

PRESS RELEASE

SCOTLAND INSTITUTE REPORT SHOWS 17% OF SCOTS IN EMPLOYMENT ARE LIVING IN RELATIVE POVERTY

The Scotland Institute has published an extensive study on the causes of social exclusion in Scotland. The report authored by Research Director, Dr Roger Cook, found that social exclusion is the consequence of deliberately chosen policies, not a natural outcome, and that poverty is the root cause. The report also found that poverty is not exclusive to those who are out of work as is normally assumed, but also affects those in work with an astonishing 17% of Scots in employment also living in relative poverty.

Key findings in the report:

- 19% of the overall population at risk of slipping into poverty
- 13% of children in Scotland are being brought up in households with persistent poverty
- 62% of the 30% poorest in Scotland have no savings (under £1500) so are unable to cope with sudden costs or loss of income
- 19% of the population of Glasgow live in areas of multiple deprivation
- 32% of the BME population are in relative poverty compared to 18% of the whole population

The report is based on two premises:

1. That social exclusion carries grave costs for wider society, and
2. Social exclusion can be addressed through the wider policy framework

Low-paid, low-skilled work acts as a trap that makes poverty a very real threat for thousands of Scots. Employment is not necessarily a final solution, and therefore both income distribution and employment protection need to be addressed.

Two key approaches to the problem have been identified in the report. Firstly, wages must increase to provide a decent 'living wage' alongside Scotland's adoption of OECD proposals to strengthen workplace rights. Meanwhile, taxation and social welfare payments can be used to address inequality.

The report also identifies what steps the Scottish Government could take even under the current devolution settlement. It goes on to consider the changes that either 'devo-max' or independence would make in terms of Scotland's ability to tackle the problem of poverty that lies at the root of social exclusion.

John Dickie, head of the Child Poverty Action Group praised the report, noting "A scandalous one in five of Scotland's children are still living in poverty and independent forecasts show tens of thousands more children are set to be plunged into poverty in the

coming years. This new report from the Scotland Institute is hugely welcome in highlighting the low pay, inadequate benefits and lack of childcare that are the real causes of child poverty and exclusion. It really is vital that positive ideas about how we address these causes of poverty are at the forefront of public policy thinking and at the heart of debates about our constitutional future.”

For further information, please contact Clyn Gallagher on 07426 303361 or email c.gallagher@scotlandinstitute.com

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NOTES TO EDITORS:

The Scotland Institute was founded by Dr Azeem Ibrahim in 2012. Glasgow-born Dr Ibrahim's extensive experience in academia and advising governments convinced him of the need for a progressive think tank in Scotland.

More information here: www.scotlandinstitute.com



LETTER FROM THE CHAIRMAN

Dear friends;

It is with great pleasure that I introduce this first report from the Scotland Institute. Founded in June 2012, the Institute's mission is to build an economy which is sustainable and competitive, a society where wealth is fairly distributed, and a politics which tackles social exclusion and deprivation as a matter of course.

Recognising Scotland's marginalized communities as the untapped potential for change, this paper seeks to bring together current thinking on poverty in Scotland, in particular the concentration of poverty in particular urban areas. The aim is to bring objective and intensive scrutiny to existing statistics and reports and to bring a new perspective to old problems.

Social Exclusion in Scotland therefore explores areas beyond the usual subjects of the causes and effects of poverty. It looks at the use of taxation to create a more just society, the issues of low wages and benefits, the ways that the concept of a living wage can be applied and how public/private alliances be made productive.

Social exclusion creates lasting economic costs for wider society. It is not a natural and inevitable outcome but is a product of deliberately chosen policies that it can be addressed. Scotland has prided itself on its more egalitarian society, its tradition of enlightened thinking and its educated and productive communities. To continue this proud history takes commitment; the Scotland Institute is committed to providing the research and innovative ideas to help bring this about.

I am proud to present this paper, *Social Exclusion in Scotland*, as the first step in creating a fairer, healthier and wealthier society, where all communities have an equal footing and equal opportunities to achieve for themselves, their neighborhoods and Scotland.

Sincerely,

Dr Azeem Ibrahim
Executive Chairman

