

# Growing levels of poverty in Scotland

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4 March 1998

A new report entitled “Three Nations” highlights the rapid growth of poverty and inequality in Scotland. The report was produced by the Scottish Council Federation, a think-tank incorporating major corporations such as British Telecom, the Royal Bank of Scotland and Scottish Airports, together with representatives of the trade unions.

The three “nations” cited in the report are “the Excluded,” the “Insecure,” and the “Settled.” The first consists of unemployed and part-time workers, disabled people, families and single parents on benefit living in large, disintegrating housing schemes.

“Insecure” Scotland consists of those in poorly-paid jobs with little provision for old-age, whose hours of work are too long for any leisure time. The report defines this group as being “one pay cheque away from poverty.”

“Settled” Scotland is made up of those with well-paid jobs, who have higher quality housing, secure incomes and better health.

Poverty in Scotland is placed within the context of an overall increase throughout the United Kingdom. The report notes that the proportion of households in Britain with less than half the average income in 1993-4 was 25 percent, compared with 10 percent in the early 1980s. Almost 10 million households in the UK depended on means-tested benefits in 1993-4, double the number of such families 20 years before.

Social disadvantage is particularly acute in Scotland, however, with around 12 percent of Scots living in the poorest tenth of UK households. The report lists the following indices:

- \* One third of children in Scotland grow up in poverty.

- \* One third of pensioners live on the basic state pension of around \$100 a week.

- \* 10 percent of workers take home less than 55 percent of Britain’s average wage, the highest number

ever recorded. At this level of earnings, only childless couples and single adults are better off working than living on benefits.

- \* Less than half of local government housing tenants have jobs, compared to 70 percent when unemployment was previously at the present level.

- \* Over 50,000 Scots have been registered unemployed for over a year and 20,000 for more than three years.

- \* Some 564,000 households live on welfare payments.

- \* Scotland’s diet is among the worst in Europe. The report acknowledges that “food poverty is largely a reflection of the limited choice excluded families have over where they can shop, what they can pay and what is available...”

- \* The gap in life expectancy between the working class Drumchapel area of Glasgow and the neighbouring middle class neighbourhood of Bearsden is eight years.

- \* Children in Glasgow’s Easterhouse housing estate are five times more likely to die before their first birthday than the UK average.

- \* The closure of safe leisure facilities and parks means that children from the poorest areas are four times more likely to be killed in road accidents than their better-off counterparts.

The overall conclusion drawn is that present levels of inequality will increase and that measures are necessary to defend “social cohesion.” As far as the authors of the report are concerned, however, this does not mean implementing significant measures to alleviate poverty.

“Three Nations” is offered as an advice paper to the Labour government’s Social Exclusion Units, which are attached to the Scottish Office and Whitehall. It accepts the Blair government’s premise that “modernising the welfare state and modernising the constitution must go hand in hand.” This means

supporting Labour's so-called New Deal, which replaces welfare support with the type of workfare schemes pioneered in America.

The authors state that their report "does not explore tax and benefit policy and the role of redistribution in tackling poverty and exclusion." Instead it asserts that "the quickest route to social exclusion is to become wholly dependent on the instruments of the state at as early a stage in life as possible." The report adds, "A more inclusive Scotland will not be one without risk, uncertainty, unemployment, low pay or inequality."

"Three Nations" was issued following the success of last September's Labour Party-inspired referendum on Scottish devolution and prior to the setting up of the promised Scottish parliament. This was promoted by the Scottish Labour Party, the trade unions, the Scottish National Party and Scottish Militant Labour as a vehicle through which working people could secure social reforms and create greater social equality. These same forces have, over the past two decades, blamed every social attack, from mass redundancies to the implementation of the Poll Tax, on "English rule from Westminster."

The Blair government's real aim in setting up devolution for Scotland, Wales and parts of England is to promote national and regional competition for international investment. This entails sharp reductions in wages and social services.

Even after 18 years of a Tory government, 80 percent of central government spending goes for welfare and service provisions, compared to just over 40 percent in the USA. During the devolution referendum campaign, Labour's Social Security minister Frank Field called for regional autonomy in setting welfare budgets in order to slash public spending. Labour councils in Scotland are already making massive cuts and plan more.

Scotland's largest city, Glasgow, is making £163 million (about \$US275 million) worth of cuts in services, involving 1,000 job losses, an £8 million cut in social work spending and a £5.5 million cut in education, involving the closure of 7 secondary schools, 2 nursery schools and 2 outdoor centres. At the same time the Council Tax levied on all adults (which replaced the Poll Tax) is to be increased by 10 percent.

"Three Nations" offers suggestions on how mandatory state benefits can be further reduced and

other cuts imposed without creating a social explosion. The report states: "...there have been no major riots in low-income neighbourhoods of the kind witnessed in the early 1980s and 1990s in England. The most excluded people in Scotland may not be about to riot to bring attention and resources to their communities—but a truly preventative approach to public policy will not wait to find out if this assumption is a safe one."

The report calls for the poor inner city areas and housing estates to be targeted as a reservoir of cheap labour for the government's workfare schemes. It argues that the government must embrace the semi-official, underground economy, with people working "cash-in-hand" for "relatively small amounts of money" in areas of high unemployment.

Maintenance of deprived areas should be carried out by "cashless" voluntary labour. The authors of the report declare that Local Exchange Trading Systems (LETS) should be encouraged to "...provide opportunities for people who may be cash poor but time rich."

LETS have been established throughout Britain. They involve a return to a primitive barter system of trade in goods and services paid for in tokens and chits. LETS have been supported by Labour authorities as an alternative to service provision by the state, and a substitute for secure, decent-paying jobs.



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