









## Monitoring poverty and social exclusion in Scotland 2004

The New Policy Institute has produced a second report monitoring poverty and social exclusion in Scotland. Building on the first 2002 edition, this report focuses on variations within Scotland. Overall, four key issues emerge namely, working-age adults without dependent children, the economically inactive who want paid work but are not officially unemployed, the quality of jobs at the bottom of the labour market and Scotland's relative ill health.

-  While the percentage of both children and pensioners in low-income households is falling, the percentage for working-age adults without dependent children is rising.
-  The number of working-age people who want paid work is more than twice the number who are officially (ILO) unemployed. Four-fifths of long-term claimants of out-of-work benefits are sick or disabled.
-  Two-fifths of those aged 25 or over and earning less than £6.50 per hour work in the distribution, hotel and restaurant sectors. A further quarter are directly employed by the public sector. Relatively few low-paid jobs are in sectors which face direct competition from low wage producers abroad.
-  Half of all employees aged 25 to 50 lacking Higher grade or above are low paid. A quarter of all 19-year-olds lack such qualifications.
-  More than half of employees on below-average incomes are not contributing to a non-state pension.
-  While the rates of premature death have fallen over the last decade, they are still much higher than in any other part of Great Britain. 29 of the 32 local authorities have higher premature death rates than the average for England and Wales.

In terms of geographic variations:

-  Geographic patterns for low income and lack of work are similar, with parts of West Central Scotland (Glasgow City, Inverclyde and West Dunbartonshire) along with Dundee having the highest incidence.
-  The geographic pattern of low pay is very different, with Glasgow and Edinburgh having the lowest concentrations and the Scottish Borders and Dumfries & Galloway having the highest.

**Table 1: Summary of the poverty and social exclusion indicators**

Indicator	Trend over 5 years
<b>Poverty and low income</b>	
1. Relative and absolute low income	Steady
2. Children, pensioners and working-age adults in low income	Mixed
3. Low income by work status	Worsened
4. Income inequality	Steady
5. Working-age people in receipt of benefit	Improved
6. Working-age people receipt of benefits long-term	Steady
7. Concentrations among working-age people	Improved
8. Concentrations among retired people	Steady
9. Concentrations within small areas - all people	N/A
10. Concentrations within small areas - children	N/A
<b>Work and education</b>	
11. The relationship between education and work	N/A
12. Low attainment at school	Improved
13. Qualifications of school-leavers	Improved
14. Destinations of school-leavers	Mixed
15. Workless individuals	Improved
16. Workless households	Steady
17. Jobs	Mixed
18. Pay inequalities	Steady
19. Distribution of low pay	N/A
20. In receipt of tax credits	N/A
21. Insecure at work	Steady
22. Access to training	Improved
<b>Ill health</b>	
23. Premature death	Improved
24. Limiting long-standing illness	N/A
25. Low birth-weight babies	Worsened
26. Child health	Steady
27. Under-age pregnancies	Improved
28. Problem drug use	Worsened
29. Mental health	N/A
<b>Quality of life and social cohesion</b>	
30. Homelessness	Worsened
31. Overcrowding	N/A
32. Affordable housing	Steady
33. Without central heating	Improved
34. Satisfaction with services	N/A
35. Satisfaction with public transport	N/A
36. Financial services	Improved
37. Older people in receipt of home care	Worsened
38. Satisfaction with local area	N/A
39. Participation in the community	N/A
40. Burglary	Improved

## What the indicators show

The following four issues are the main ones to emerge from the report.

### *Working-age adults without dependent children (Figure 1)*

In 2002/03, 22 per cent of people in Scotland - 1.1 million people - were living in low-income households. This is using the definition of low income used in the UK Government's current targets for reducing child poverty (60 per cent of median income, with income levels adjusted for household size and composition).

The percentage of both children and pensioners in low-income households has been falling. In contrast, the rate among working-age adults without dependent children has been rising. Working-age adults without dependent children now constitute a third of all those in low income.

Three-quarters of all workless working-age households in Scotland do not have dependent children, and the vast majority of these are single adults. The value of out-of-work benefits for such households has stayed unchanged throughout the last decade (after allowing for inflation), falling ever further behind average incomes. In contrast, the value of out-of-work benefits both for households with dependent children and for pensioners has risen by around a third since 1998 (again after allowing for inflation).

### *The economically inactive (Figure 2)*

Around 150,000 people are officially (ILO) unemployed, 50,000 fewer than in 1995. However, a further 200,000 people of working age want paid work but are not officially (ILO) unemployed. This number has also come down since 1995, but only by a small amount. As a result, the number of people wanting paid work is much higher than the official unemployment figures and the downward trend is less favourable.

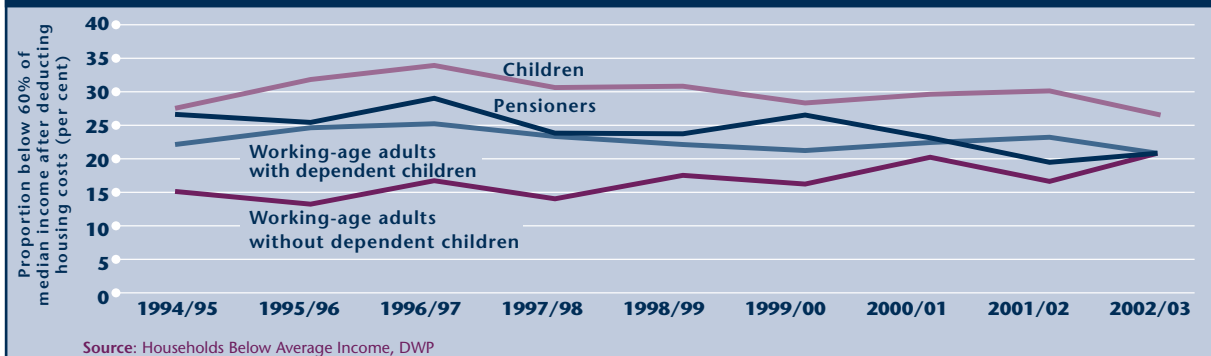
Four-fifths of long-term working-age claimants of out-of-work benefits are sick or disabled. One-third of these are aged under 45. One half of women and two-fifths of men who are sick and disabled are assessed as being at risk of developing a mental illness, between two and three times the rate for people in jobs.

### *Jobs at the bottom of the labour market (Figure 3)*

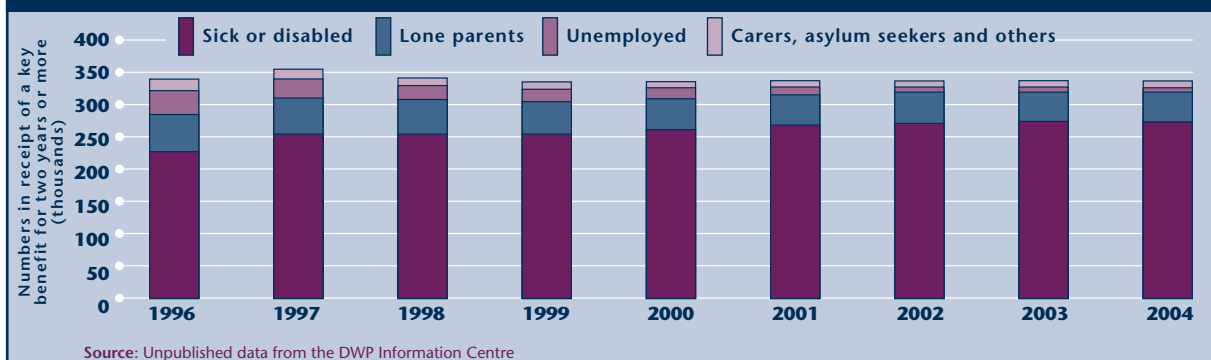
While work strongly reduces the risk of being in poverty, it does not eliminate it: two-fifths of people in low-income working-age households now have someone in their household in paid work.

Around a third of all workers in Scotland are paid less than £6.50 per hour, with two-thirds of

**Figure 1: While the proportion of pensioners and children living in low-income households is falling, the proportion for working-age adults without dependent children is rising.**



**Figure 2: Four-fifths of working-age people receiving a key benefit for two years or more are sick or disabled.**



these being women. Part-time workers, predominantly women, suffer especially from low pay: half earn less than £6.50 per hour compared with a quarter of full-time female workers.

Two-fifths of those aged 25 or over and earning less than £6.50 per hour work in the distribution, hotel and restaurant sectors. A further quarter are directly employed by the public sector. Relatively few low-paid jobs are in sectors which face direct competition from low wage producers abroad: only one in ten of the low-paid jobs is in manufacturing and one in eight across all production industries combined.

The risk of low pay is much greater for those with poor or no educational qualifications: for people aged 25 to 50, half of all those who are in work but lack a Higher grade or above are earning less than £6.50 per hour. Substantial numbers of young adults are still leaving the education system with poor or no qualifications: 6 per cent of 19-year-olds have no qualifications; a further 16 per cent lack SVQ2 or equivalent. People with no qualifications are three times less likely to received job-related training than those with some qualifications.

Jobs at the bottom of the labour market are often insecure: almost half of men who find such work, and a third of women, no longer have that work six months later. Pension provision also tends to be

worse: 60 per cent of working adults in the poorest fifth are not contributing to a non-state pension, compared with 40 per cent in the middle fifth and 20 per cent in the richest fifth.

#### *Scotland's poor health (Figure 4)*

Premature death is arguably the simplest, most accessible indicator for ill health. Within Scotland, the overall trend for premature deaths is one of steady improvement. For example, the number of deaths of people aged 55 to 64 has fallen over the last decade, by a quarter for men and by a fifth for women.

Despite this, however, premature death remains much more common in Scotland than in England and Wales, being around a third higher for both men and women. Indeed, Scotland has by far the highest rates of premature death of any part of Great Britain and 29 of the 32 local authorities have higher premature death rates than the average for England and Wales. People in Scotland also have a lower life expectancy than anywhere else in the former EU-15 apart from the Portuguese.

On a variety of health indicators relating to morbidity, levels of ill health in Scotland are similar or a bit higher to those in England and Wales. However, there are substantial inequalities between groups of the population. For example: two-fifths of

those aged 35-59 in social housing report having a limiting long-standing illness, compared with one in eight of owner-occupiers; the proportion of babies in the most deprived areas born with a low birth-weight is one and a half times that for babies in areas with below-average deprivation; and 5-year-olds in the most deprived areas have, on average, twice as many missing, filled or decayed teeth as 5-year-olds in the least deprived areas.

**Other findings**

- Standard grade attainment for both pupils on average and for the bottom fifth has been rising but the gap between them remains large. The proportion of 9-year-olds in deprived schools failing to achieve minimum standards in reading, writing and maths has fallen considerably, but is still much higher than for 9-year-olds on average.
- The number of pregnancies to girls conceiving under 16 has fallen by a quarter since 1996, and the number of births has dropped by a third.
- The number of people starting treatment for drug misuse is rising, but only for those aged 25 and over.
- The number of homeless households without dependent children has risen by a half over the last decade.
- The proportion of low-income households which

lack central heating has fallen considerably in recent years and is now actually less than for households on average incomes in 1998/99.

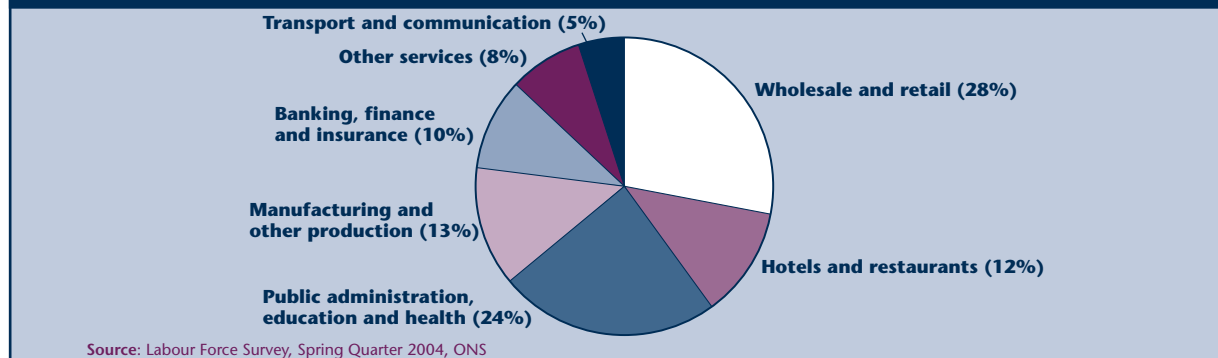
- The proportion of households without any type of bank/building society account has fallen sharply in the last two years. But the poorest households are still four times as likely to be without an account as those on average incomes.
- The number of older people receiving home care has fallen by a third since 1995 as available resources are increasingly focused on those deemed most in need.
- The number of burglaries has more than halved over the last decade. But a third of the poorest households lack home contents insurance compared with virtually no households on above-average incomes.

**The geographical pattern of deprivation across Scotland**

The new Scottish Index of Multiple Deprivation (SIMD) divides the country into some six and half thousand 'data zones'. Following the Scottish Executive, the researchers used this Index to look at the concentration of, or 'pockets' of, low income, constituting about one thousand (15 per cent) of those zones.

The map of poverty and deprivation drawn

**Figure 3: Two-fifths of all low-paid workers aged 25 and over work in the wholesale, retail, hotel and restaurant sectors. A further quarter are directly employed by the public sector.**



**Figure 4: Throughout the last decade, the rate of deaths amongst those age 55 to 64 in Scotland has been around a third higher than in England and Wales, for both men and women.**

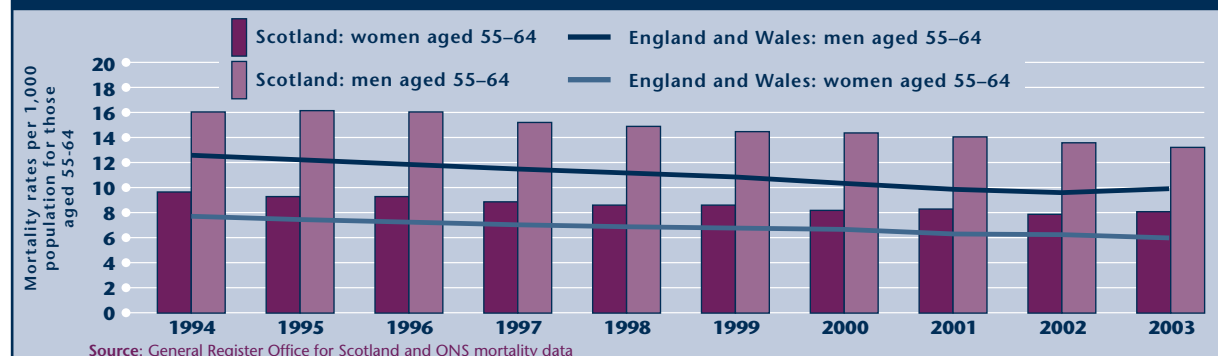


Table 2: Geographical concentrations of deprivation

Indicator title:	Small area concentrations of low income	In receipt of out-of-work benefits	Low income children	Limiting long-standing illness	Over-crowding	Drug misuse	Mental health	Premature death	Low-income pensioners	Under-age pregnancies	Jobs lost in production industries	Low pay	Provision of home care	Receipt of tax credits
Glasgow City	1	1	1	1	1	1	6	1	1	5	18	20	27	24
Dundee City	2	7	5	9	2	2	1	12	8	1	16	15	14	9
Inverclyde	3	2	4	4	3	4	12	2	4	9	17	7	16	7
West Dunbartonshire	4	5	3	3	4	7	3	5	3	18	1	3	30	8
North Ayrshire	5	4	6	6	12	11	15	15	10	13	11	9	10	5
North Lanarkshire	6	3	10	2	6	14	10	4	2	19	20	19	21	10
Renfrewshire	7	8	8	11	8	5	8	6	6	14	4	16	12	23
East Ayrshire	8	6	14	7	11	9	14	8	9	4	9	6	11	6
South Lanarkshire	9	9	13	8	9	8	7	10	7	24	22	18	1	25
Clackmannanshire	10	10	7	5	13	16	4	14	18	6	5	no data	23	12
Edinburgh, City of	11	23	2	27	5	6	28	25	29	17	10	24	20	32
Fife	12	11	12	14	20	15	17	19	16	10	32	14	28	15
South Ayrshire	13	12	16	13	21	30	11	20	14	8	3	23	8	22
Falkirk	14	14	22	10	18	17	5	3	11	11	14	12	26	19
Argyll & Bute	15	24	28	16	16	25	13	17	26	27	15	13	4	20
Angus	16	21	19	22	25	21	18	24	27	7	21	8	25	18
West Lothian	17	13	15	15	15	22	16	7	5	12	7	22	19	17
Aberdeen City	18	22	11	26	7	3	21	16	19	2	23	25	17	31
East Renfrewshire	19	26	9	31	23	19	22	22	25	28	6	no data	6	28
Dumfries & Galloway	20	16	25	12	28	12	9	21	23	16	26	4	9	2
Stirling	21	19	18	20	19	18	29	18	20	20	24	21	3	29
Highland	22	17	23	19	27	27	24	27	24	22	29	11	22	13
Perth & Kinross	23	27	26	24	24	20	25	30	30	23	31	5	7	14
East Dunbartonshire	24	29	24	25	22	26	26	26	22	29	12	no data	5	30
Scottish Borders	25	25	29	28	26	24	2	23	31	26	30	1	18	4
East Lothian	26	18	20	21	14	10	19	11	13	15	19	26	13	21
Aberdeenshire	27	30	27	32	31	23	32	29	28	25	27	10	2	26
Midlothian	28	20	21	17	10	13	20	13	17	3	25	17	24	16
Eilean Siar	29	15	30	18	32	31	23	9	12	no data	13	no data	31	3
Moray	30	28	31	29	29	28	27	28	32	21	28	2	15	11
Orkney Islands	31	32	17	23	17	32	30	31	21	no data	8	no data	29	1
Shetland Islands	32	31	32	30	30	29	31	32	15	no data	2	no data	32	27

Key: ■ Highest four ■ Next four ■ Next 8

using these low-income pockets is a familiar one. At the top are parts of West Central Scotland - Glasgow City, West Dunbartonshire and Inverclyde - along with Dundee. Half of all the 'data zones' in Glasgow City have high concentrations of low income on this measure, as do a third in Dundee.

These four local authority areas are then closely followed by other parts of West Central/South West Scotland. Further down are the areas to the south and east of Edinburgh, the north east outside of Aberdeen itself and, at the very bottom of the list, Orkney, Shetland and Eilean Siar.

Familiar though this picture may be, it is one which inevitably draws attention to the big cities. So Glasgow City on its own accounts for one third of all these low income 'data zones', while Glasgow City, Dundee and Edinburgh together account for half. Importantly, however, low income households are much less concentrated than this. Nationally, 'only' two-fifths of all people on low income actually live in these pockets of low income. And these three cities 'only' contain one third of all people that the SIMD classifies as suffering from low income.

Table 2 summarises the rankings for the fourteen indicators with local authority level information. They are arranged in the order of the extent to which the pattern across local authorities conforms to the geographical pattern of the low-income pockets, with the authorities themselves listed in order of decreasing concentrations of low-income pockets.

### Key points

- The pattern for indicators related to working-age adults not in work (and claiming out-of-work benefits) is similar to that for low-income pockets, although the difference between the top and the bottom is much reduced. So, for example, Glasgow City contains a fifth of all those of working-age and claiming out-of-work benefits compared with a third of low-income 'data zones'.
- Edinburgh's position tends to vary greatly. Sometimes it is near the top of the list – for example for primary schools with a high number of pupils eligible for free school meals, for drug misuse and for overcrowding. But sometimes it is near the bottom – for example, working age with a limiting long-standing illness, premature death, and drug prescriptions for mental ill health.
- Dundee's position also varies. On two indicators - underage pregnancies and prescriptions for mental ill health - it tops the list.
- The indicators where the standard pattern breaks down completely are those to do with low pay. In terms of receipt of tax credits, Glasgow is towards

the bottom while Edinburgh and Aberdeen City are at the very bottom. Orkney and Eilean Siar are at the top along with Dumfries & Galloway and the Scottish Borders. On low pay itself, the Scottish Borders and Dumfries & Galloway, as well as Moray and West Dunbarton, are at the top of the list.

### About the project

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

### How to get further information

The full report, **Monitoring poverty and social exclusion in Scotland 2004** by Guy Palmer, Jane Carr and Peter Kenway, is published by the Joseph Rowntree Foundation (ISBN 1 85935 259 6, price £16.95). It is available from York Publishing Services Ltd, 64 Hallfield Road, Layerthorpe, York YO31 7ZQ, Tel: 01904 430033, Fax: 01904 430868, email: orders@yps.ymn.co.uk. Please add £2.00 p&p per order. You can also download this report free from [www.jrf.org.uk](http://www.jrf.org.uk) (ISBN 1 85935 260 X).

All the indicators and graphs can be viewed on the [www.poverty.org.uk](http://www.poverty.org.uk) website – where all graphs are updated as and when new data becomes available - as well as in the printed report/pdf. This site also updates data at a UK-wide level.

The following *Findings* also look at related issues:

- **Monitoring poverty and social exclusion in Scotland (2002)**, Dec 02 (Ref: D22)
- **Monitoring poverty and social exclusion 2003**, Dec 03 (Ref: D33)
- **Monitoring poverty and social exclusion 2004**, Dec 04 (Ref: D14)

All JRF *Findings* are published on our website: [www.jrf.org.uk](http://www.jrf.org.uk). If you do not have access to the Internet or have any further queries on publications, you can call 01904 615905 (answerphone for publications queries only) or email: [publications@jrf.org.uk](mailto:publications@jrf.org.uk).