr>
<td>Reduce the income of those living in poverty</td>
</tr>
<tr>
<td>Increase the income of those living in poverty</td>
</tr>
</tbody>
</table>

**Appendix 2C | What will be the impact of poverty on vulnerable household groups?**

<table>
<thead>
<tr>
<th>What will be the impact of poverty on vulnerable household groups?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive impact</td>
</tr>
<tr>
<td>Negative impact</td>
</tr>
<tr>
<td>Increase the income of those living in poverty</td>
</tr>
<tr>
<td>Reduce the number of people living in poverty</td>
</tr>
</tbody>
</table>

**Appendix 2D | What will be the impact of poverty on vulnerable household groups?**

<table>
<thead>
<tr>
<th>What will be the impact of poverty on vulnerable household groups?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive impact</td>
</tr>
<tr>
<td>Negative impact</td>
</tr>
<tr>
<td>Increase the income of those living in poverty</td>
</tr>
<tr>
<td>Reduce the number of people living in poverty</td>
</tr>
</tbody>
</table>

**Appendix 2E | What will be the impact of poverty on vulnerable household groups?**

<table>
<thead>
<tr>
<th>What will be the impact of poverty on vulnerable household groups?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive impact</td>
</tr>
<tr>
<td>Negative impact</td>
</tr>
<tr>
<td>Increase the income of those living in poverty</td>
</tr>
<tr>
<td>Reduce the number of people living in poverty</td>
</tr>
</tbody>
</table>

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**Desperately seeking poverty (alleviation): towards poverty sensitive budgeting in local government**

_A Whose Economy Seminar Paper, June 2011_
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http://www.northlanarkshire.gov.uk/CHandler.ashx?id=5118&p=0


http://www.northlanarkshire.gov.uk/CHandler.ashx?id=5117&p=0


Notes

i For example, the Scottish Urban Regeneration Forum supports and encourages local work to regenerate Scotland’s most deprived communities through its Best Practice Awards: http://www.scotregen.co.uk/knowledge/good.asp

ii Community Planning Partnerships (CPPs) have assumed responsibility for tackling poverty in their areas. Many Single Outcome Agreements have explicit tackling poverty targets. Another example of this commitment is the toolkit that was published by the Poverty Alliance, SCVO and Communities Scotland in 2005 to assist CPPs in tackling local poverty: http://www.improvementservice.org.uk/library/view-document-details/127-poverty-alliance-community-planning-toolkit/

iii For more details, visit: http://www.scotland.gov.uk/About/scotPerforms/purposes/solidarity

iv For example, Renfrewshire and Moray were among those authorities that sought to directly engage citizens to share their thoughts on service provision in the context of a smaller budget.

v For more details, visit: http://www.participatorybudgeting.org.uk/about/history-of-participatory-budgeting

vi Lone parents are vulnerable to seasonal unemployment when the support infrastructures are scaled back in the longer school summer holidays. Quite simply, it is difficult to sustain employment when adequate childcare provision is not available.

vii In contrast to progressive interventions (defined here as those which would tackle poverty), regressive decisions are those that would either exacerbate the intensity of poverty or create new poverty, and non-progressive decisions are those that would maintain the status quo.

viii Mainstreaming has been promoted by the Scottish Government by the withdrawal of ringfenced funds (such as the Fairer Scotland Fund) through which local government is required to deliver an agenda set by the Scottish Government. Tackling poverty is to be addressed by local government as part of its core work, where that local authority has judged it to be a priority.

ix Contact John McKendrick (author of this paper) at j.mckendrick@gcu.ac.uk for more information on each of these outputs.

x Personal Communication with Linda Gilliland, Senior Practitioner (Policy), Falkirk Council, 31 May 2011.
Health inequalities in Scotland: looking beyond the blame game

A Whose Economy Seminar Paper

Gerry McCartney and Chik Collins

June 2011
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Email: Chik.Collins@uws.ac.uk

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Executive summary

People in Scotland suffer from large and unjust inequalities in health. These inequalities are best explained by considering the stark and growing inequalities in income, wealth and power between groups. The likelihood that a child will suffer premature mortality or debilitating health conditions is very substantially determined by where the child is born, the resources it will have at its disposal and the social class of its parents. If where one is born can be thought of as a ‘lottery’, then life (and death) is indeed ‘a gamble’.

Health-determining inequalities are, like health inequalities themselves, neither fixed nor natural, but arise from particular political choices and the values they reflect. In the decades after WWII, the UK became a significantly less inequitable country. Since the late 1970s, a series of neo-liberal economic and social policies have served once again to widen the inequalities which do so much to shape health outcomes. During this latter period, Scotland has suffered from growing health inequalities, a faltering in its improvement in overall life expectancy compared to other countries, and increasingly worse overall health outcomes than might be expected – even considering the high levels of poverty and deprivation which prevail here. Moreover, the available evidence suggests that the association between neoliberal policies and the observed trends in overall health outcomes and health inequalities is of a causal nature.

Health inequalities have become, particularly in recent years, a source of great social and political concern. The injustices they crystallise challenge our basic humanity. It is inherently distressing to understand how a newborn child, losing out in the lottery of birth, faces such a challenge to achieve a decent, healthy life span. But such inequalities have much broader negative consequences for the whole of society – this is also a source of great concern. All of this concern should – and can – be translated into activities likely to redress the still-heightening inequalities in the socio-economic determinants of health.
Introduction: looking beyond ‘the blame game’

One of us – Gerry McCartney – used to be a General Practitioner. Gerry left General Practice frustrated: frustrated at the inability to make a sufficient difference for too many of his patients; frustrated because the prevailing medical model of health care urged him to prescribe more cholesterol medicines, more aspirin and more inhalers for people who were not sick because of a lack of medicine, but who were sick because they were suffering the consequences of poverty, inequality and toxic politics.

Gerry’s patients knew that the medicines were not very likely to solve their problems, but they appreciated the effort and attention his practice and his colleagues provided. Appreciation, however, doesn’t always cut both ways.

Some find it difficult to be sympathetic to people who smoke, drink too much alcohol, use heroin or eat too much. It’s their own fault, isn’t it? Yet, drinking and eating too much, and using alcohol and drugs, are the well-recognised reactions of significant proportions of people when faced with a system that disempowers, stigmatises and undervalues them. Nonetheless, every day in the press there are stories which portray poor people as feckless, careless, irresponsible or as scroungers (see Welford and Mooney, both this collection). This hostility (sadly there is no other word for it) has been encouraged by successive governments seeking to evade responsibility for health inequalities. Blaming the sick for being sick was actively promoted by the Thatcher government in response to the Black report and by the post-1997 Labour government in relation to both health and welfare policy.

This discussion paper attempts to outline why inequalities in health exist (and in many instances are worsening) in Scotland today, why we should care about them, and how we could – indeed can – begin to address them.
Health inequalities: separating myths from reality

Health inequalities are the unjust and avoidable differences in health between groups or populations. Most causes of premature mortality in Scotland (cancer, cardiovascular disease, stroke, violence, suicide, alcohol-related deaths and drugs-related deaths) are avoidable and disproportionately affect people born in the poorest areas, people of the lowest social class and people who have the lowest income and wealth. Despite an overall reduction in mortality over the years in Scotland, mortality rates have improved more slowly than in other Western European countries since around 1950. Furthermore, since around 1980, Scotland has seen much less improvement than in other parts of western Europe. The USA is somewhat similar to Scotland in this latter respect.

Within Scotland, there are vast inequalities between the richest and poorest communities, both in terms of health and in many of the factors which influence health. The stark health inequalities can be illustrated by observing the drop in life expectancy of 2.0 years for males and 1.2 years for females for each station as you travel east on the railway across Glasgow, between Jordanhill and Bridgeton (Figure 1).

**Figure 1 – The life expectancy gap across Glasgow (adapted from McCartney, 2010).**

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Many authors describe health inequalities as the systematic differences in health observed between different groups in a society, and health inequities as the unjust and avoidable differences in health observed between groups. In practice, the terms are often used interchangeably with an implicit understanding that the differences are unjust. The more commonly-used term, health inequalities, is used throughout this article.
While people at the bottom of the social hierarchy often smoke more, drink more alcohol, take more drugs and have worse diets than their more affluent counterparts, it is hardly reasonable to suggest that this in itself provides a sufficient understanding as to why these people die younger. The sheer scale and the clear social patterning of the problem defies such an individualistic or purely behaviouralistic perspective. We need to grasp why unhealthy behaviours are more prevalent in these groups. As Michael Marmot, editor of the World Health Organisation report on health inequalities, puts it: only by grasping the ‘causes of the causes’ can we understand how health inequalities arise.11

Working class people suffer from worse health because they have less income, less wealth and less access to the institutions and pathways in life that provide life chances and confer status. These factors combined mean that they typically have less control over how their lives turn out: they have less power.12

It is clear that, from 1979, working class people were exposed to a concerted and sustained ‘political attack’ across the UK.13 It was an explicit political aim during the years of Conservative government, and a continuing aim during the years of Labour government, to weaken, disempower and delegitimise the ‘equalising institutions’ (such as trade unions, council housing, local government, the welfare state) which had in previous decades been created through the efforts of working class people. The results have included rising income inequalities, erosion of trade union rights, ‘residualisation’ of council housing, the growth in wealth and power of unelected elites, and the increasing stigmatisation of benefit recipients.

This political attack has once again intensified since the formation of the Conservative-Liberal coalition in 2010. Clearly schooled in the arts of Friedmanite ‘shock treatment’, the coalition has insisted that that ‘there is no alternative’ to privatisation and cuts in public services because of the financial crisis resulting from the banking collapse.14
But, of course, there are alternatives. And, as the aforementioned WHO report has put it, the ‘toxic’ politics which prevent these alternatives being discussed and acted upon have been a key driver of the rise in health inequalities in many parts of the world. Such politics and policies are also seen by many as responsible for the faltering improvement in Scotland’s life expectancy since around 1980 (see Figure 2, overleaf) and the emergence of the so-called ‘Scottish Effect’ and ‘Glasgow Effect’.¹⁵

As already indicated, this kind of experience is by no means limited to Scotland. Patterns of increasing health inequalities on the one hand, and an associated disempowerment of ordinary people due to the implementation of a neoliberal economic model on the other, are to be seen in many countries.¹⁶

The implications of all of this are as disconcerting as they are clear. There is nothing fated or inevitable about the health inequalities in Scotland, or about the nation’s distressing excess mortality.¹⁷ People live less healthy lives and die unnecessarily young in our country because they are poor, live in ‘the wrong area’ and are more generally disempowered in their lives by the operation of the prevailing economic and political system. If politics is, as Harold Laswell famously put it, ‘who gets what, when and how’, then the prevailing politics have created this situation.¹⁸

Figure 2 – Trends in whole population life expectancy in Scotland (in red) compared with a selection of other nations ii (adapted from McCartney, Walsh, Whyte and Collins).⁶

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ii Data extracted from the Human Mortality Database for: Australia, Austria, Belgium, Canada, Chile, Denmark, England & Wales, Finland, France, Germany, Ireland, Iceland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Northern Ireland, Norway, Portugal, Scotland, Spain, Sweden, Switzerland, Taiwan, and West Germany.
Life expectancy at birth (years)

Year

Health inequalities aren’t inevitable

The differences in health outcomes between areas in the UK have not always been as stark as they are today. Figure 3 (overleaf) shows that during the 1920s and 1930s premature mortality in the worst tenth of areas was almost twice (1.9 times) that of the best tenth of areas. These differences rapidly reduced following WWII and remained lower until the 1980s. This period in history was characterised by a rise in the relative power of working class communities. It is not that the working classes dominated – far from it – but it was a time when the welfare state was introduced, state pensions became available, the NHS free at the point of need was introduced, and basic working and trade union rights were established. These ‘equalising’ developments – which were, we should remember, initiated after a long and very costly war, when the nation’s finances were under very great strain – were in part funded by taxing the incomes of the richest in society: the top rate of income tax was 84 per cent by 1979 and corporation tax was set at 56 per cent. But from 1979 onwards the tide turned and power flowed from working class communities to the richest in society. It was also from this point, as Figure 3 shows, that health inequalities rapidly worsened.²¹ iii

Not only have health inequalities in the UK been much narrower in the past than they are today, there is great variation in the extent of health inequalities across Europe.¹⁹ Again, this demonstrates that there is not some ‘natural’ or ‘inevitable’ rate of health inequalities. It is also clear that those countries which adopted the same kind of neoliberal economic model as implemented in the UK after 1979 have seen a rapid rise in inequalities.¹⁶,²⁰

Health inequalities in Scotland are very likely to persist to the extent that inequalities in the factors that determine health (income, wealth, power, status, employment, housing etc.) remain. Inequalities in these health determinants are not a consequence of some natural order, but are the result of a process by which power (and all its consequences) has become concentrated in the hands of a relative few. Redistribution of power from central government and corporate interests, which is, after all, not where power is supposed to be located in a ‘democracy’, would provide some basis for effective means of redress – the rediscovery of the value and purpose of ‘equalising institutions’ in the life of our nation and its communities.

iii The differences between areas illustrated here are not strictly inequalities, because the areas have not been ordered by poverty, class or some other marker of social status. This is because there are no consistent geographical areas with attached social status markers available for this prolonged time series. It is likely that variations between areas in this instance represent inequalities, but this cannot be formally demonstrated.
Figure 3 - Ratio of standardised mortality ratios (0-64 years), UK local authorities, 1921-2007\textsuperscript{iv} (adapted from Thomas, Dorling and Smith)\textsuperscript{21}

Inequalities: why we do care and why we should care

The culture of blaming the poor and the sick for their hardships in a curious way reflects something of the humanity of those who do the blaming. The hardships of the poor and sick are distressing to us all as human beings. We actually do care, but many people don’t want to feel that someone other than the poor and the sick themselves might have had a hand in causing their hardships, or that many others might have somehow benefited from things which have caused those hardships. But the blaming which then ensues, while reflecting something of our humanity, ultimately represents a loss of humanity. However much some media outlets or commentators might suggest that the poor and the sick must somehow have ‘deserved what was coming to them’,\textsuperscript{22} others have had a very big hand in causing their suffering, and many others have benefited from the things which have caused it.

\textsuperscript{iv} The figure is adapted from Thomas, 2010. The data series is not continuous, with no data for 1940s and gaps in mid-'50s, mid-'60s, and from early '70s to early '80s; nor are time periods always of equal duration. For 1980s, the harmonic mean of decile SMRs for two periods of which it was composed (1981-5 and 1986-9) were used. Confidence intervals were unavailable for data for 1950s-1980s.
To build a suitably human response on the basis of this initial human reaction – a response not of hostility and blame, but of care for and solidarity with our fellow human beings – requires that people grasp the fact that there are alternatives to the inequalities which are causally implicated in producing unnecessary hardship and suffering. It is absolutely not necessary that a baby boy born in North West Paisley has a life expectancy of only 61.7 years, while a baby boy born only two miles away in Houston has a life expectancy of 87.5 years – a 26-year gap. We repeat: this is not necessary, and the decisions which could begin to change the situation can be made tomorrow, next week, or next month if there is the political will to advocate them, to make them and to defend them.

But for those who do not suffer the worst effects of health inequalities there is, perhaps, a more self-interested reason to care. Amongst relatively rich, developed countries like Scotland, the greater the equality in society, the better the outcomes are for everyone living there, across a whole range of health and social indicators. Both richer and the poorer people within more equal societies have better health, and experience less crime and greater happiness than those living in less equal societies.

**Conclusion**

Tackling inequalities in general, and health inequalities in particular, should therefore be a priority for every government. It is the human response, the just response and also in everyone’s interests. Health is not a commodity that is to be gained at someone else’s expense. Health is a public good: people can enjoy good health without detracting from anyone else’s health; indeed the evidence is that everyone will enjoy better health when politics is made to reflect this fact in the social and economic policies it produces.

Health inequalities arise because of political decisions and processes that reflect certain values and priorities – values and priorities which are open to deliberation and to alteration. Those concerned with public health, health inequalities and – as indicated above – even those only concerned with their own selfish interests, should actively campaign for a narrowing in the power, income and wealth gaps which cause health inequalities.
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Wellbeing, consumer culture and the ‘new poor’
A Whose Economy Seminar Paper

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June 2011
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Whose Economy Seminar Papers are a follow up to the series of seminars held in Scotland between November 2010 and March 2011. They are written to contribute to public debate and to invite feedback on development and policy issues. These papers are ‘work in progress’ documents, and do not necessarily constitute final publications or reflect Oxfam policy positions. The views and recommendations expressed are those of the author and not necessarily those of Oxfam. For more information, or to comment on this paper, email ktrebeck@oxfam.org.uk.
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Executive summary

The authors have been engaged in an exploration of the relationship between wellbeing and ‘modern culture’ for a number of years, drawing on knowledge from many different academic disciplines. This paper summarises some key insights and conclusions from that work.

Section 1 of this paper briefly rehearses some long-held assumptions about the connection between the modern economy and wellbeing. It then describes the flaws in such thinking that have been exposed by other economists and psychologists, who have found that the connection between economic growth and high levels of social wellbeing and individual happiness is questionable.

Section 2 suggests that individual and social wellbeing is shaped, at least in part, by the beliefs, meanings and values that lie at the heart of modern society – our culture, in other words. Evidence from many disciplines now suggests that the individualised, materialist, consumer-driven culture produced by the modern economy results in increased mental distress and static happiness levels for many people. There are profound implications here for how we create our identities in society, and for what we take to be ‘the good life’.

Section 3 describes how modern society has also seen the emergence of a new category of poor people, described by one sociologist as ‘flawed consumers’ (see Hamilton in this series of papers) who suffer because of their perceived lack of value to the modern economy. This damages social cohesion and undermines our capacity for compassion.

Section 4 briefly presents some findings from the authors’ qualitative research in this field, conducted with different socio-economic groups across Scotland.

Section 5 turns to the emergence of a ‘perfect storm’ of global problems, and argues that these have been driven by certain aspects of the modern economy and the kinds of society and cultural value systems that it has produced.

The paper concludes by arguing that a very sharp turn is needed in some of the basic assumptions that underpin modern life, if we are to protect and promote human wellbeing, lead lives worth living, and create a sustainable society over the longer term.
Introduction

We have been investigating the relationship between wellbeing, 'modern culture', and the modern economy for a number of years. Our work draws on knowledge and insights from experts in many disciplines. We focus on wellbeing not just because this is essential to how we function in society, but to how we feel about ourselves and our lives. Research (briefly referred to in Sections 1 and 2 below) suggests that too many people in our communities neither function well, nor feel good in modern society. These are complex issues that cannot fully be explored here, so this paper highlights just some of our key findings and the conclusions these lead us to.

The connection between the modern economy and our wellbeing is important. Most economists would agree that the primary function and over-riding purpose of any country’s economy is to serve the wellbeing of all its citizens, and that economic growth increases wellbeing. Economic growth has, over many decades, brought health and social benefits to many people. Yet research evidence is accumulating that such growth is subject to diminishing returns in terms of human wellbeing, and represents a potential threat to global human society, as we explain in Sections 3 and 5 below.

In sum, this paper briefly sets out some of the multi-disciplinary evidence that modern society and its economic system, and the cultural values and beliefs that support it, have produced widening health and social inequalities, rising rates of mental health problems (such as anxiety and depression), and larger global problems (such as recurrent economic crises and climate change). We also make the connections between the economy, our wellbeing, and the emergence of a ‘new’ kind of poor person (see Section 3 below): one judged by their inability to fully participate in consumer culture. This might encourage indifference, by those who are affluent, to the plight of poorer people, and thus represents a real threat to social cohesion and compassion.

1. Wellbeing and economics

To massively over-simplify, economists have traditionally assumed that we are all rational beings who maximise our wellbeing through making rational choices in life. The more choices we have, the happier we are, and choice is facilitated by income and wealth. As research has found that richer individuals in all societies are happier than their poorer peers, it looks like economists have got this right. Economists have also assumed that increases in average levels of happiness in a society can be related to increases in its purchasing power. If the economy does well, so does our wellbeing.

Readers are welcome to contact us (email sandra.carlisle@glasgow.ac.uk) for copies of any of our publications, as listed in the references at the end of this paper. Many shorter papers are also available to download from our website, www.afternow.co.uk.
So the assumption has always been that *more* is better for all of us, as individuals and across society. These key assumptions of economic theory were developed in times of scarcity, when it was unimaginable that we might be faced with problems of excess. However, a number of flaws in traditional economic thinking about wellbeing have been exposed through research, described briefly below.

The paradox of rising income and declining wellbeing

No-one doubts that poverty, whether absolute or relative, is a cause of profound individual and social misery, damaging to human health and wellbeing. However, a number of surprising findings have emerged from decades of research into the connection between the economy, income and wellbeing. Richard Easterlin is an economist who has found that societies do not necessarily get happier as they get richer. He, and many others since, have found that levels of happiness have stayed static since the 1950s, although our incomes have risen four-fold in real terms.

Research shows that average levels of wellbeing in society increase up to middle income levels (around £15,000 per person per year), but then rapidly level off. The main point is that, *after basic needs are met*, then extra income produces diminishing returns for average levels of wellbeing. Since wellbeing has been regularly measured – from the 1950s onward – the percentage of people who judge themselves as very happy has not increased at all, and levels of wellbeing seem to be declining, despite real increases in income.

Many authors point to the socially-embedded nature of wellbeing. Wellbeing is protected and promoted through strong social relationships – friends, family, and community. Being engaged in meaningful work also matters, as does having a purpose in life, and living in a tolerant society that values freedom.

Nevertheless, psychologist Oliver James suggests that many people in modern society fail to understand what really promotes wellbeing. We suffer from what he calls ‘affluenza’ - a painful, contagious, socially-transmitted condition of overload, debt and anxiety that results from efforts to ‘keep up with the Joneses’. ‘Affluenza’ is an epidemic of stress, overwork, waste and indebtedness caused by the pursuit of what we imagine to be the good life. This insight points us to the influence of ‘modern culture’ over that vision of the good life, as our modern economic and cultural systems are closely connected.

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ii We need to bear in mind that what counts as ‘basic needs’ varies across societies, and changes with time. Also, even in an affluent society such as the UK, we know that the basic needs of many people are not being met.
2. Wellbeing and modern culture

Research by an Australian public health researcher, Richard Eckersley, indicates that the culture of modern society is fundamentally damaging to our health and happiness. Eckersley concludes that modern Western culture seems to be based on the very things that are detrimental to health and happiness. Many people might see this as an odd claim. We know that modernity has brought us lasting health and social benefits and most of us, regardless of income, live in ways unthinkable to ancestors only a few generations removed from us. Nevertheless, there is now a burgeoning body of research that indicates that we are now experiencing diminishing returns from modern society, in terms of our health and wellbeing.

We have, for example, seen a dramatic rise in rates of mental health problems (particularly depression and anxiety), increasing rates of various types of addictions (drugs, alcohol, gambling, the ‘obesity epidemic’ etc), all of which seem to have been accompanied by a general decline in social cohesion, a sense of community and so on. Eckersley’s point is that the culture of modern society is, at least in part, to blame.

What is ‘culture’ and why does it matter?

There is no single definition of culture, but it can be roughly understood as the learned system of meanings and symbols which frame the way people see the world. Culture is the means by which we make sense of life. Cultural aspects of life are often taken for granted and misrecognised as part of the natural order of things, rather than as a human construct.

Culture matters in relation to wellbeing because it influences the goals in life which we value and pursue. Moreover, as culture can also influence the distribution and availability of resources necessary to attain such goals, it has relevance for our understanding of how social inequalities are created and perpetuated. Cultural beliefs and assumptions matter because they reflect the values that lie at the heart of society.

Eckersley suggests that modern society is dominated by four particular cultural values:

- **Economism** – this is the tendency to view the world through the lens of economics, to regard a country as an economy rather than a society, and to believe that economic considerations and values are the most important ones for our wellbeing.

- **Materialism** – in modern society, non-material aspects of life (such as spirituality or aesthetics) may be squeezed out.
Individualism has brought us many freedoms and benefits. The downside is that the onus of success in life rests with us as individuals. We are also seen as responsible for failure. We are subject to the tyranny of higher expectations in life and reduced social support and social control, all of which result in a sense of increased risk, uncertainty and insecurity.

Consumerism, which is the attempt to acquire meaning, happiness and fulfilment through the acquisition and the possession of material things.

Are we consumers or commodities?

Bauman observes that the hidden truth of the modern economy is not that we are all transformed from citizens into consumers – that much is blatantly obvious. Rather it is our more subtle transformation, through consumerism, into sellable commodities with market value. In the so-called ‘affluent economy’ of modern society we ourselves are consumer goods, obliged to ‘sell’ ourselves in various markets in order to have jobs and careers, social standing and even intimate relationships. Yet social analysts note that, however much the economy grows, it will always produce unhappiness, frustration and dissatisfaction because the unlimited production of goods is intimately tied to the unlimited production of wants.

What this suggests is that, unless we change our values and the things we believe to be worthwhile then, no matter how much life may improve in material terms, we will never feel we have enough (in terms of material possessions) and we will never feel we are good enough (in terms of what we have achieved). In short, we will never get off the treadmill that keeps us pursuing potentially unrealisable goals that, even if achieved, may not bring lasting wellbeing.

3. The modern economy and the ‘new poor’

Evidence from many disciplines now suggests that the individualised, materialist, consumer-driven culture produced by the modern economy results in increased mental distress and static happiness levels for many people. Social commentators have observed that many of us live with ambient fear, anxiety and insecurity. In the modern economy, jobs for life are now only for the privileged few, with compulsory flexible working practices for the rest of us. And we have also seen the emergence of what sociologist Zygmunt Bauman calls the ‘new poor’.

Who are the ‘new poor’ in modern society?

In the UK and other Western-type societies, the social structure and economy have changed: we have changed from a society and an economy that was built on
production to one that is dependent on consumption. In the past, unemployed people were viewed as ‘the reserve army of labour’ – able to be ‘recalled’ to work, whether in the factory or the battlefield. But the modern economy means that we are no longer a society of full employment based on the productive capability of labour, and may never be so again.

Bauman suggests that, in a society where consumers are seen as the driving force of economic prosperity, unemployed people or anyone living on a low income are in danger of being seen as having little ‘worth’ or ‘value’. They carry no credit cards; they cannot rely on bank overdrafts (so are forced to turn to payday loans and doorstep lenders); and the commodities they need are in the basic rather than luxury category and thus carry little profit for their traders. From the perspective of purely economic rationality, keeping poorer people in decent, humane conditions (the principal objective of the welfare state) is devoid of common sense. This creates new sets of social relations with real and dangerous consequences for society and for social policy – not least, the danger of an emerging indifference to the plight of the excluded by the relatively affluent, and thus an increase in social fragmentation.

4. Voices from Scotland

We investigated, through qualitative research approaches, whether the ‘isms’ of modern culture identified above are experienced in everyday life across Scotland. We interviewed individuals and groups from very different socio-economic positions and backgrounds, such as senior executives from the private sector, public sector people working in community health development, and people living on a low income and/or experiencing social exclusion. We give below just a very brief flavour of the different perspectives we found across these different groups, as a fuller account is provided elsewhere. We were left in no doubt that economism, individualism, materialism and consumerism are powerful forces in many lives, although how these are experienced clearly differs across different socio-economic groups.

In defence of the modern economy

An organisation representing the interests of consumers defended our present economic system, saying that:

‘The market economy is the prevailing culture and ideology of the modern world, including Scotland. Alternative social models tend to be coercive and corrosive of freedom so there really is no alternative to market capitalism. Markets remain the most efficient and least unjust way of organizing society, even though this involves great disparities of wealth. All we can do is find mechanisms to mitigate the excesses.’

Consumer Council
Look out for yourself!

However, one of the public health groups we spoke to felt that, in an individualised society, people need to look out for themselves as there is little real protection to be found elsewhere. They told us that:

‘You’ve got families growing up with no expectations of ever working and any jobs there are, are crap work for crap money. In days gone by when you had mining or manufacturing you had your union, which was strong, and you were part of a community. But now the only jobs you can get are call centres where there are no unions. So you just look out for yourself.’

Health Promotion Group

Trapped in the cycle of consumerism

Several groups spoke at length about the sense of isolation, pressure and resulting vulnerability that many people feel nowadays. As one said:

‘People live in their own bubble, getting in their own car to drive to work, staying in their own home. Community spirit has gone and this compounds the issue. We’re all in debt. You’re stressed, you go to work, you go home. You sit in front of the TV. There’s no family dinner, no time to talk problems through, sort things out. You’re just working to afford that TV. There’s no time for your children when you come home at night. No time to talk.’

Prisoner Group

The experience of exclusion and stigma associated with low social status and low income was voiced by a group of people who had all suffered mental health problems. As one said:

‘In a third world society I would be a millionairess with money, a home, warmth. I’m low down in my society because I don’t work and live on benefits.’

Mental Health Advocacy Group

Another member of this group suggested that the cultural values we referred to are ‘symptomatic of a society that values possessions, rather than people’. They also suggested that, for some groups in society it might be ‘becoming okay to sneer at the poor’ (see Mooney, this series of papers).

A particularly powerful critique of how modern society can damage us all was articulated by one of the groups we spoke to, who said:

‘Our focus needs to go down to the spiritual – to the value and worth of a human being. Virtually nothing in society promotes that. We are exploitable because we are fearful. We’re all trapped in the cycle of consumerism.’

Prisoner Group
5. An unsustainable economy

As a society we are also facing a set of larger trends and problems, driven by certain aspects of the modern economy and the society and cultural value system that it has produced. In already developed and affluent societies, the modern economy has enticed us all with visions of the ‘good life’ that are unsustainable at the global level. The high levels of consumption involved in pursuing affluent lifestyles draw so extensively on planetary resources that we have seen the emergence of much larger problems which threaten us all.22

Those include global economic crises; climate change; the decline of key non-renewable resources such as oil; and massive global increases in inequality and injustice,23,24,25 Modern society and its neoliberal economy has produced a system obsessed with limitless economic growth. That is now a global ideal exported everywhere, and its consequences for the longer-term sustainability of human society are alarming.

Facing a ‘perfect storm’

Research by the new economics foundation, amongst others, demonstrates that all affluent societies are now living well beyond the capacity of the earth to sustain – a condition known as ‘overshoot’.26 If the whole world were to live at UK levels of consumption, we would need more than three earth-like planets to sustain us. If we follow USA patterns of consumption, we will need five or more. It is clear that it is not people on a low income who have contributed much to this problem: their resource use is comparatively low, and their ecological footprint is comparatively light. However, in the absence of radical change, they are very likely to bear the brunt of the coming storm.27

Change appears inevitable, given that patterns and levels of consumption in affluent societies are not sustainable on a global scale. And it is becoming clear that they contribute little to human wellbeing. So we urgently need to think about how we can all find ways of living differently that will promote and sustain wellbeing – for us as individuals, for our families, communities and the society we live in, and for the world as a whole.
Conclusion

A very sharp turn is needed, if we are to change. This will involve not just questioning the way we live, but giving up some of its most sacrosanct assumptions, such as believing that economic growth is an unqualified good, despite damage done to the human condition and the natural world.

For example, Zygmunt Bauman recommends that we decouple individual income entitlement from income-earning capacity. The taxation system should provide all with a means to a decent life. This would preserve the ethical values and social arrangements that underpin Western civilisation, in a context where our institutions no longer guarantee their implementation.

There are also other ideas and models that can help us think differently and challenge conventional thinking. Perhaps one of the most significant is the concept of ‘contraction and convergence’ developed by Aubrey Meyer of the Global Commons Institute, in response to the threat of runaway climate change. Meyer notes that the whole world needs a contraction in the production of carbon dioxide – an output of increased industrialisation and economic growth. Rich and poor nations must eventually converge in their carbon production, to avoid catastrophe. Less developed nations must be allowed to develop – so their carbon use goes up – whilst industrialised – and post-industrial nations must make substantial reductions.

This model of redistribution can, of course, be applied to many resources and not just the carbon resources on which affluent societies depend. Increasingly, the evidence suggests no really viable and sustainable alternative to this proposition.

Yet it seems likely that changing the social structure and the economy will not, in itself, achieve this – even if we knew how to do it. If we are to survive and thrive, then cultural change is also necessary. What we take to be ‘the good life’ needs to be re-thought and re-worked if our society is to be sustainable over the longer term. And for our society to be worth living in, we need to develop a far greater sense of care and compassion for others than presently seems to be the case.
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Keeping up appearances: consumption and masking poverty

A Whose Economy Seminar Paper

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June 2011
About the author

Kathy Hamilton is a senior lecturer in the Department of Marketing at the University of Strathclyde, Glasgow. Her teaching and research interests fall within the area of Consumer Culture Theory. Specifically she is interested in consumer disadvantage and gender differences in consumer behaviour. She has completed a qualitative study which focused on understanding the lived experience of poverty against the backdrop of a society that is increasingly dominated by consumption. In particular she considered the coping strategies employed by low-income families to help them negotiate the marketplace, access goods and services (including brands) and avoid stigmatisation. This work has been published in a variety of journals including Journal of Marketing Management, European Journal of Marketing, Advances in Consumer Research, Journal of Consumer Behaviour and International Journal of Sociology and Social Policy.

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Executive summary

Low-income consumers are unable to obtain the goods and services needed for an ‘adequate’ and ‘socially acceptable’ standard of living. Drawing on qualitative analysis, this paper highlights the lived experience of low-income families in a consumer culture.

Findings demonstrate that, as well as dealing with the practical hardships of providing for a family on a restricted budget, the interviewees have to cope with negative attitudes and reactions from others. Some families perceive they are already judged on the basis of their welfare dependency and do not want to fuel stigmatisation in other ways. As a result, they turn to consumption as a coping strategy.

Some families are skilled at reducing the visibility of poverty and overcoming society’s ability to alienate. This was especially important for the children in the study who did not want to appear different from their peers. Masking poverty through consumption could be viewed as a disconfirmation of the stereotype. By displaying brand-name or ‘on-trend’ products that are regarded as socially acceptable among peer groups, low-income consumers distance themselves from the stigma of poverty.

Findings indicate that low-income families may prioritise the consumption of visible goods, such as brand-name clothing, over invisible, private goods, such as food and other goods consumed in the home. As such, this research has demonstrated the need to develop a critical assessment of consumerism and, by extension, the role of marketing in it.
Introduction

This paper is based on a qualitative research project in Northern Ireland in 2004 to 2005 involving low-income families, mostly headed by single mothers. It aims to demonstrate the lived experience of poverty in consumer culture.

Within consumer culture, individuals are expected to respond to marketplace temptations. Shopping and consumption provide consumers with resources for the construction and maintenance of identity. Within this context, those who are constrained in consumption opportunities face exclusion and stigmatisation.

1. Poverty in consumer culture

Low-income consumers are individuals whose financial resources or income results in them being unable to obtain the goods and services needed for an ‘adequate’ and ‘socially acceptable’ standard of living. The mass media defines socio-cultural ideals of what it means to be successful. Having access to the ‘right’ things has become vital as social identity centres on the visibility of consumer goods and possessions. As a result, ‘the poor of a consumer society are socially defined, and self-defined, first and foremost as blemished, defective, faulty and deficient – in other words, inadequate – consumers.’

2. Methodology

This paper draws on qualitative analysis of 30 in-depth interviews with low-income families who encounter consumption constraints in the marketplace. The study involved 25 single parent families (24 single mothers) and five two-parent families. Families were selected from urban areas of Northern Ireland; the majority of respondents were unemployed, although a small number were working in low-paid jobs. The income level of the families averaged at £150 per week. As poverty can affect the whole family unit, a family approach was adopted in that all households included at least one child under the age of 18. In 16 families, a parent (normally the mother) was interviewed alone and in 14 families it was possible to arrange an interview with the main consumer decision-maker along with their partner and/or children (aged 11 to 18). Interview topics included everyday life (evaluation of circumstances relative to other families and friends, feelings about shortage of money and its effect on children), budgetary strategies (management of the household budget, acquisition sites for goods and services), hopes for the future, family background information, and financial circumstances (sources of income, attitudes to credit).
3. Findings and discussion

Low-income consumers are often treated as a homogeneous group. However, findings from this study highlight the diversity of the low-income consumer population. Each family has its own unique ideology in relation to structure, background, values, communication patterns, employment status of main breadwinner, roles and responsibilities. As such, strategies employed in response to poverty can vary from family to family. Yet what is common is the difficulty of negotiating consumer culture. Shopping is rarely considered an enjoyable activity and indeed was described by some as a ‘nightmare,’ ‘hateful,’ ‘struggle’ and ‘stressful’. These consumers are forced to search for ‘value for money’ and need to be ‘good at economising’. Tedious financial planning is a necessity for many of the families in the study and impulse spending is rarely an option. Instead, respondents follow a variety of financial management strategies and practice smart budgeting, such as making lists, shopping in discount stores and searching for bargains. The examples below profile some of the study participants.

Case 1

Denise (43) and Barry (40) had two teenage sons, aged 15 and 17. Both were unemployed and believed that remaining on welfare benefits was their best financial option. A re-occurring topic of conversation was the difficulty of buying clothes for their sons and they gave examples of £49 branded designer or sports T-shirts and £130 pairs of trainers. Barry commented, ‘it’s ridiculous, they won’t wear cheap stuff. They just refuse point blank.’ Denise and Barry blamed peer pressure in that ‘they have to look as good as everybody else’ and ‘nobody wants their kids to be laughed at on the streets’. Although they did not agree with using their limited budget on expensive clothing, they felt there was little option: ‘You have to let them have it, you don’t want them out stealing.’

Case 2

Lorraine was 43, a widow with three children (aged 23, 21 and 14). She described herself as a ‘smart shopper’ and ‘a bargain hunter’. However, one area where she felt she couldn’t control expenditure as much as she would like was on clothing for Lisa, her 14-year-old daughter: ‘It seems to be that it’s the done thing to dress your kids; I have to do it now, she has reached an age. For years I fooled her, as long as I could, but I was never going to make her stand out from the rest of them.’ Lisa agreed that she often picked clothes ‘just because of their name’ and because her friends would ‘slag’ her if she did not wear brand-named clothing.
Case 3

Julie (24) was a single mother with a five-year-old daughter. She was a full-time university student with income from a student loan and a dependence grant. She described her lifestyle as ‘very, very budgeted, very sacrificing’ and ‘pressured’. Julie was very aware of societal expectations: ‘Society is just geared to getting that job, that 20 grand plus type of job, and you are expected to have the house and the car so you are pretty much judged. Single parents are judged a lot and it really annoys me.’ She continued, ‘the media portrays this image that you have to be slim and tall and beautiful and be very well groomed and be wearing certain labels on clothes to be beautiful.’

Case 4

Eva (45) had separated from her husband after 25 years of marriage. She had a 12-year-old daughter and two older children who no longer lived in the family home. Eva had been part of a secretarial group until three years previously, when the charity she worked for lost its funding. She had been unsuccessful in finding new employment: ‘Everything is for younger ones and when you get to my age you’re nearly put on the shelf, you can’t get jobs or nothing. It’s all for younger ones. There’s nothing really for you.’ As a result, Eva was ‘very lonely’. She didn’t have enough money to socialise, and spent most of her time home alone.

Case 5

Janice was 23, a single mother with two children aged six and four. She was unemployed and having difficulty finding employment that fit around caring for her children. She shopped in low-cost and second-hand outlets and was very aware of potential stigmatisation: ‘I know people do judge you, there are people who look down on you for what you wear and the way you talk, there are people who will look down on you for any reason… My friends back home all have jobs and houses and cars. My mum has a big house, my brother, who is four years younger than me, has his own house and car, and I feel like I’m stuck on the outside.’

Experiences of stigma

As indicated in these cases, as well as dealing with the practical hardships of providing for a family on a restricted budget, the interviewees have to cope with the negative attitudes and reactions of others. Respondents surviving on welfare encounter stigmatisation and negative reactions from other members of society, and during the interviews many noted that they met contempt in everyday life. Some believe that the prioritisation of paid work creates stigma for those on benefits. These families perceive they are judged for their welfare dependency and do not want to fuel stigmatisation in other ways. They are already perceived
as ‘other’ and do not want to display further visible signs of social difference. As a result, they turn to consumption as a coping strategy.

**Masking poverty through consumption**

Findings show that some low-income consumers are skilled at reducing the visibility of their poverty and overcoming the consumer society’s tendency to alienate. Masking poverty from outsiders was especially important for the children in the study, who did not want to appear different from their peers. Peer pressure and fear of social difference affected almost all the families, highlighting the strong social pressure to conform. Within consumer culture there is a large emphasis on designer brand names that have high brand-awareness among children, even those younger than school age. Children are presented with the ideologies of the consumer culture through a variety of socialisation agents such as the media, peer groups and even other family members. Consequently, they are very aware of their projected image, and place a large emphasis on brand-named products in terms of the clothes they wear and even the food they eat. Masking poverty through consumption could be viewed as a disconfirmation of the stereotype. By displaying brand-name products that are regarded as socially acceptable among peer groups, low-income consumers distance themselves from the stigma of poverty.

**Discretionary and non-discretionary consumption**

“You’d have to cut back, maybe instead of having a full dinner you’d have maybe beans and toast or egg and chips.” Eva

Findings indicate that low-income families may prioritise the consumption of ‘visible’ goods, such as brand-name clothing, over ‘invisible’, private goods, such as food and other goods consumed in the home. Thus, current categories of ‘discretionary’ and ‘non-discretionary’ spending need to be revisited when considering the behaviour of those experiencing poverty, as do hierarchy-of-needs frameworks that suggest consumers meet basic needs for food and shelter before buying the more discretionary ‘social’ goods, such as branded trainers.

For low-income consumers, with food spending (in terms of quantity and quality at least) there is some discretion. By contrast, spending on branded clothing and footwear is in fact non-discretionary: these consumers present themselves to the world through their spending on visible goods, giving added meaning to the term ‘conspicuous consumption’. Any lack is an indicator of poverty, bringing with it the associated stigma and shame. This suggests that new categories of consumption are needed for low-income families, of visible and invisible goods.
Conclusion

This research has demonstrated the need to develop a critical assessment of consumerism and, by extension, the role of marketing in it. Through various marketing communication messages, marketers promote a consumption lifestyle that advocates the abundance of consumption opportunities and constructs an ideology of free choice. However, free choice is dependent upon the necessary financial resources so this choice is significantly reduced for families experiencing poverty. They are made to feel inadequate if they are unable to partake in the consumer culture and acquire their share of the ever-increasing range of consumer goods and services. Consequently, the display of consumer goods becomes an important coping strategy for low-income families.

References


Notes

1 Darley and Johnson (1985)
2 Darley and Johnson (1985)
3 Bauman (2005)
4 Hamilton and Catterall (2007)
Stigmatising poverty? 
The ‘Broken Society’ and  
 reflections on anti- 
welfarism in the UK today  

A Whose Economy Seminar Paper

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June 2011
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Executive summary

In the context of deep economic and financial crisis, and amidst rising inequalities, blame for several of the main social problems affecting the contemporary UK is being apportioned to some of the most disadvantaged sections of society.

This blaming is driven by a strong anti-welfarism that regards social welfare provision as among the key factors contributing to a social and moral crisis in the UK today.

The media also plays a key role in producing and reproducing anti-poor and anti-welfare ways of thinking, sensationalising some of the more negative aspects of life in disadvantaged communities. This representation of people experiencing poverty serves to set them as a group apart from ‘normal’ and ‘mainstream’ society.

Anti-poor narratives, together with media misrepresentations of poverty increasingly referred to as ‘poverty porn’,i work to harden attitudes to social welfare in general and to people in poverty specifically.

Introduction: the state of welfare in the contemporary UK

We are living in a period characterised by a virulent and comprehensive assault not on poverty, but on people experiencing poverty. At one level, such an assault is evidenced by UK Coalition Government pronouncements and policies2 that talk of a renewed phase of ‘welfare reform’, which in essence is a concerted attack on welfarism and welfare benefits. This attack is also marked by policies that will introduce even tighter controls on the recipients of welfare, more conditionality, and harsher penalties for offenders and transgressors. This is accompanied by an ideological onslaught on people experiencing severe poverty and disadvantage, constructing them as among the central ‘problematic’ populations in the contemporary UK.

Of course, in some respects this is not new: for much of the past century and a half, welfare, of whatever shape or form, has been accompanied by a narrative which divides ‘the poor’ into two groups: those whose poverty and predicament is largely due to factors outside their immediate control, a ‘respectable poor’, alongside another group, the ‘disreputable’, ‘disorderly’ or ‘problem’ poor who are held up as in some way responsible for their own position.
In the periods in which anti-poor narratives and thinking have come to the fore, the wider economic and social contexts are also of crucial importance. Today this is also the case. We are in the midst of one of the deepest and most far-reaching assaults on public services and social welfare, and on some of the most disadvantaged groups in society, with a UK government committed to accelerating and deepening the 13 years of New Labour attacks which set the stage for this current onslaught.

That this is a period of deep recession and economic crisis is also significant, in that this is being used to legitimate a series of ‘austerity’ measures and the wholesale restructuring and reform of welfare provision. While the economic and financial crisis gains the news headlines and much of the attention, for the UK government – accompanied by an assortment of observers and sections of the media – there is another crisis. This social and moral ‘crisis’, captured by the term ‘Broken Society’, has been construed as contributing to the economic problems that the country is experiencing.

This paper highlights some of the main features and elements of the Broken Society perspective, and argues that this works to ‘other’ and to stigmatise people experiencing poverty. How social problems are constructed, including the language and terminology used, have always been key indicators of the form that subsequent policy interventions will take. The Broken Society is no different: driven by a language that speaks of the problems of ‘welfare dependency’, it works to mobilise and legitimate a harsher regime for welfare recipients, as well as encouraging a strong anti-welfarism in general.

1. The UK as a ‘Broken Society’

Among the most virulent anti-welfare messages in the contemporary UK is captured in the phrase ‘Broken Society’ itself. Initially popularised by Iain Duncan Smith and the Conservatives’ Centre for Social Justice (CSJ), the term ‘Broken Britain’ has become a recurring staple of media and popular commentaries about the social health of UK society, and has increasingly featured across a range of narratives regarding the future shape and direction of social welfare.

What helps to make the Broken Society idea so potent and pervasive that it is a very flexible notion, able to be deployed as an explanation for a range of social problems and popular social ills. For Conservatives such as Iain Duncan Smith and David Cameron, a central argument is that the broken and failing society has its roots in ‘broken families’. Teenage pregnancies, increasing numbers of one-parent households caught-up in a ‘dependency culture’, feature prominently in this perspective. Also, according to the Conservatives, Labour’s failure to defend and support marriage is a key factor accounting for the prevalence of street violence, drug addiction and a range of other social problems.
While five poverty ‘drivers’ are identified: family breakdown, welfare dependency, educational failure, addiction to drugs and alcohol, and serious personal debt, it is clear from the CSJ’s report *Every Family Matters,* that marriage and a ‘stable two-parent family life’ are seen by the government as central to mending Broken Britain and thereby reducing levels of poverty.

The idea that family life in Britain is increasingly dysfunctional provides for a renewed familialism (i.e. the idea that individual and public wellbeing are increased through support for heterosexual nuclear families), with the Conservatives promising to bring back some recognition of marriage to the UK tax system if they won the 2010 general election. However, such familialism is far from being an exclusively Conservative viewpoint. New Labour before them drew a distinction between ‘hardworking families’ and other families, who clearly were seen as loafers. In his 2009 Labour Party Conference speech, for example, the then Prime Minister Gordon Brown spoke of ‘problem’, ‘chaotic’ and ‘dysfunctional’ families, 50,000 of which are seemingly a primary source of much of the anti-social behaviour across Britain.

Stigmatising language is being deployed that talks of aspirational deficits, dysfunctional and deviant behaviours, an absence of social capital, and a seemingly expanding range of moral and behavioural problems. Poor people and poor communities are all too frequently talked about (and less often talked with) in terms of deficit, inadequacies and lackings (aside from their lacking an adequate income!). Much of this echoes the largely discredited ‘culture of poverty’ arguments of the early 1970s – now dusted down and deployed in a new format.

2. Anti-welfarism and anti-poor: ‘poverty porn’

The anti-welfare and anti-poor political and policy-making approach highlighted above is accompanied by a wide-ranging media assault on people experiencing poverty. This can be seen across a diverse range of formats in the 24/7 news media: through newspapers, television, and increasingly on the internet, in blogs etc, that seize on any case of apparent ‘dysfunctionality’ in poor communities. Once again, this serves to both produce and reproduce dominant attitudes to poverty – and to welfare in general – while at the same time also expressing largely middle and upper class fear and distrust of ‘the poor’. These then serve to harden attitudes to poverty and to justify harsher welfare policies. Alongside these, television documentaries and ‘reality TV’ shows also allow ‘experts’ to adjudicate on the faults of working class and disadvantaged lifestyles, emphasising the need for self-improvements and self-help. Television programmes such as *Jeremy Kyle, Tricia, Secret Millionaire,* and *Saints and Sinners* are among the most notable in a seemingly growing list of what is increasingly referred to as the ‘poverty porn’ genre. The messages presented are pervasive –
reflecting and forging an anti-welfarism that fits neatly with, and legitimates, state agendas for welfare ‘reform’ and ‘austerity policies’.

Together with the expressions of middle class fear and distrust of poor people, there is also a fascination with poverty and the supposedly deviant lifestyles of those affected – where viewers are encouraged to find the worst and weakest moments of people’s lives funny and entertaining. This is offered up for consumption on a wider, cross-class basis – yet it is clear that it reflects middle class antipathies and angst. At the same time, it delineates working class communities as the ‘real’ poor who need to be controlled. In this respect it plays to wider government- and media-generated narratives about ‘scroungers’ and the ‘undeserving poor’.

**The Scheme: misrepresenting poverty?**

A key illustration of ‘poverty porn’ is BBC Scotland’s reality television programme *The Scheme*. The first two parts of this four-part series was broadcast across Scotland in May 2010, presenting the community of a deprived housing scheme – Onthank in Kilmarnock – as entertainment for public consumption. *The Scheme* purported to offer a ‘warts ‘n’ all’ documentary account of life in Onthank. It positioned the viewer in judgement over the behaviour and lifestyles of those exhibited and showcased the ‘dysfunctional’ elements of family relationships, unemployment, addictions and violence.

The series provoked a great deal of debate and controversy across Scotland and beyond, reflected in considerable press coverage and presence on social networking sites and online discussion forums. One of the most forceful criticisms of *The Scheme* – and ‘poverty porn’ more generally – is that it provides a view of poverty, and people experiencing poverty, out of context, with no consideration of the underlying social and economic factors that work to generate and reproduce poverty over time (in this case, for example, the devastating economic change in East Ayrshire). *The Scheme* and similar programmes depend upon a largely cultural and behaviour-centred approach – one which focuses on the individual and family, and on specific lifestyles which are seen as working to keep people in poverty.

**3. Conclusion: in defence of welfare**

The central argument to emerge from this discussion is that, in the contemporary UK, there is a strong anti-welfare agenda that is increasingly informing policy approaches to poverty – and to poor people. Echoing through UK coalition government pronouncements is a perspective that welfare is both morally and socially corrupting. It undermines individual responsibility, encourages worklessness and fecklessness, and is associated with a range of other problematic and troublesome behaviours.
People experiencing poverty are all too often stigmatised in government, political and policy-making rhetoric. They are the targets of policy interventions, yet underpinning this is a view that welfare is, in itself, problematic.

Where does this leave those who are interested in combating such ‘otherings’ and stigmatisation? A starting point must surely be the defence of welfare itself (see Sinfield, this series of papers). In the not too distant past, ‘social security’ was seen as a bedrock of the UK welfare state. It did not carry the negative connotations that are now associated with ‘welfare’, even if welfare itself was in the past also regarded as a public good, a right. The negativity and morally disrupting sense of welfare today, initially imported from the USA in the late 1970s and increasingly reinforced by successive UK governments since, must be challenged by those of us who wish to see a progressive sense of welfare – upon which can be built a socially just and effective approach to ending poverty. Welfare is a contested idea, but an idea that must be defended.

**Recommendations**

- Those interested in defending social welfare and producing a more socially-just approach to poverty must be continually alert to the language and terminology used – and to the continuing pervasiveness of anti-poor sentiments and thinking.

- In developing a socially-just approach to poverty, attention should be refocused on the entire income distribution. This means considering the privileges and lifestyles of the rich, whose often problematic and disorderly behaviour attracts little of the antipathy attached to problematic behaviour among some of those in poverty.

- There needs to be understanding that social welfare and the creation of a more equal society brings benefits to all people living in that society.
References


Notes

1. See Barbara Ellen 2010; Pat Kane 2010; and Martyn McLaughlin 2010
2. For example, the 2011 Welfare Reform Bill, see DWP 2011
3. See Mooney 2009
5. Gordon Brown 2009
7. See Mooney 2009
8. See Bev Skeggs 2005
9. The second two programmes in the series were not broadcast due to a legal case involving someone who appeared in the final two programmes. The entire series was subsequently broadcast in May 2011. See also Gerry Mooney and Sharon Wright 2011 and Gerry Mooney and Lynn Hancock 2010
10. See Mary Daly 2011
Housing, class and regeneration: exploring the ‘new’ inequalities

A Whose Economy Seminar Paper

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June 2011
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Dr Kirsteen Paton is a researcher and lecturer in Sociology at the University of Glasgow. Her main research interests are urban restructuring and stratification and new working-class studies. She recently completed her ESRC CASE PhD study with West Glasgow Against Poverty (Westgap) and Oxfam: The hidden injuries and hidden rewards of urban restructuring on working-class communities: a case study of gentrification in Partick, Glasgow. This critically examined the impacts of the government’s use of gentrification as a regeneration strategy on working-class lives and community.

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Executive summary

This paper explores issues of class-based inequalities in housing, particularly housing regeneration. It argues that housing is an inherently classed issue and an ongoing source of inequality. Hard fought gains in the 20th century in improving access through social housing provisions are being subtly and profoundly undermined. In the 21st century the state’s investment in social housing provision in the UK has receded. Housing has altered in its role as a collective social welfare provision to a more privatised and individualised form. These processes are compounded by an ideological shift towards home-ownership, whereby home-ownership is seen as the preferred tenure, and social housing a non-choice; a necessity or a ‘last resort’. This creates a new set of inequalities in urban regeneration which are often hidden from view in working-class neighbourhoods: these people and places are often marginalised in regeneration processes.

The findings in this paper are taken from a research project into the impacts that urban regeneration in Partick, Glasgow has on the local working-class community. This research was carried out from 2005 until 2009. The project was the result of collaboration between Westgap (West Glasgow Against Poverty), Oxfam and the University of Glasgow. All three groups came together with a shared concern about the effects that regeneration policies were having on the communities and neighbourhoods that they claimed to help. This was borne out of Westgap’s concern around the changes they saw happening in Partick, particularly with the redevelopment of the former granary site into the Glasgow Harbour housing development, which began in 2003. Westgap has been a registered charity operating in Partick for over ten years. It is an anti-poverty group run by and for people who have first-hand experience of poverty. Westgap is concerned with the experiences of poverty and inequality of groups and individuals who are often marginalised and obscured from view.

In this paper the focus is primarily on the experience of some of the inequalities in relation to housing and regeneration taking place in the neighbourhood – giving voice to residents experiencing such processes. Regeneration often takes the form of gentrification, which sees the local government promote land sale and private housing developments in neighbourhoods as a strategy of dealing with social or economic problems. Social housing has also changed in form: burdened with the responsibility of generating revenue, it has shifted away from the social welfare model to an increasingly business-oriented one. Both these aspects of housing regeneration limit the housing opportunities for local working-class residents in Partick. This paper highlights the hidden injuries of regeneration: the heightened insecurity of tenure, and evidence of the displacement of local residents as they find it increasingly difficult to secure a tenancy or buy a home in their own neighbourhood. This demonstrates the need for state investment and intervention in housing provision. It is argued that this requires a return to
public-subsidised housing, and a focus on housing inequality on the basis of a rights-based agenda rather than in terms of consumerism.

Introduction

Housing is an inherently classed issue. The ability to access and secure one’s housing tenure continues to be a source of inequality in UK society. Hard fought gains throughout the 20th century in improving access through public housing provisions are being subtly yet profoundly undermined. Social housing in the 21st century has faced disinvestment and increasing privatisation, compounded by an ideological shift towards homeownership. This is epitomised by, this paper argues, gentrification. Gentrification has been described as a blueprint for urban regeneration in the UK, used to improve working-class neighbourhoods by increasing both private housing stock and the population of middle-class residents. I offer a sociological exploration of how gentrification has been used as a local government policy, and what this represents in broad terms – political restructuring that heralds the shift away from collective consumption towards neoliberalism, a form of political economy which relates to marketisation.

Neoliberalism holds that the state is best regulated by the market, so that state actions and policies are submitted to the considerations of profitability, and the social contract of state welfare, previous notions of citizenship and collective consumption are dismantled. This has serious ramifications for state-subsidised housing, seen in policy changes such as ‘Right to Buy’ which will be discussed in the following section. It also creates a new set of inequalities in housing in relation to regeneration, which will also be discussed, that are often obscured from view. Working-class people and places are frequently marginalised from housing policy, yet are the targets of policy, whilst simultaneously being at the sharpest end of market change. Dispossessing or depriving someone of their own home is a ‘heinous act of injustice’ which is why it is important that we give voice to these experiences. In doing so, this paper highlights the hidden inequalities caused by housing regeneration, as a way of demonstrating the need for state investment and intervention in housing provision.
Housing policy in historical context

In order to understand the changes that have taken place in housing policy it is useful to have some historical context, albeit concise. Historically, inequality in housing stems from a marketised, unregulated system, as it largely was under early industrial capitalism. The Industrial Revolution saw inequality in access to housing, poor standards, public health issues and the emergence of a new class of landlords profiteering in what was a mostly unregulated market. Market supply of housing, particularly in the rental sector, had the effect of reducing the quality and security of tenancies and increasing rent rates.

Therefore state intervention has been critical in mediating housing inequalities. This has seen the task of clearing British slums, providing affordable subsidised housing, ensuring rent controls and the setting of building standards come to dominate social policy for much of the 20th century. It is important to note that these gains were hard fought for; the infamous challenging of private landlords by working-class women resulted in the 1914 Rent Restrictions Act. As such, municipal housing became the accepted tenure choice for families in Britain. So much so that in 1979 council housing represented just under one-third of all UK housing stock; while in Scotland this peaked in 1981, by which time over half the population had lived in homes provided by the public sector. However, this was to be undermined with the 1979 Conservative government who introduced the ‘Right to Buy’ policy which gave long-term council residents a discount to buy their rented property. In doing so, the state subsidised the sale of a large proportion of council housing stock. This was a landmark policy and signalled the curtailing of investment in municipal housing. This erosion of the collective housing provision saw the introduction of the notion of ‘consumer citizenship’: the private consumption of formerly state-subsidised collective goods. A more recent housing policy strategy has further crystallised this via the local government’s use of gentrification as a regeneration strategy.

Contemporary housing policy: regeneration or privatisation?

Gentrification is a process whereby working-class neighbourhoods are transformed when middle-class families move in to the extent that a process of class succession can take place and working-class residents can be out-priced and displaced. From the 1990s onwards, gentrification became tightly woven with policy, becoming the mainstay of urban regeneration.
This was manifest in two key ways. First, self-financing imperatives of local governments have seen them work more closely with private business to generate revenue. Gentrification has been central to this, particularly the selling off of disused or devalued land. Thus we see the redevelopment of sites once given over to industry into new-build properties, shopping malls, casinos and so on. Second, gentrification in policy relates to governance of local social processes. This is evident in urban policies, such as the Urban Task Force report, *Towards an Urban Renaissance* and the Scottish Executive’s *People and Place* policy statement. Middle-class settlement in working-class neighbourhoods is promoted in policy through mixing tenure and in Scotland’s community regeneration statement. This is underpinned by the idea that socially-mixed neighbourhoods provide a solution to poverty. Middle-class residents bring the neighbourhood ‘up’ by improving the value, demanding greater services and acting as ‘role models’. The belief is that the middle-classes are not just financially ‘better off’, they also have high stocks of cultural, social and economic capital that can be transmitted throughout neighbourhoods, having a positive, relational effect. Thus, their settlement is believed to create ‘virtuous circles’ and ‘opportunity effects’ to provide the means for the ‘degenerated’ to regenerate themselves, rather than relying on traditional state welfare provisions. Controversially, this essentially blames the victims of deindustrialisation, disinvestment and housing policy such as slum clearances, whose neighbourhoods and lives have been stigmatised.

Gentrification is a political strategy which typifies this change in housing policy in the way that it fundamentally promotes housing privatisation. Social landlord’s stock levels have been decreasing each year since the 1980s. The picture is one of long-term disinvestment in municipal housing, and an ideological shift towards market forms. In England, this latest statement of disinvestment is evident in the 2010 Comprehensive Spending Review, which saw a budget cut for the construction of affordable new homes over the next few years by nearly 50 per cent, from £8.4 billion to £4.5 billion. Scotland pertains to be taking different action to England. The Scottish policy paper, *Homes Fit for the 21st Century*, billed as a housing action plan for 2020, offers a range of initiatives for housing. Yet, in the end, these initiatives effectively amount to cuts in public grants for housing which suggests, despite the Scottish Government’s efforts to the contrary, a gradual shift to the English ‘business’ model. As it stands, social housing has hit a 50-year low in Scotland, yet demand has increased. In 2001 there were 3.9 people on council waiting lists for every let. This rose to 6.6 people per let in 2008.

Across the UK, social housing’s role and institutional form has changed from a primary concern with social wellbeing to a neoliberal model, through the partial privatisation of associations precipitated by the ‘Right to Buy’ and the 1988 Housing Act and 1988 Housing Act (Scotland), and compounded by Housing Stock Transfer across the UK. More self-financing arrangements of council housing are to be introduced. The very principal of secure tenancies within social housing, which has protected against people being evicted in the UK, has been undermined.

This is familiar territory: a revival of the unequal conditions of marketised private landlordism which was prevalent at the beginning of the 20th century. Today there is a ‘new’ privatisation of housing, seen in the promotion of home-ownership as
the ideal tenure, and also in privatisation of the social housing sector itself. This shift highlights the potent yet often hidden effects of housing regeneration namely creating insecurity in tenures which can, for some, end in eviction. This leads to ‘new’ inequalities in housing which are both cultural and material in form: punitive treatment of working-class behaviours, including the stigmatisation of renting social housing and claiming benefits; and economic inequalities, creating greater insecurity around tenancies and limited access to housing.

Case study: gentrification and regeneration policy

Research undertaken from 2005-2009 in Partick, Glasgow, demonstrates the effects of housing regeneration policy via gentrification on this formerly industrial, working-class neighbourhood. The area of land next to the River Clyde was regenerated into Glasgow Harbour: a private luxury-housing development. Discreet forms of displacement are created by this regeneration policy. I do not focus on the impacts of the Harbour development in causing displacement per se but rather the changes within the neighbourhood relating to the social housing provider, Partick Housing Association (PHA): social housing stock has historically protected tenants from the effects of gentrification and displacement by offering secure tenancies and regulated rent.

Changes have seen housing associations turn their attention to revenue-generating activities. An example of this is the Association’s use of property development to create revenue. PHA created a ‘risk isolator’ to build West 11, a private luxury-housing development on Dumbarton Road. In 2011, a two-bed apartment here was listed for sale at £270,000. Thus PHA contributed to gentrification in the neighbourhood, enticing affluent homeowners and increasing the number of privately-owned and rented stock. This can increase house prices throughout the neighbourhood as it becomes increasingly desirable, rebranded as ‘the beating heart of the West End’ and, over time, middle-class residents can outnumber the working-class population.

The impact of this is evident in the increased demand for social housing. In 2002, there were 208 applicants on PHA’s waiting list. By 2006 this was 400. In this time, PHA barely built any new properties.\textsuperscript{15} This can lead to displacement through lack of choice or suitable stock. Social housing tenants then face a dilemma if their family size increases or circumstances change. Accessing a more suitable property in their neighbourhood can be difficult. Instead, families have to move out of Partick to a cheaper neighbourhood or attempt to transfer to the private renting sector.

The local demand for housing is demonstrated in the following two residents’ accounts. Gordon, 24, lives with his parents in Partick after being evicted from his privately-rented flat. When the landlord increased the rent, believing the flat’s value was increasing due to gentrification, Gordon couldn’t afford to pay:

‘...it just bothers me because you know I can’t get anywhere to stay around where I live now. I can’t afford it and that’s something that annoys me because the prices are so expensive...’
This was echoed by another resident, Fi (63):

‘It’s a big issue. I can’t get my son a house but other people do. A whole generation of people can’t get a house, you can’t buy. They are with their mothers.’

Historically, housing list points were awarded to individuals who were either from the neighbourhood originally or who had family there. However, this ‘Local Connection’ policy was scrapped in favour of a policy which allocates sensitively. This means that associations are given autonomy to intervene in housing allocation in order to uphold a ‘balanced’ community. This, as PHA states, allows them to ‘identify trends, and take appropriate action to try to redress imbalances’. This means that if the neighbourhood has too many residents on a low income they can redress this – by introducing residents to the neighbourhood who they deem more ‘desirable’.

This illustrates the notion of ‘deserving’ and ‘undeserving’ poor that underpins much regeneration policy and the shift away from a rights-based agenda. It is in contrast to some respondents on low-incomes who lived in fear of eviction for missing rent payments. Sean, 25, worked two jobs – one in a fish factory, the other audio-typing and transcribing. As a young person he had been through the homelessness system, but had eventually moved to Partick where he had been settled for the past few years, although he had amassed some debts:

‘I’m just worried about my rent arrears. Partick Housing have threatened to take me to court a few times. I’ve got all my furniture in that flat, if I was to lose that flat I would have nowhere to put that stuff.’

Steve, a single, unemployed man suffered from depression and had debt problems. Steve found himself threatened with eviction by PHA for rent arrears:

‘…they do this traffic light thing; three strikes and you’re out. I’m on amber. But surely you’re entitled to a couple of hundred pounds [arrears]? …I mean it’s not the greatest of wee flats I’ve got, but it’s a roof over my head and I need it.’

Steve contacted homelessness charity Shelter as he felt that PHA was determined to evict him even if he paid his arrears. Shelter intervened and the matter was resolved.

Rent arrears are a significant issue for housing associations since the 1988 Housing Act (Scotland) required them to use a proportion of private finance in their building projects. Rent payments from tenants are an important part of housing associations’ ‘income’. Disputes over arrears are often easily resolved through one-to-one communication and agreement of a plan to pay the amount owed, but the processes are, in reality, overly bureaucratic. In many cases late payments offered are rejected by associations. This raises the question of whether immediate profit is the main goal. There may be moral imperatives in evicting particular tenants from properties. Indeed, the number of ‘Notice of Proceedings’ given to residents in the 2005-2007 period has since doubled. PHA’s mixing strategy and need to generate revenue could result in strategic evictions, whereby residents with rent arrears, or who are seen to be economically or socially undesirable, are treated punitively. This highlights the long-term financial gains also being pursued through moralising discourses which operate at the expense of the most marginal
groups. This is an often hidden injury of regeneration, whereby working-class residents deemed morally and materially unproductive can be unfixed from place, in order to make it more profitable.
Conclusion: housing and privatisation in hard times – back to the future?

This case study is not intended to single out Partick or PHA; the practices discussed are pervasive in housing associations throughout Scotland and the UK. Such changes indicate a return to private landlordism which characterised the early 20th century, but which was fought against. As it did then, reliance on market supply of housing, particularly in the rental sector, has the effect of reducing quality and security of tenancies and increasing rent rates. The unsold gentrified flats neatly become private rental properties taken up by the next generation of Partick residents who cannot secure a socially rented property at affordable costs. The outcome is that residents are put at greater risk of eviction through this broad privatisation of housing.

The effects of this are not fully manifest, but it highlights the serious need for investment in public housing in Scotland, as well as an awareness of the punitive role of social housing providers. Ironically, as housing associations undertake ever more self-financing opportunities such as those described in this paper, residents – their customers – find that their housing opportunities are increasingly limited. Shelter19 reports that there were 3,577 evictions by councils and housing associations from 2007-2008 in Scotland. Glasgow Housing Association was the most punitive, with the highest number of evictions (558), 97 per cent of which were caused by arrears. The most marginal groups face increasing housing problems, often at the hands of those organisations designed to assist them. A solution to this would lie in more publicly-subsidised housing which eradicates the competition and quest for profit, and addresses housing inequality in relation to rights, rather than in terms of consumerism.
Notes

17 The process is as follows: first, a 'Notice of Proceedings' is sent, followed by legal proceedings, and tenants will be sent a summons telling them when their case will be heard at court. When the case goes to court the Sheriff can grant a decree for eviction. Sheriff Officers will be sent to remove tenants from the property. They are entitled to use reasonable force to enter the home and remove tenants and their possessions.
The experience of poverty in an unequal society
A Whose Economy Seminar Paper

Sarah Welford
June 2011
About the author

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Whose Economy Seminar Papers are a follow up to the series of seminars held in Scotland between November 2010 and March 2011. They are written to contribute to public debate and to invite feedback on development and policy issues. These papers are ‘work in progress’ documents, and do not necessarily constitute final publications or reflect Oxfam policy positions. The views and recommendations expressed are those of the author and not necessarily those of Oxfam. For more information, or to comment on this paper, email ktrebeck@oxfam.org.uk
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Executive summary

This paper focuses on the experience of poverty in an unequal society, from the perspective of a policy worker who has years of experience working alongside people living in poverty in the UK and abroad.

The paper looks at the relationship between poverty, the way that our economy is structured, and the precarious nature of our reliance on consumption. It argues that heavy dependence on consumption is not only environmentally unsustainable, but is also detrimental to all people who make up society – including those at the very top and those who find themselves at the bottom.

It also looks at the stigma and the humiliation at the heart of the experience of poverty, and offers an insight into why it is that, as a nation, we are so quick to place the blame on individuals who find themselves in difficult circumstances.

The paper touches on the discrimination that people living in poverty are subject to and argues that this discrimination is on a par with racism, sexism and other prejudices, yet is still to be recognised. People living in poverty are the last group of people for whom it is acceptable to label and discriminate against without repercussion.

Lastly, it offers a possible course of action that could help realise support for better policies and contribute to better service delivery. The paper argues that in order to effectively tackle poverty, we need to tackle stigma and raise awareness of the realities of the lives of people living in poverty.

Introduction

The economy: the social and environmental elephant in the room

The Oxfam ‘Whose Economy?’ seminar series and subsequent papers get to the real crux of the matter, which all too often goes unmentioned in poverty debates – like a large, invisible elephant in the room. Social and environmental injustice hang as repercussions of the precarious situation we are in, with regards to our dependency on an economy that is not only environmentally unsustainable and unrealistic, but is also detrimental to our very wellbeing as individuals and as a nation.

The UK, alongside the rest of Europe, is obsessed with the notion of economic growth. We have become dependent on this idea as the only definition of progress. Our economy relies on an insatiable thirst for shopping, buying and
wasting. This uses up resources and is contributing to climate change at an alarming rate.

‘...as we enter a new century, this unprecedented consumer appetite is undermining the natural systems we all depend on, and making it even harder for the world’s poor to meet their basic needs.’ (Mayell, 2004)

Yet, just as the economy is rarely mentioned in governmental debates on poverty, it is also rarely mentioned in debates on the environment. Our way of life is not sustainable – and is contributing towards the breakup of society.

Repercussions of our obsession with the economy

‘Progress’ in our society relies on a constant undermining of confidence. We are bombarded daily with messages telling us that we are lacking in some way – our skin, our hair, our clothes, our holidays (Leonard, 2010). We are victims of a culture that breeds vanity, competition and a life that is way beyond our means and the resources of the planet.

To the average person, this leads to a general discontentment with life and a nagging dissatisfaction that begs to be alleviated by buying a new pair of shoes or new handbag. This obsession has led to people working longer, more stress-filled hours and spending less time with family, friends and the community.

However, for people at the bottom end of the income scale, there are far more detrimental issues at stake. The deluded obsession with economic growth has led to a culture of blame, stigma and discrimination against those who are the most vulnerable in our society. This impacts most visibly on the most disadvantaged, but also has a more subtle impact on the rest of society, with increased divisions and a normalising of damaging attitudes and preconceptions.

The worst thing about living in poverty

‘The worst thing is the contempt of your fellow citizens. I and many other families live with that contempt. Moraene Roberts, National Poverty Hearing, UK

‘We are not inferior, we are not deficient, but we are made to feel that way.’
Voices from Caia Park: Communities Against Poverty, Wales

The one thing that unites people – whether in the global north or global south – in their experience of poverty is the stigma that they experience due to their lack
of resources. This is something that many people single out as being the worst thing about living in poverty – not the struggling to make ends meet, although that is highly stressful; nor the bad housing conditions and the health repercussions of that, despite all its difficulties. They feel that the worst aspect of living in poverty is the way in which they are treated by their fellow citizens; the lack of respect and the blame and judgement upon their lives. This experience is what many people living in poverty find completely unbearable; it is this aspect that breaks them; what in the end makes people lose hope and give up.

The rationale behind stigma

What explains these preconceptions of people experiencing poverty held by the general population? Why is it so easy for people to quickly judge and blame? Some argue it is so that we can shift the responsibility for this situation from ourselves to the individual.

However, it seems more complex than this. In order to fuel constant economic growth, the general population has to be encouraged to consume. People have to be convinced that we need to go ever above and beyond our basic necessities; therefore a culture of individualism and competition is spawned. Citizens are turned into ‘consumers’ and fear and insecurity are cultivated. This leaves little space to get to know the community – undermining opportunities to create an understanding its most vulnerable members, who become increasingly isolated. It leads to very inward-looking lives and encourages distance from those who are not able to live up to consumer ideals.

Another reason for stigma is that our society is firmly rooted in the belief that we are all born free and equal as set out in the universal declaration of human rights. On that understanding, it is down to all individuals to make the most of the opportunities that are supposedly laid at our feet. Any failure to do so is seen to lie with the individual because they have clearly not put enough effort in; it is the American Dream syndrome. This belief is exacerbated by a view (often promoted by the current UK government) that the welfare state rewards people for being lazy, and allows people to languish at home whilst the rest of the conscientious population are ‘slogging it out’ at work.

“You’re leaving the house at seven in the morning or whatever to go to work and paying your taxes - and then the person down the street is defrauding the welfare system.’(Woodcock, 2010)

This is one of the most ubiquitous myths in this country. Despite all efforts to eradicate it, the general population – alongside the people who govern our country (regardless of political standing) – are hook, line and sinker under its spell. This myth lies at the heart of the stigma that enshrouds the experience of

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living in poverty, and in many ways defines it; it also stands in the way of real progress on poverty issues.

The myth: the biggest injustice of all?

‘Workshy’, ‘lacking in morals’, ‘scroungers’: these are some of the terms that are bandied about with intensity and resentment. There is excessive and misplaced anger about people living on state benefits, and this is where the real injustice lies. In addition to being condemned to a life on the breadline, people in poverty have to cope with the fervent belief that they are to blame for their own situation, and the ensuing impact that this has on their psyche.

When you meet people instead of stereotypes, a completely different picture emerges. Hardworking, excellent at money management, tenacious, strong and wilful: many people living in poverty defy a system that seems as though it is out to break them, and defy the scorn that is heaped upon them. Not only do they cope with poverty in their own lives; many campaign and get their voices heard to improve things for others in similar situations. So much for lacking in morals; where are the morals of a population and a government that scapegoats and blames the most vulnerable people in our society?

Discrimination and language

‘The worst thing about it is the fact that we have created a culture where it is acceptable to speak this way about a whole group of people, the majority of whom are living very difficult lives.’ Participant in Poverty Alliance Evidence Participation Change project, 2011

We live in a society where it is now unacceptable to make sweeping generalisations about people who are of a certain sex, colour, disability, religion or sexual orientation. However, it is still completely acceptable to speak about benefit cheats, scroungers, ‘neds’, ‘townies’, ‘scallies’. Yet, could it not also be argued that this is discriminatory language? Society stigmatises a whole group of people – those living on benefits – because everyone is assumed to be taking unfair advantage at a cost to the taxpayer.

This discrimination has led to an increase in conditionality for benefit recipients, and policies based on a widespread assumption that everyone is cheating the system.7 If all benefit recipients were of a particular ethnic background this would be classed as racism; if they were all women it would be called sexism. Yet it is normal to speak about people living on benefits in this way – it is accepted, rather than frowned upon. But the repercussions are extremely serious.

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7 This myth that is fed to society on a daily basis is the polar opposite to what I have observed in six years of working alongside people living in poverty.
I have recently been supporting a woman in Glasgow who has been put through the humiliating and hugely stressful experience of the Work Capability Assessment as a condition of continued benefit receipt. She has a long-term condition that is deteriorating, and has been deemed unfit for work repeatedly by her regular doctor. Yet, following a ten-minute assessment, she was classified as ‘fit for work’ by an independent assessor. It was very difficult to understand what her rights were and to get access to a welfare rights advisor. Amidst a myriad of letters and phone calls, at one point she found herself having to get by on just £38 a week to support herself, her partner and her 13-year-old daughter. Sleeping tablets had stopped working by then and the stress was taking its toll. She confided that suicide had crossed her mind.

The change in welfare regulations in the UK, and the widespread use of discriminatory language will do nothing but increase the stigma and blame that already exist, and increase the incidence of experiences such as that highlighted above.

The ‘deserving’ and ‘undeserving’ poor

Sharon Wright’s thesis on Jobcentre staff and client perspectives (2003) highlights some revealing interactions between frontline staff and Jobcentre clients. She argues that the creation of policy is carried out as much by the people on the front line as the people who created the policy at an earlier stage. In her thesis she uncovers how policy implementation is interpreted and carried out differently with different people, and how a process of moral categorisation happens which affects the way in which the client receives their service. Stigma and ‘povertyism’ on the part of frontline staff can often mean the difference between an individual accessing a service or not. On the one hand, there can be fear on the side of the service user; on the other is a moral categorisation of a person which can act as a barrier to that person getting the service that they need.

‘Policy implementation is, therefore, also affected by the perceptions and beliefs that staff themselves bring to their jobs’ (Wright, 2003). This is clearly an important issue with regards to the stereotypes and misconceptions that exist around people claiming benefits.

iii The Work Capability Assessment is the main assessment for Employment Support Allowance claims. Employment Support Allowance provides financial help to those who are unable to work because of illness or disability. It also provides personalised support for those who are able to work.

ix ‘Povertyism’ is a term used to refer to the discrimination of people on the grounds of their poverty.
Conclusion

The experience of poverty is fundamentally brought about because of an unjust system that does not distribute on a fair basis, but the experience manifests itself in relative measures. The experience lies in a person’s knowledge that they are at the bottom, and everyone confirming this through discrimination, stereotypes and exclusion. It is about not being able to provide your children with the same access to opportunities as their friends; it is about having to constantly say ‘no’ when everyone else is saying ‘yes’. It is about feelings, respect, self-esteem and how we treat one another - which is why, above all else, the experience of poverty is a human rights issue.

People should have access to an income that allows a dignified life. Sixty years ago we committed to an ideal and an aspiration, yet we still seem far away from achieving it. The eradication of poverty is framed in a language that belies a preoccupation with economic growth and the belief that if you are not contributing to the economy, you are not of value. This is not only reflected in pay scales, but more sharply in the way that we treat people who have fallen on hard times and who need extra support.

‘Individuals, it seems, must increase their employability, be more flexible, more mobile, and participate more actively in the consumption-based economy. This leaves little room for consideration, let alone valuing, of non-economic activities and motivations, such as care for community, or lifestyles not based on consumption’. (Trebeck, 2011)

In order to tackle poverty better we need to address the basis of our economy which is unsustainable and detrimental. Continuing on this path is not leading to an increase in happiness or wellbeing and is resulting in a society that values things that are detrimental to all members of society, and in particular those who are the most disadvantaged.

However, research carried out by the Fabian Society (2005) has proven that despite an initial limitation in knowledge and a harbouring of ideas based on stereotypes, people’s attitudes can be changed relatively quickly when they are made properly aware of the realities. If people were more aware of what living in poverty is like, they would not be able to support the kind of policies that are being implemented.

Tackling stigma should therefore be a priority in any anti-poverty policy. In doing so, we can harness public support for more progressive anti-poverty policies. At the same time, we can bring back a bit of respect to the way that we treat our fellow citizens, and thus regain some of our own lost humanity as a society.
Notes

For information on the Poverty Alliance ‘Stick your Labels’ A Campaign to Tackle Poverty and Stigma please visit http://www.povertyalliance.org.uk/campaigns_detail.asp?camp_id=10

6 Woodcock A. (2010) Benefit cheats are mugging taxpayers says Osborne’ the Independent, October 2010
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8 Wright S. (2003) ‘Confronting Unemployment in a Street-Level Bureacracy: JobCentre Staff and Client Perspectives, University of Stirling
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To what extent does poverty explain Scotland’s poor health profile?
A *Whose Economy* Seminar Paper

David Walsh

June 2011
To what extent does poverty explain Scotland’s poor health profile?

A Whose Economy Seminar Paper, June 2011

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Executive summary

Scotland has the poorest health (lowest life expectancy) of any Western European nation. Given the undisputed link between poverty and poor health, traditional explanations for the country’s poor health status have focussed on socio-economic deprivation and the underlying effects of deindustrialisation. However, a considerable amount of evidence has emerged in recent times suggesting that these explanations are simply not sufficient: deprivation does not explain all of Scotland’s higher mortality relative to England and Wales; many other European countries’ deindustrialised regions appear poorer than the main deindustrialised region of Scotland, and yet tend to have better and faster-improving health; the deprivation profile of Glasgow is strikingly similar to that of Liverpool and Manchester, yet mortality is significantly higher; and studies of individuals (rather than areas) also point to ‘unexplained’ worse health among Scots.

If the answer is not poverty and deprivation alone, then what is it? A number of possible explanations are discussed, many of which are the subject of on-going research.
Introduction

Poverty causes poor health. It is important to be clear about this from the outset of this discussion. Health is created and destroyed by a complex array of diverse, but interacting, factors (e.g. income, education, environment, behaviour, genetics) which operate at different levels and at different stages of life; and of all these determinants, material circumstances are hugely important. There is an abundance of research evidence from all over the world demonstrating the clear link between wealth (or a lack of wealth) and health.

This discussion paper will not, therefore, question this relationship in any way. What it will debate, however, is the extent to which the particular poor health profile of Scotland (and particular parts of Scotland) can be explained by material circumstances alone, or whether other, additional, explanations are also required.

Scotland’s health profile: the ‘sick man’ of Europe

Scotland has been christened the ‘sick man of Europe’ on account of its poor health status. This unenviable tag is justified: on average people die younger in Scotland than in any other Western European country.12 On the basis of current trends, life expectancy in Scotland will soon be lower than in a number of Eastern European countries as well.

This has not always been the case. Analysis of long-term trends of life expectancy in Europe shows that from around the middle of the 19th century through to the post-war years of the 20th century, Scotland’s life expectancy was ‘in the middle of the pack’, similar to that of a large number of Western European nations.34 Since the 1950s, however, life expectancy in every one of these countries has increased faster than in Scotland, leaving the country with the lowest life expectancy figures for both males and females, and seemingly deserving of that ‘sick man’ label. The question is: why?

Traditional explanations for poor health in Scotland

As outlined in the introduction, the link between socio-economic circumstances (poverty, deprivation) and health is well established, and traditional explanations for Scotland’s poorer, and relatively slower-improving, health status have tended to focus on these issues. Specifically, the blame has been placed almost exclusively on two factors: higher levels of deprivation (principally in comparison with other parts of the UK); and, related to this, the effects of
To what extent does poverty explain Scotland’s poor health profile?

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The ‘Scottish Effect’ and ‘Glasgow Effect’

At the start of the 1980s, nearly all of Scotland’s higher mortality compared to England and Wales could be statistically ‘explained’ by its higher levels of deprivation. By 2001, however, this was no longer the case. Even when differences in levels of deprivation across the countries had been accounted for, Scotland’s mortality was still eight per cent higher than that of England and Wales. This ‘excess’ was seen in all parts of Scotland, but was most pronounced in WCS, leading to discussion of a WCS ‘effect’ or, given its status as the principal city of that region, a ‘Glasgow Effect’.

Further evidence of this emerged from studies comparing WCS (as the region of Scotland most affected by deindustrialisation) with other, similarly deindustrialised, regions in the UK and mainland Europe. This showed that overall levels of mortality in these other regions tended to be lower than in WCS and – crucially – were improving much faster (thus mirroring the trends for Scotland as a whole compared to other European countries). Despite this, however, detailed analyses showed that the majority of these regions actually had worse socio-economic profiles than WCS, particularly (and importantly) the post-industrial regions of Eastern Europe.

Results from a detailed investigation into the specific ‘Glasgow Effect’ were published in 2010. These were based on in-depth analyses of small-area based deprivation (levels of poverty measured in communities of around 1,500 people) and mortality in Glasgow, compared to Liverpool and Manchester. This research highlighted a number of important points:

- The deprivation profiles of the three cities were almost identical – in all three cities around one-quarter of the population was classed as being socio-economically ‘deprived’, and there were no significant differences in the patterning of (or inequalities in) deprivation across the three cities.

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i The report cited above estimated that between 1971 and 2005 there was a 62 per cent decrease in the number of industrial jobs in WCS (from around 500,000 jobs in 1971 to 190,000 in 2005).

ii Based on a measure of ‘income deprivation’: see the two reports cited above for full details.
Despite this, levels of premature mortality (i.e. deaths under the age of 65) were more than 30 per cent higher in Glasgow compared to Liverpool and Manchester, with mortality at all ages around 15 per cent higher.

This ‘excess’ level of ‘unexplained’ higher mortality in Glasgow was seen across the whole population: both males and females, of all ages (except children), in both deprived and non-deprived areas.

The excess premature mortality was particularly driven by significantly higher numbers of deaths from alcohol-related causes, drugs misuse, suicide and violence.

There was little evidence of a change in levels of poverty in Glasgow relative to Liverpool and Manchester in recent decades; however, the gap in mortality between Glasgow and the other two cities had widened since the late 1970s/early 1980s.

These area-based studies described above have been complemented by further research based on individuals: for example, one such study showed Scots to have a 50 per cent higher risk of being diagnosed with ischaemic heart disease compared to people in England, even once individual social circumstances (and other risk factors such as smoking and alcohol consumption) had been controlled for. Taken together, the message from all these studies is clear: while deprivation, poverty, and socio-economic status are extremely important determinants of health, they do not appear to be sufficient explanations for Scotland’s – and within Scotland, WCS’s and Glasgow’s – particular poor health profile. Additional explanations are required. What else is going on?

**New explanations?**

Publication of the recent research examining deprivation and mortality in Glasgow, Liverpool and Manchester prompted further discussion of possible explanations for the higher levels of Scottish – in this case, Glasgow’s – mortality. These were identified, assessed and summarised in a report written by Gerry McCartney (another of the authors in this series of papers) and published in 2011 by the Glasgow Centre for Population Health. In all, 17 candidate ‘hypotheses’ were identified, ranging from ‘downstream’ health determinants to ‘upstream’ societal phenomena. The hypotheses were grouped into four principal categories:

1. **Artefactual explanations**: deprivation and migration.

   The deprivation hypothesis is that Scotland/WCS actually is more relatively deprived in socio-economic terms, but that the research has failed to measure this properly. On the one hand this is a feasible explanation, given the limitations of routine, administrative recording systems that are used for measuring poverty and deprivation; on the other hand, however, ‘excess’ levels of poor health (over and above that explained by socio-economic factors) have been demonstrated for Scotland, WCS and Glasgow at a number of different levels, and within a number of different analyses: for
example, within national-based analyses,\textsuperscript{9} regional analyses,\textsuperscript{10} analyses using small and very small spatial units of analysis;\textsuperscript{13} and within analyses based on individual level data.\textsuperscript{14,16,17} For these reasons, it seems unlikely that the entire explanation can be purely artefactual.

The migration hypothesis suggests that there has been a greater degree of emigration of healthy individuals from Scotland. If significant numbers of the country’s healthiest population had left, and were continuing to leave, then the health profile of the whole country would clearly be affected. However, recent research has shown that although there has been substantial emigration, the health status of recent migrants is actually very similar to that of the non-emigrating population.\textsuperscript{18,19,20,21,22} Thus, it seems unlikely that migration is the driving force behind Scotland’s (or WCS’s or Glasgow’s) poor health.

2. ‘Downstream’ explanations: poorer health behaviours; and different ‘individual values’.

The health behaviours hypothesis is not supported by evidence: survey data suggest that smoking, alcohol consumption, diet and obesity levels are all strikingly similar in Glasgow, Liverpool and Manchester. In fact this is not surprising: health behaviours are directly linked to levels of deprivation and, as already mentioned, the deprivation profiles of these three cities are almost identical. In any case, it is important to look at the ‘causes of the causes’: even if the survey data are incorrect and ‘true’ levels of alcohol consumption, smoking and drugs misuse are higher in Glasgow (as, indeed, the mortality data suggest may be the case), why should that be? If alcohol, tobacco and drugs are seen as ‘coping mechanisms’ closely linked to the socio-economic circumstances in which individuals live, why should behavioural factors be more prevalent in Glasgow compared to cities with identical deprivation profiles?

The ‘individual values’ hypothesis suggests that there may be a relatively higher prevalence of individuals in Scotland who have lower aspirations, who perhaps lack hope for the future, or who are more hedonistic; and that this in turn leads to a higher prevalence of adverse health behaviours and higher mortality. This hypothesis lacks any data with which it can be proved or disproved, and is consequently the subject of new, on-going, research discussed below.

3. ‘Midstream’ explanations: that there is a different culture of substance misuse in Scotland, i.e. the way in which substances (illicit drugs, tobacco and alcohol) are used differs from elsewhere, and/or that there is a unique culture surrounding their use which exacerbates their effects; there is a different culture of ‘boundleness’ and alienation in Scotland and the more deprived parts of Scotland; there are differences in family, gender relations and parenting which impact on health status; there are lower levels of ‘social capital’; there is an impact of sectarianism; there is a culture and reality of limited social mobility compared to elsewhere; there are differences in health
service supply or demand; there are differences in the spatial concentration and patterning of deprivation within Scotland and parts of Scotland.

Some of these suggestions (e.g. sectarianism and health service issues) seem unlikely for a number of reasons outlined in the GCPH report. Many of the other hypotheses also lack robust data and evidence, and are also, therefore, the subject of new research.

4. ‘Upstream’ explanations: climate (e.g. in relation to a lack of vitamin D from lower levels of sunlight); greater inequalities (e.g. greater differences in income levels between rich and poor); the severity of deindustrialisation, and ‘political attack’ (i.e. poor health is a direct legacy of particular political policies implemented in Scotland in the 1980s).

The question of greater income inequalities is potentially important, given the published evidence on the impact of such inequalities on health outcomes; Wilkinson and colleagues have argued that more unequal societies exhibit a range of adverse health- and wellbeing-related outcomes compared to societies of comparable wealth but more equal distribution. Again, however, the evidence suggests that this is not pertinent here: income inequality in WCS appears to be very similar to that seen in Merseyside, while at a city level inequalities in area-based levels of deprivation in Glasgow and Liverpool are virtually identical.

Similarly, the impact of deindustrialisation cannot be ignored, but the research cited above showed Merseyside to have experienced almost identical levels of industrial employment loss – and yet it experiences better, and faster improving, health compared to WCS.

Some of the other suggestions are also being considered in a new programme of research.

In addition, a fifth hypothesis of a genetic explanation (i.e. that the WCS population is either predisposed to negative health behaviours, or is particularly vulnerable to the effects of such behaviours due to genotype) is also discussed in the report.

The programme of research that has been established to test some of these hypotheses is being undertaken by GCPH and NHS Health Scotland (alongside other colleagues in Scotland and England). It is based on a combination of quantitative and qualitative research in the three post-industrial cities of Glasgow, Liverpool and Manchester. It is anticipated that the results of this research will be published in 2012.

Further details of this, and all the other hypotheses listed above, are available from the Glasgow Centre for Population Health report cited above.
Conclusion

Poverty and deprivation are extremely important determinants of health. In this short discussion paper, the evidence presented has included comparative analyses of Glasgow, Liverpool and Manchester: these three cities are the most deprived in the UK, and it is no coincidence that they have the lowest life expectancy in the UK. However, in the case of Glasgow, and more generally of West Central Scotland and the country as a whole, these explanations do not appear to be sufficient. Evidence from national, regional, city-level and individual level studies suggest that the particular poor health profile of Scots cannot be explained simply in terms of poverty and deprivation, nor in relation to related, underlying causes stemming from the effects of deindustrialisation.

Additional explanations are required. Many hypotheses have been suggested, of which a number are being tested through on-going research. Until those results are available, we can only speculate as to what lies behind the particular poor health profile of Scotland and its population.
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To what extent does poverty explain Scotland’s poor health profile?
A Whose Economy Seminar Paper, June 2011

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To what extent does poverty explain Scotland’s poor health profile?

A Whose Economy Seminar Paper, June 2011
Community ownership through land reform?
A review of the Land Reform (Scotland) Act 2003
A Whose Economy Seminar Paper

Tim Braunholtz-Speight

June 2011
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Whose Economy Seminar Papers are a follow up to the series of seminars held in Scotland between November 2010 and March 2011. They are written to contribute to public debate and to invite feedback on development and policy issues. These papers are 'work in progress' documents, and do not necessarily constitute final publications or reflect Oxfam policy positions. The views and recommendations expressed are those of the author and not necessarily those of Oxfam. For more information, or to comment on this paper, email ktrebeck@oxfam.org.uk
Executive summary

The passing of the Land Reform (Scotland) Act 2003 (‘the Act’) is one of the most celebrated achievements of the Scottish Parliament. The 1990s had seen the development of a community land reform movement in Scotland, born of frustration with the high concentration of Scottish land in the hands of relatively few landowners. It also arose from the belief that neglect by landowners treating their properties only as ‘glorified holiday cottages’ (McKee and Warren) was contributing to economic stagnation, poverty and population decline in rural areas, particularly the more remote parts of the Highlands and Islands. The Act gave communities legal powers to take land into collective ownership.

Five years after the Act came into force, the Parliament commissioned research into how the Act was working. This chapter focuses on community groups’ experiences of Parts Two and Three of the Act, the Community Right to Buy, and Crofting Community Right to Buy.

Communities across Scotland have used the Community Right to Buy to register interest in pieces of land. However, compared to the wave of land reform activity outwith the Act, there have been few registrations and even fewer purchases of land. The ‘willing seller’ nature of the Right to Buy, where nothing happens unless a landowner decides to sell, is one reason for this. Communities also reported that the complexity of using the legislation, and the confrontational nature of the process, were obstacles to using the Act.

In contrast, the Crofting Community Right to Buy can be used to force a sale, but has seen even less uptake. It was seen as particularly complex and costly to use by community groups. No community group has yet purchased land through the Crofting Community Right to Buy. One group used an application to use the Act as a bargaining tool; another is trying to use the Act at present.

Nevertheless, community groups were glad that the Act existed. They had plenty of suggestions for changing it, from sorting out minor inconsistencies to fundamental changes. The latter included removing the need to register interest in advance – seeing the Act mainly as an emergency tool – or prioritising funding and support for community land reform. There has recently been some political support for reform of the Act, as well as campaigning from community organisations. But what the new Scottish Government will do with the Act remains unclear.
Introduction

In 1997 the Scottish Government established the Land Reform Policy Group to look into proposals for land reform in Scotland, aiming to ‘remove the land-based barriers to the sustainable development of rural communities’ (Scottish Government, 2011a). This process led to many changes in law and policy. Perhaps the best known of them, and the most controversial (see Figure 1), is the Land Reform (Scotland) Act 2003.\(^1\)

**Figure 1: Front page of the Scottish *Daily Mail* on the passing of the Land Reform (Scotland) Act 2003.**

![Image of front page of the Scottish Daily Mail](http://www.alastairmcintosh.com/articles/2006-wild-scots.htm)

Scotland has a highly concentrated pattern of land ownership (Bryden and Geisler, 2007). Many parts of rural Scotland, especially the more remote areas, have experienced a long-term decline in population, and are economically fragile. This has been linked to the control of land, with the Scottish Office Land Reform Policy Group (1998: section 2) noting that:

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\(^1\) The Act has three parts. Part One relates to outdoor access rights and responsibilities. These are important for determining who has what rights to Scotland’s environment. However, for reasons of space, this paper will focus on the community ownership legislation contained in Parts Two and Three of the Act: the Community Right to Buy, and the Crofting Community Right to Buy.
Land is a key resource… [but] the interests of the majority have been damaged by the interests of the few who control that resource. Land reform is needed on grounds of fairness, and to secure the public good… present systems of land ownership and management in rural Scotland still serve to inhibit opportunities for local enterprise… have also resulted in serious degradation of the natural heritage… [and] can have a critical impact upon the land’s ability to sustain rural populations.

In the 1990s, a movement of ‘community buyouts’ of land emerged, with community groups (mainly in the Highlands and Islands) organising and fundraising to buy the privately-owned estates that they lived on. Their aims included halting population decline, increasing jobs and business opportunities, providing affordable housing, and environmental conservation or improvement. One aim of land reform legislation was to support such community initiatives by giving communities legal powers to take land into collective ownership.

In this paper I will be looking at how the Act is working in practice. The paper draws on recent research for the Scottish Parliament on community groups’ experiences of land reform, both using the Act and outwith it (please see Acknowledgements for more details). Quotations are from participants in this research – people we interviewed or who completed our surveys. References to interview and survey numbers refer to data collected for this research.

1. Community Right to Buy

How the Community Right to Buy works

The Community Right to Buy is a ‘willing seller’ land reform measure. In other words, it gives communities the right of first refusal when a piece of land comes up for sale; but it cannot force a landowner to sell any land.

The process works in two stages, ‘registration’ and ‘activation’. Firstly, a community applies to the Scottish Government to register an interest in a piece of land. If the Government judges that the application has met the various conditions (community support, structure of community organisation, etc.), the community’s interest is entered on the Register of Community Interests in Land. Then, if the land comes up for sale, the community can apply to activate the registration and purchase the land. Again, there are multiple stages to go through (see Figure 2), and the community must raise the money within a time limit, before being able to purchase the land.

If the land does not come up for sale, essentially nothing happens. Communities must re-register their interest every five years, in a process again involving demonstrating community support and other requirements.
Figure 2: Activating a community’s registered interest in a piece of land

<table>
<thead>
<tr>
<th>Timeline: activities and deadlines set out in Act</th>
<th>Community body activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Owner decides to sell</td>
<td>• Community consultation</td>
</tr>
<tr>
<td>1 week</td>
<td>• Apply for technical assistance funding</td>
</tr>
<tr>
<td>• Owner notifies community body and Scottish</td>
<td>• Instruct feasibility study</td>
</tr>
<tr>
<td>Government Ministers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ministers write to community body to ask whether</td>
<td></td>
</tr>
<tr>
<td>they wish to proceed with Right to Buy</td>
<td></td>
</tr>
<tr>
<td>4 weeks</td>
<td></td>
</tr>
<tr>
<td>• Community body confirms to Ministers that it</td>
<td></td>
</tr>
<tr>
<td>wishes to proceed with Right to Buy</td>
<td></td>
</tr>
<tr>
<td>1 week</td>
<td></td>
</tr>
<tr>
<td>• Ministers appoint valuer</td>
<td></td>
</tr>
<tr>
<td>6 weeks</td>
<td></td>
</tr>
<tr>
<td>• Valuation given to community body</td>
<td></td>
</tr>
<tr>
<td>4 weeks</td>
<td></td>
</tr>
<tr>
<td>• Community body notifies Ministers of ballot</td>
<td></td>
</tr>
<tr>
<td>results</td>
<td></td>
</tr>
<tr>
<td>3 weeks</td>
<td></td>
</tr>
<tr>
<td>• Ministers write to community body giving</td>
<td></td>
</tr>
<tr>
<td>consent to Right to Buy</td>
<td></td>
</tr>
<tr>
<td>Note: until this point, community body does not</td>
<td></td>
</tr>
<tr>
<td>know how much money they must raise to purchase</td>
<td></td>
</tr>
<tr>
<td>the land</td>
<td></td>
</tr>
<tr>
<td>12 weeks</td>
<td></td>
</tr>
<tr>
<td>• Date of entry and payment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: until this point, community body does not</td>
<td></td>
</tr>
<tr>
<td>know if they can purchase the land</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Source: Highlands and Islands Enterprise (undated).</td>
<td></td>
</tr>
</tbody>
</table>

Use of the Community Right to Buy

The Community Right to Buy has been used by 74 groups across Scotland (see Table 1). A wide range of locations and land types are represented in the registrations; from crofting and sporting estates (e.g. the Assynt Foundation) to former military bases (Comrie Development Trust, Machrihanish Airbase Community Company) and even a residential retirement park (Willow Wood Community Company) and a former bank in a small town (Neilston Development Trust).

At the time of writing, nine community bodies have purchased land under the Act, with one purchase in progress. Many groups have tried to purchase, but failed (often because they couldn’t raise the money in time, but sometimes for other reasons e.g. landowner withdrawing from the sale). Most of the purchases that did happen were classed as ‘late’ registrations, i.e. the land was already up for sale. And that total of nine groups that have purchased land looks rather small compared to the more than 140 groups that Highlands and Islands
Enterprise has assisted with purchasing land. Indeed, many more groups have acquired land outwith the Act than have even registered an interest in land through it. It is clear that the great majority of community land acquisition that has happened in Scotland has taken place outwith the Act – through private negotiation between community groups and landowners.

Table 1: Applications to use the Community Right to Buy

<table>
<thead>
<tr>
<th>Stage of application</th>
<th>Comment</th>
<th>Number of applications to register an interest in land</th>
<th>Number of Community Bodies making an application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>131</td>
<td>74</td>
</tr>
<tr>
<td>Deleted at registration stage</td>
<td>Withdrawn at registration stage</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Rejected at registration stage</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Registration expired</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Registered</td>
<td>Registered but not yet activated</td>
<td>51</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Registered, activation aborted</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Pending approval</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Reached activation stage</td>
<td>Successful – purchase complete</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Approved – purchase in progress</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Unsuccessful – deleted</td>
<td>12</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Scottish Government 2010 (Community Assets Branch notes), and Scottish Government Register of Community Interests in Land, 19 April 2011.

Participants in our research had mixed views on the usefulness of the Act. They pointed out problems with the Act and suggested changes. However, many felt that having a land reform act at all was an important step for Scotland to have taken. One recalled the days of the Land Reform Policy Group and the passing of the Act:

‘Having land reform on the agenda created a good bargaining environment. Not just the Act but the broader debates and discussions. It was a good climate. Estates did not want to appear unreasonable against that wider background… [but] the Act has raised expectations that aren’t fulfilled.’

Why hasn’t it been used more?

Community groups had various reasons for avoiding using the Act. It was seen as carrying a heavy administrative burden, yet giving communities insufficient power. Others felt that the procedures of the Act were confrontational and tended to provoke community conflict.
Administrative burden

The Act has already become infamous for being complex and time-consuming to use. Many community groups echoed this, despite mostly positive comments on the helpfulness of Scottish Government officials, and widespread praise for support from Highlands and Islands Enterprise.

However, it was notable that some groups said that they had not found the Act complex to use. The key factor seems to be the knowledge and skills of the group in areas such as law, land management, business and accountancy, community development and project planning, etc. Some groups get these services for free from members – often qualified professionals – or are well-established enough to have experienced staff. Others face either the expense of buying in such services, or the headache of trying to navigate through the Act without them.

What this means is that, for many groups, using the Act takes a lot of effort – but with a very uncertain outcome. Property law professionals have also noted this. A briefing by CKD Galbraith criticised the Act for forcing ‘both vendors and purchasing community bodies [to] endure significant uncertainty and anxiety while the right to buy process unfolds’ (CKD Galbraith, 2005). Another law firm has a web page on ‘Derailing a registered community interest’ which encourages landowners not to ‘throw in the towel’ when a community applies to use the Act, as ‘what might seem like a mere technicality can end up derailing the entire registration of a Community Interest’ (Semple Fraser, 2009).

Weakness of the ‘right’ to buy

Some participants expressed their frustration that a registration of interest did nothing to force a landowner to sell land. This was particularly an issue where the land or asset (a building in one case) was seen to be neglected and deteriorating.

Political risk

However, if some groups were frustrated at the weakness of the Act, others found that landowners were very wary of its power. Many participants said that they avoided using the Act for fear of disrupting relations with local landowners – sometimes meaning large estate owners, but also farmers or just homeowners. Using the Act was perceived as ‘adversarial’, and it was seen as a clumsy tool for securing land. Negotiation with landowners was preferred by many groups as less likely to provoke conflict. One comment from a community group activist summarises this position:

‘The Act is a useful piece of legislation to community groups, but has to be used carefully. Pursuing an aggressive right to buy is quite a confrontational approach and happiness in using it depends how remote the landowner feels to the community (absentee or state body possibly). A community would be reluctant to use the Act against a local farmer who has been previously friendly and co-operative, for example. Even if a landowner near the community is unfriendly and unco-operative, using the
Act against them can lead to a lifetime of obstruction and pettiness which is unproductive.’

From this point of view, the Act is something to be used only when relations with a landowner are non-existent or have broken down.

Suggestions for change from community groups

Many participants called for the Act to be made simpler to use. They said there was a need to iron out oddities and inconsistencies. They suggested changes such as making access to the full electoral register easier, and being more flexible about what constitutes a ‘community body’ (various long-established community development groups found that their constitution had to be changed to meet the strict criteria of the Act).

More substantially, there were various suggestions about changing the Act fundamentally. One was to treat ‘late’ registrations as normal, i.e. to see the Act mainly as an ‘emergency’ tool, to be used as a last resort when a community asset was about to be lost. Others thought that there was a place for a process to encourage communities to plan ahead and identify pieces of land or buildings that were of strategic importance for their development: but that this needed to be less cumbersome, and less confrontational.
2. Crofting Community Right to Buy

Unlike the Community Right to Buy, the Crofting Community Right to Buy allows a successful community to force a sale: it does not require a ‘willing seller’. However, it is also more complex and costly to undertake. In addition, its use is restricted to the crofting counties of the Highlands and Islands.

Only two groups, both on the island of Lewis, have submitted applications. The Galson Estate Trust eventually purchased its land privately, although it felt that its application to use the Act was helpful in negotiations with the landowners. The Pairc Trust is still pursuing a land purchase using the Crofting Community Right to Buy. After a long wait, it has recently seen its application approved by the Scottish Government (Scottish Government, 2011c).

The main barriers to uptake are the complex and costly administrative requirements involved in making an application, in particular the mapping of the land to be purchased. As one solicitor involved in many community land purchases noted:

‘The Act requires the mapping of every household, boundary, ditch, pipe, sewer etc. and definition of the land itself. This extreme level of detail would cost potentially more to produce than the cost of buying the land. And, once the application had been submitted, the detail could not be amended, but could be challenged.’

(Highland Council, 2010)

Existing maps of crofting areas are not adequate for the purposes of the Act, and establishing definitive title deeds for every inch of land in crofting townships requires lengthy historical research.

There is also some legal uncertainty over the use of the Act, with some landowners suggesting that it violates safeguards to private property in the European Convention on Human Rights. It seems that, until a land acquisition under the Crofting Right to Buy has been completed, there will be widespread uncertainty as to whether this part of the Act is workable in practice.
Conclusion

Both the Community and Crofting Community Rights to Buy Acts have made a difference to communities in various parts of Scotland. However, using these Acts is a complex and lengthy process, that many communities also feel is too confrontational. Land reform activity has been driven more from the ‘bottom’, by community demand and peer support, than from the ‘top’, by legislation. Where public policy has made a practical difference is in providing funding and technical guidance to community groups. The Scottish Land Fund (now closed) was set up specifically to finance community land ownership. The Community Asset Team (formerly Community Land Unit) of Highlands and Islands Enterprise offers advice and support to community groups pursuing land ownership, regardless of whether they are using the Act or not.

Some suggest that the main purpose of the Act was to encourage landowners and communities to negotiate, rather than to be directly used by communities (SQW 2005). But can the Rights to Buy be amended to be more practically useful, as well as symbolically important? We have seen that community groups suggested that making it simpler would help, as well as recognising the ‘emergency’ role that ‘late’ registrations play. Indeed, if communities will mostly be reluctant to use the Act proactively ‘against’ local landowners, then the power to make an emergency late registration when land does go on the market might be the most practically useful aspect of the legislation. There were also widespread calls to promote the Act more (including clearer information for landowners).

What are the prospects of the Rights to Buy being reformed by the new Scottish Government? There is increasing pressure from community groups. Community land groups recently formed an umbrella body, Community Land Scotland, in part to lobby for renewed political support for community land ownership. And others are pushing for wider action on land reform: see, for example, the report from the Scottish Community Alliance (Wightman, 2011).

Addressing the Rural Affairs and Environment Committee in February 2011, Roseanna Cunningham, the minister, promised a review of the legislation and emphasised the need to make it ‘faster and easier to negotiate’ (Scottish Government, 2011b). While this will be welcomed by many, the Committee seems to suggest that more fundamental changes are needed:

‘The Committee is clear that solving the main problems identified in the report is not simply a matter of improving the administration of both sets of right to buy provisions in the 2003 Act. There are parts of the Act itself that need to be amended... We hope this work will be taken forward by the next administration. We also hope, and expect, that there would be extensive consultation with stakeholders as part of it.’

(Rural Affairs and Environment Committee, 2011, emphasis added)
Notes

Acknowledgements

This paper is based on research into the working of the Land Reform (Scotland) Act 2003 (the Act) carried out for the Scottish Parliament in 2010, by a team of researchers led by Dr Calum Macleod at the UHI Centre for Mountain Studies. The research covered all three parts of the Act (including Outdoor Access), and involved literature reviews, interviews with experts, and interviews and surveys with stakeholders and users of the Act.

The full team was: Dr Calum Macleod, UHI Centre for Mountain Studies; Tim Brauholtz-Speight and Dr Issie Macphail, UHI Centre for Remote and Rural Studies; Derek Flyn, crofting law expert; Sarah Allen and Davie Macleod, Rural Analysis Associates.

The report can be downloaded from the Scottish Parliament and Centre for Remote and Rural Studies websites:

Scottish Parliament Rural Affairs and Environment Committee
http://www.scottish.parliament.uk/s3/committees/rae/currentInquiries.htm

Centre for Remote and Rural Studies
http://www.crrs.uhi.ac.uk/publications/reports/reports-andother-papers

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Can public services ‘protect the vulnerable’ in the age of austerity?
Considering the evidence on street-cleaning services in the age of growth
A Whose Economy Seminar Paper

Annette Hastings
June 2011
About the author

Annette Hastings is a Senior Lecturer in the School of Social and Political Sciences at the University of Glasgow. She convenes the Neighbourhoods and Wellbeing Research group and has worked at the University for 17 years. Her research and teaching focus on exploring the causes and consequences of neighbourhood segregation and disadvantage. She is currently researching, for the Joseph Rowntree Foundation, how poor neighbourhoods are being affected by the significant cuts to local authority budgets and how middle class political activism affects public service provision for the Arts and Humanities Research Council. She previously worked in housing management.

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This paper is based on research evidence from a project for the Joseph Rowntree Foundation carried out by the author together with Nick Bailey and Rob Croudace from the University of Glasgow, and Professor Glen Bramley and David Watkins from Heriot Watt University. The final report from the project Street cleanliness between deprived and better-off neighbourhoods. A Clean Sweep? (2009) can be accessed at http://www.jrf.org.uk/sites/files/jrf/neighbourhood-street-cleanliness-full.pdf. The views expressed in the paper are the author’s.
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Executive summary

This paper focuses on whether public service provision serves the needs of disadvantaged neighbourhoods in the UK. It raises questions over whether the needs of more vulnerable groups can be addressed in the period of public spending constraint introduced by the Coalition Government in May 2010. To do this, it examines some of the evidence on whether the needs of disadvantaged neighbourhoods were met in the previous period, which was characterised by public spending growth and a policy framework which brought these needs to the fore.

The core of the paper summarises evidence from an in-depth study of the street-cleaning service in the UK. It reports on the gap in cleanliness between more and less disadvantaged neighbourhoods. It also provides new evidence of the range of neighbourhood characteristics which put some places at risk of poor cleanliness outcomes, calling into question explanations which highlight the behaviour and attitudes of residents.

Evidence is also presented which shows that resource allocation does not always follow risks and needs. Indeed, it shows that a superficial examination of resource allocation can suggest that disadvantaged neighbourhoods do indeed receive enhanced resources. However, more detailed forensic research can uncover the more subtle ways in which resource allocation can actually be skewed towards better-off, less needy areas.

The paper concludes by highlighting some of the challenges involved in redistributing public services towards needs, yet points to one model which can deliver appropriate service levels to disadvantaged communities whilst not antagonising defensive, better-off areas. It argues that, whilst the age of austerity presents significant challenges for those who wish to protect the most vulnerable, it may still be possible to find ways to deliver services which do not simply reinforce inequality.
Introduction

As the effects of the banking crisis and fiscal austerity begin to bite, the impact of the contraction of the welfare state and public services on the most vulnerable households and communities is of key concern. However, prior to austerity we had a period of sustained growth, not just in the economy, but in spending on public services. Not only was there more resource on the table in this period, but there was also a policy and practice agenda which suggested that poor neighbourhoods and households should get a bigger share of this resource. This ‘mainstreaming’ agenda gave an increased impetus to the potential role of public services in ‘narrowing the gap’ between more deprived and other neighbourhoods. Indeed, mainstream service provision was identified as the ‘main weapon’ in tackling disadvantage. There were exhortations to develop new approaches to service delivery which were more sensitive to a diversity of needs, as well as encouragement to ‘bend the spend’ towards disadvantaged service users.

With the election of the Coalition Government in May 2010, the focus of the debate has changed. The emphasis is now on a reduced, residual role for the welfare state and on public services endeavouring to do ‘more with less’ resource. Arguably, there remains some encouragement that public services should aim to ‘protect the vulnerable’ from the worst impacts of public expenditure reductions. While a number of commentators question whether this is a feasible ambition, only detailed research evidence in the years to come will be able to assess how disadvantaged groups have been served by public services in the era of public spending retrenchment.

Given this, it is perhaps important to consider how well public services actually served poor neighbourhoods in the period of spending growth. Did ‘mainstreaming’ work? Were better outcomes delivered for the most disadvantaged areas? The big picture is that the evidence is mixed. In terms of outcomes, there is certainly some evidence of improvements in some spheres, but the evidence varies on whether the gap in outcomes between poorer and better-off places actually narrowed. Indeed, most of the research evidence on the implementation of mainstreaming highlights the range of difficulties encountered in delivering greater redistribution, such as problems with budget disaggregation, as well as a lack of commitment to the idea. What emerges is a less-than-hopeful account of the potential of public services to make a real difference to improving the relative position of disadvantaged neighbourhoods.

This paper shares some detailed research evidence on the provision and impact of street-cleaning services in the UK during the period of public spending growth. It begins by discussing the nature of the gap in the cleanliness outcomes between poor and better-off neighbourhoods. It then goes on to explore what characteristics put neighbourhoods at risk of poor cleanliness outcomes and, in a
third section, considers whether service provision tackles these risk factors. In so
doing, the paper shows that mainstream services can sometimes be part of the
problem faced by people living in deprived neighbourhoods, with service
provision not necessarily reflective of relative or diverse needs. However, it also
points to some key ways in which the mainstreaming agenda can be made to
work such that needs are met and relative outcomes are improved. Furthermore,
the research suggests that improving the position of deprived neighbourhoods
may be achievable within existing resources. There may therefore be some
lessons from this research for public service providers grappling with how to
protect the vulnerable in the current fiscal climate.

1. The ‘outcome gap’ between
deprived and better-off
neighbourhoods

The research project on which this paper is based synthesised English and
Scottish evidence from the mid-2000s on cleanliness outcomes and
neighbourhood characteristics. It also involved more in-depth analysis of three
local authority case studies.

The study exposed a clear national ‘problem’ in terms of a gap in neighbourhood
cleanliness between better-off and more disadvantaged neighbourhoods. This
pattern was evident in the self-reporting of litter and rubbish by neighbourhood
residents in England and Scotland. It was also evident when cleanliness levels
were assessed by independent surveyors as part of the Local Environmental Survey
of England. Across the country, more affluent neighbourhoods tended to show a
cleanliness level above the standard expected in national performance
monitoring, while less affluent neighbourhoods tend to perform much worse.
Indeed, some local authorities were achieving high average scores, but failing to
maintain more deprived neighbourhoods to the desired standard.

There was some evidence of a national narrowing of the gap in the period 2004
until 2008, although significant variation between authorities remained. The
three case studies exemplified the reality of an uneven picture. In two, there was
clear evidence of a narrowing gap between cleanliness scores in disadvantaged
and better-off areas. In the remaining case study, there was evidence of an
improvement in overall outcomes, but the gap between poor and better-off areas
had widened slightly.

The research considered whether the introduction of national performance
monitoring and audit systems such as Best Value can influence outcomes. The
systems certainly appeared to have helped raise overall standards, and there was
some evidence that they had also helped to narrow the gap. Given that the
Coalition Government has de-emphasised the importance of performance
monitoring in England, it will be interesting to observe whether such trends continue.

2. What puts places at risk of poor street cleanliness?

It is perhaps no surprise to discover that there is a gap in cleanliness between more and less disadvantaged neighbourhoods. There is a tendency to blame poor neighbourhood cleanliness on the behaviours and attitudes of neighbourhood residents. This research aimed to go beyond common understandings of this problem. In particular, it was interested to discover if residents (and indeed street-cleaning staff) face a ‘level playing field’ when it comes to keeping different kinds of neighbourhoods clean.

This research made an important contribution to explaining why there is a cleanliness gap. It went beyond analysing outcomes relating to deprivation, and explored the particular aspects of neighbourhoods which put them at risk of environmental problems. This was done at the national (England and Scotland) level and case study level.

The study found that there are a number of risk factors for poor street cleanliness. Crucially, whilst area deprivation (as measured by official indexes) is an important predictor of environmental problems, there are also a range of specific factors that contribute to poor cleanliness outcomes wherever they occur. Some of these are more prevalent in poor areas – such as low-income households, high child densities and disused buildings. Others are more evenly spread – young adult households, high housing densities, and homes with small or no gardens.

This evidence allows us to reflect on what it is about deprived neighbourhoods which makes them more likely to have environmental problems. Given that disadvantaged neighbourhoods tend to be more littered than others, it can be easy to suggest that poorer households care less about the upkeep of their environment than other kinds of households. But it is cause for reflection that – when we control for area deprivation – characteristics such as high housing or child density also predict poor cleanliness in more advantaged neighbourhoods. The patterns identified here suggest that there can be structural as well as behavioural causes to neighbourhood cleanliness problems – causes which are outwith the control of individual residents.
3. Does service provision reflect risk?

This is clearly a key, yet complex, question. While the limitations of the data available meant it was not able to assess expenditure relative to all of the risk factors identified, it did find that:

- There was evidence that resources were skewed towards deprived neighbourhoods, both within the case studies and at a national level. In one of the case studies, for example, the authority spent five times as much in streets in the most deprived decile compared to the least deprived decile.
- Resources also tended to be skewed towards areas with high density housing both at a national level and within the case studies.
- An assessment of expenditure relative to lower-income households was possible in relation to the three case studies. In only one was expenditure targeted towards streets with higher proportions of such households.

These patterns suggest that authorities were targeting needs and putting mainstreaming into practice. At this stage, the research seemed to suggest that there was little potential to use better, more targeted service provision to tackle the outcome gap. However, as part of the study, a more fine-grained analysis of the nature and purpose of resource allocation in the three case studies was conducted. This deeper analysis – which mapped particular aspects of service provision onto actual streets – produced a more surprising set of results.

In one case study, when routine, programmed expenditure on the core service was distinguished from responsive (‘catch up’) expenditure, it was apparent that more affluent streets tended to have a bigger share of programmed expenditure than less affluent streets. Thus, what had appeared as a progressive pattern of expenditure relative to deprivation related only to the provision of responsive services. Moreover, responsive services were more expensive, and it was this which gave the appearance of a skew in expenditure towards deprived streets. In the same case study, when the workloads of operational staff were examined, deprived streets tended to be serviced by staff with larger workloads (greater street length to service, as well as more households) than those operating in more affluent areas. At a very practical level, staff working in deprived places were doubly disadvantaged: they worked in locations with more risk factors contributing to environmental problems, yet also had more street length to cover.

Indeed, the allocation of staff workloads relative to area needs emerged as a key issue in the research. In a second case study, there was an attempt to engineer the relative workloads of street cleaners to take account of the diversity of needs across neighbourhoods. Staff operating in areas with higher levels of ‘risk factors’ associated with environmental problems had fewer dwellings or shorter street lengths to service. This authority had the most equal outcomes of the three case studies. Thus, very few locations were assessed as falling below the acceptable threshold for cleanliness and very few exceeded it.
Absolute levels of service appeared as important as relative resource allocation. The third case study had a high relative difference between areas (spending five times as much in its most deprived streets compared to the least), but the absolute level of routine, programmed services delivered to these areas was still below the level of service provided to similar streets in the other two case studies. In this case, acceptable outcomes were achieved via special initiatives and responsive top-up services. This appeared an expensive approach relative to the cost of providing a more appropriate level of routine, ordinary street cleaning.

The research suggested that there is a need for a broad understanding of the different aspects of targeting to be developed. Skewing resources towards more deprived areas is a start, but may not be enough. Effective targeting involves providing the right level and the right kind of services. This suggests that, by identifying inappropriate or inefficient forms of service, more equal outcomes could be achieved within existing budgets.

**Conclusion**

The insight offered here into the workings of the street-cleaning service in the UK suggests that we need to keep a close watch on how disadvantaged neighbourhoods fare as public services contract and service provision is pared back. Even in a period when there was relatively generous public spending, together with a policy environment where the needs of deprived neighbourhoods were to the fore, it was not clear that poorer neighbourhoods were always well served by public services. Inevitably, budget cuts will lead to services being pared back, and there will be winners and losers in the new period of fiscal austerity. It will be important not to underestimate the capacity of better-off households and neighbourhoods to defend the quality and level of public services they are used to receiving. It is notable that the case study authority in which staff workloads reflected needs, and – where there was a minimal outcome gap – took great pains to ensure that the distribution of resources towards needier areas was not apparent to the public. So, rather than have more frequent servicing in disadvantaged areas, staff working in such places had a hidden capacity to get the job done. ‘Protecting the vulnerable’ may require innovation and ingenuity as well as resources in the period to come.
Notes


2 For example, see Polly Toynbee: http://www.guardian.co.uk/commentisfree/2011/feb/11/defence-brutal-cuts-attack-lies-blame


6 The Best Value indicator on environmental cleanliness was introduced in 2001. Among other things, it stipulates an acceptable standard for street cleanliness.
Conclusion: Our Economy
A *Whose Economy* Seminar Paper

Professor Mike Danson and Dr Katherine Trebeck
September 2011

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**Whose Economy Seminar Papers** are a follow up to the series of seminars held in Scotland between November 2010 and March 2011. They are written to contribute to public debate and to invite feedback on development and policy issues. These papers are 'work in progress' documents, and do not necessarily constitute final publications or reflect Oxfam policy positions. The views and recommendations expressed are those of the author and not necessarily those of Oxfam. For more information, or to comment on this paper, email ktrebeck@oxfam.org.uk
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Whose economy?

The authors of the Whose Economy papers and the ideas, comments and observations of participants at the four Whose Economy seminars reveal that the model of the economy that has dominated the UK for most of the last century has proved itself outmoded, outdated, and has failed all but the few.

The seminars explored to what extent persistent poverty exists alongside high economic prosperity, leading to significant inequalities in income and wealth, and in life chances and lifestyles, between individuals and communities. They asked why this is the case and, why, despite decades of economic growth, regeneration and anti-poverty policies, many Scots face a life characterised by high mortality, economic inactivity, mental and physical ill-health, poor educational attainment, and increasing exclusion.

Presenters in the seminars explored the roots of poverty in Scotland, examining their historical and structural origins and how, in recent decades, the economy has shifted from one based on manufacturing to a service-led, supposedly ‘knowledge economy,’ with retail and call centres expanding as manufacturing declines. Yet, as explored in the seminars, work in such an economy is not necessarily a route out of poverty, as many jobs do not pay enough to live on.

Discussion probed deeply into the implications of this mode of economic development, particularly for those experiencing poverty. As the contributions to this series of papers show, being poor in a rich country like the UK is intensely stressful, and made worse by stigmatisation both in the media and as result of political rhetoric. Pressures to consume stem from a culture that elevates passions and image above relationships, community contribution, and care for others and the environment.

A way forward

Yet the seminars contained an undercurrent of optimism, that it is possible to overcome poverty, both in Scotland and the UK. As the sixth richest country in the world we certainly have adequate resources to do so. Participants called for the allocation of these resources in a more effective and sustainable way.

They acknowledged a greater role for businesses – whether by paying taxes, increasing their employment of people further from the labour market, or by offering decent jobs in sustainable industries. Higher expectation needs to be placed on businesses to deliver social sustainability, particularly in return for the array of state support that businesses receive.

Many seminar presentations and several of the papers in this series explained how social protection measures such as education, minimum wage regulations and social safety nets are strong mechanisms to increase equality. They argue that social protection needs to be advocated and delivered as a collective good on which we all depend and from which we all benefit, not as a financial drain. Social protection needs to be funded fairly – by progressive taxation so that those
with most ability to contribute (often due to an unequal head start in life) do so, and those who need support at various points in their life receive it, according to their needs.

The seminars also considered the scope for collective ownership – particularly of renewable energy projects – to enable community development and lead to greater equality. While the limitations of community ownership were heeded, participants in the seminars saw shared economic activity through collective ownership and, crucially, shared decision-making and agenda-setting, as crucial in creating a new way of doing things.

Participants were clear that this needs to be more than merely reclaiming the economy at the margins: the economy needs to be repositioned to serve the people, not the other way around. Public contracts, for example, need to deliver real, tangible benefits for local communities from business activity that takes place on their terms (not simply token benefits at the margins to secure consent). This also means genuine participation in all economic activity – sharing ownership, sharing work, and sharing rewards.

More broadly, the discussion at all four of the seminars called for an interrogation of economic growth, how we pursue it and how equally the benefits from growth are shared. Many participants have linked this to better measuring of our prosperity – that is not limited to the narrow measurement of economic growth – as a means to reframe what constitutes the ‘success’ of the economy and the ‘success’ of communities and individuals. To this end, the Oxfam Humankind Index, developed through widespread public consultation, will enable Scotland to measure itself by those aspects of life that make a real difference to people. It will enable the people of Scotland to hold policy-makers, and those who implement and deliver policy at all levels, to be held to account.

**So what next?**

For Oxfam, the seminars demonstrate the need for a radical re-think of our goals – those of individuals and of the complex world of policy-making and economic processes – to refocus on the true purpose of the economy.

We will shortly set out a picture of a new prosperity, a shared future where we are simply better at sharing, where there are fewer extremes of money and wealth, esteem and status, power and position. In particular, at the heart of this new prosperity is a community-led economy which focuses on the quality and distribution of growth, where the assets of communities and the value of individuals are utilised and enhanced to promote social and environmental sustainability.

Oxfam’s advocacy work in Scotland will seek to build momentum behind this vision, working with our strategic partners and linking with new partners to build a robust case for a new way of doing things. The Humankind Index is an important part of this, but translating the messages from the Index into coherent policy changes will require the expertise, energy and support of a wide range of organisations.
In many ways Oxfam’s programme work in Scotland is already getting on with this task, demonstrating different ways of working together to shape outcomes in communities and for individuals. We will look to the work of our programme partners for not only inspiration, but for evidence of what works, for challenges to the received wisdom, and for the model of a socially and environmentally sustainable economy.

Notes

1 Scottish Executive (2001)
2 International Monetary Fund figures (2009)