

# Tackling poverty and income inequality in Scotland

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**The Scottish Government**  
Riaghaltas na h-Alba

**In Scotland, relative poverty affects around 860,000 individuals in Scotland - 17 % of the population**

**This is made up of:**

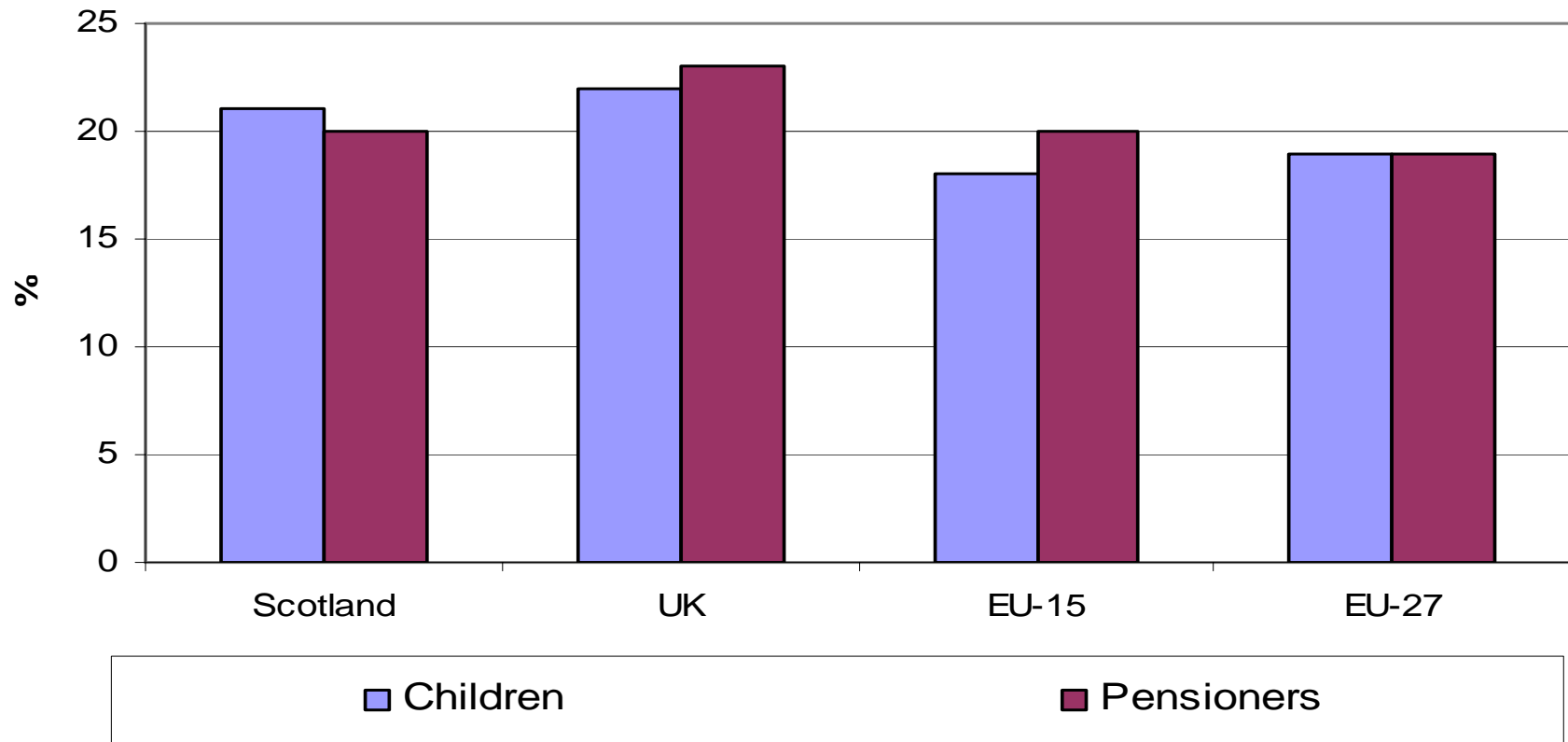
- 200,000 children –20% of all children in Scotland**
- 460,000 working age adults - 15% of all working age adults in Scotland**
- 200,000 pensioners – 21% of all pensioners in Scotland.**

**Poverty: The key measure of poverty used by Scottish, UK and European governments considers relative income, although other measures exist. Those with incomes below 60% of the UK median are considered to be poor as their incomes are so far from the norm that they face problems participating in society.**



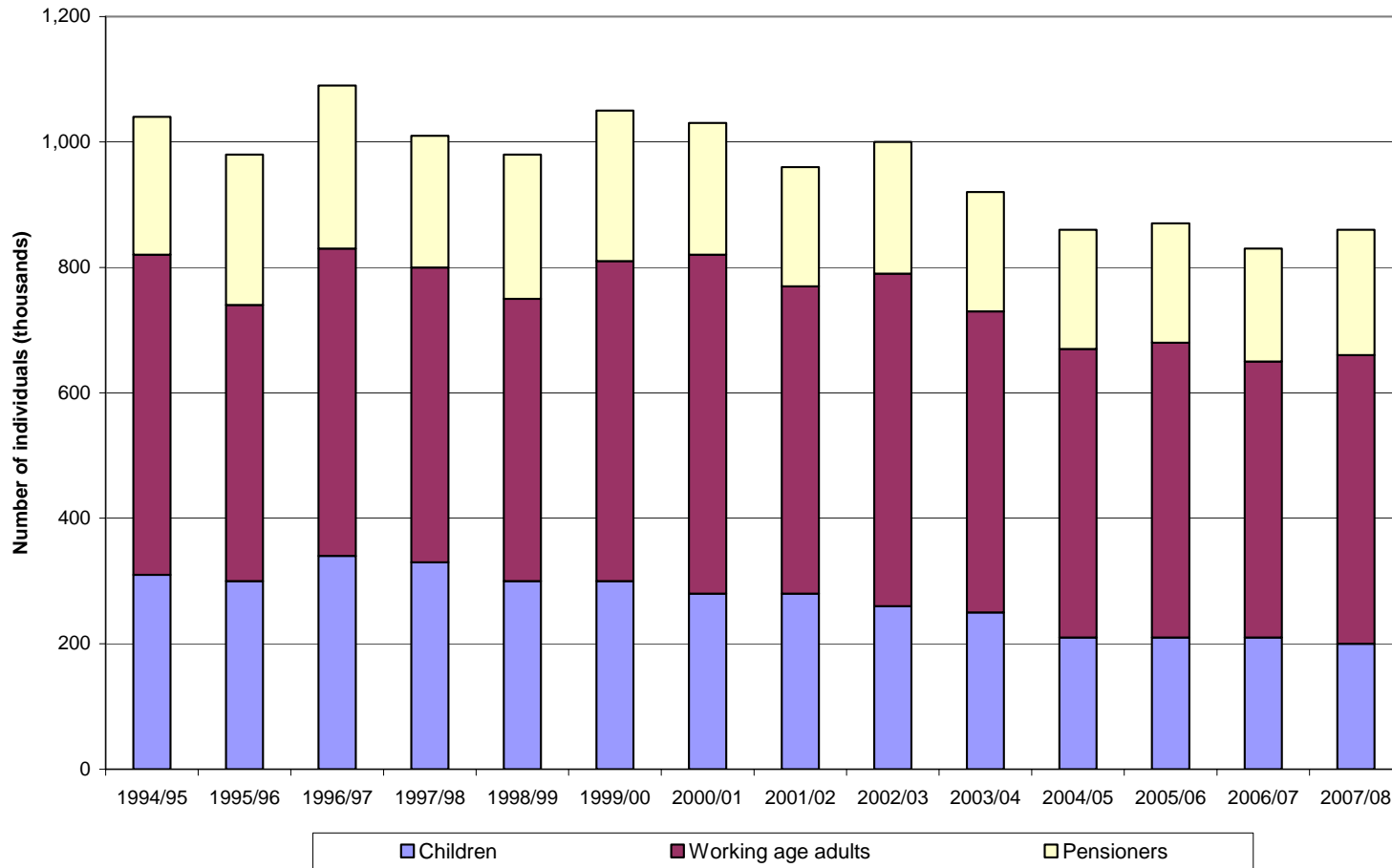
# Percentage of Children and Pensioners in Relative Poverty (60% median income), 2006

Percentage of Children<sup>1</sup> and Pensioners<sup>2</sup> in Relative Poverty (60% median income<sup>3</sup>), 2006<sup>4</sup>



# Number of people in poverty, Scotland 1994/95 – 2007/08

Number of people in poverty, Scotland, 1994/95 - 2007/08



# The Government's Purpose



*To focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through **increasing sustainable economic growth.***

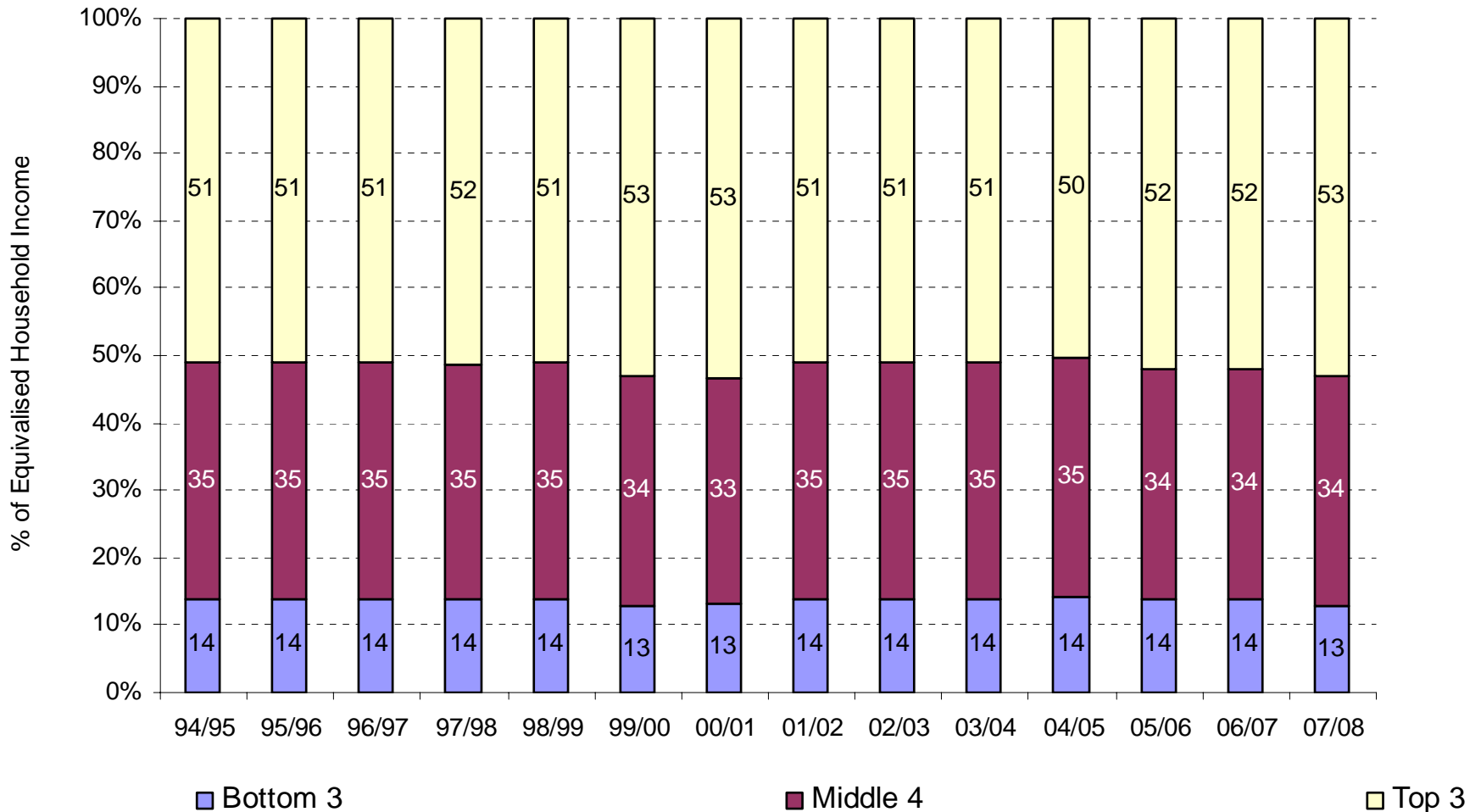
# The Purpose Targets

INDICATOR	TARGET
Economic Growth (GDP)	<ul style="list-style-type: none"><li>• To raise the GDP growth rate to the UK level by 2011</li><li>• To match the growth rate of small independent EU countries by 2017</li></ul>
Productivity	<ul style="list-style-type: none"><li>• To rank in the top quartile for productivity amongst our key trading partners in the OECD by 2017</li></ul>
Participation	<ul style="list-style-type: none"><li>• To maintain our position on labour market participation as the top performing country in the UK and to close the gap with the top five OECD economies by 2017</li></ul>
Population	<ul style="list-style-type: none"><li>• To match average European (EU15) population growth over the period from 2007 to 2017, supported by increased healthy life expectancy in Scotland over this period</li></ul>
Solidarity	<ul style="list-style-type: none"><li>• To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017</li></ul>
Cohesion	<ul style="list-style-type: none"><li>• To narrow the gap in participation between Scotland's best and worst performing regions by 2017</li></ul>
Sustainability	<ul style="list-style-type: none"><li>• To reduce emissions over the period to 2011</li><li>• To reduce emissions by 80 per cent by 2050</li></ul>

... And of course the 2020 child poverty target.

# Solidarity Target

## Income Shares by Decile



# SG COMMITTED TO TACKLING LONG-TERM PROBLEMS

=> Poverty

=> Inequality – health / income /  
outcomes

=> Under-achievement





# HOW?

## Set out in 3 Frameworks

Early Years Framework

Equally Well

Achieving Our Potential



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# KEY FOCUS ACROSS ALL FRAMEWORKS

Prevention

Early Intervention

Building Capacity

Multi-faceted approach

Bottom-up development



# PARTNERSHIP WORKING

- Shared ownership of agenda
- Focus on agreed outcomes
- New opportunity to tackle the big issues facing Scotland



# ACHIEVING OUR POTENTIAL

- Reduce Income Inequalities
- Introduce longer-term measures to tackle poverty and the drivers of low income
- Support those experiencing poverty or at risk of falling into poverty
- Make the tax credits and benefits system work better for Scotland
- Supporting partners and engaging wider society



# REDUCE INCOME INEQUALITIES

- Make Work Pay.
- Maximise the Potential for People to Work
- Maximising Income for all



# TACKLING POVERTY IN THE LONG-TERM

- Providing Children and Young People with the best start in life
- Health Inequalities
- Promoting equality and tackling discrimination
- Affordable Housing
- Regenerate Disadvantaged Communities



# SUPPORTING THOSE IN POVERTY

- Replace Council Tax with a Local Income Tax
- Fuel Poverty
- Greater financial inclusion and address the stigma of poverty



# TAX CREDITS / BENEFITS

- Currently reserved to Westminster / interaction with devolved policies
- Scottish Government is committed to making the case to have fuller, and eventually full, responsibility for personal taxation and benefits in Scotland



# SUPPORTING PARTNERS / ENGAGING WIDER SOCIETY

Support for CPPs

Learning from our neighbours

Supporting the Third Sector

Community Empowerment



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# Learning / Sharing Points...

Shifting from crisis intervention to prevention and early intervention...

Reducing income inequality...

Working together with a common aim  
- public, private and third sectors

