

Briefing from Poverty Alliance: Westminster Hall debate on child poverty in Scotland, 30th October 2019

About the Poverty Alliance

The Poverty Alliance is the national anti-poverty network in Scotland. We are an independent organisation with over 230 members drawn from the voluntary and public sectors, trade unions, researchers, faith groups and individuals with direct experience of poverty.

Our aim is to work with others to enable communities and individuals to tackle poverty. We have a number of key policy areas that provide the focus for our activities; these are addressing low incomes, supporting services to address poverty, enhancing the participation of people with direct experience of poverty in policy development processes, and addressing attitudes to poverty.

Child poverty in Scotland: Key statistics

- 1 million people are living in the grip of poverty in Scotland, including almost 1 in 4 (240,000) children.
- 65% of all children living in poverty in Scotland live in working households.ⁱ
- Poverty rates in Scotland are higher among lone parent families; families with a disabled parent or child; families with 3+ children; minority ethnic families; families where the youngest child is less than 1 years old, and families where the mother is less than 25 years old.ⁱⁱ

Child poverty in Scotland: Background

We're a society that believes in justice and compassion. But right now, too many children in Scotland are growing up in the grip of poverty, with their families being caught in a web of social security reforms, low pay and high living costs.

We know, though, that we can loosen the grip of poverty on children's lives, because we have done it before. From the late-1990s, child poverty in Scotland fell significantly; primarily driven by decisions around social security, like the introduction of child tax credits. Since the mid-2000s, this progress has gone into reverse – again, primarily as a result of decisions made around social security - with more and more families being caught up in a rising tide of poverty.

But there are actions we can take to re-design our economy and society so that it works for everyone; actions which can ensure that everyone in Scotland has a decent standard of living and that every child in Scotland really does have every chance.

Poverty in Scotland: The realities

“Being in poverty and relying on Universal Credit is like being stuck in the middle of a spider's web with no escape route. You can climb further up the web to try and get out but something

keeps dragging you back. Low pay, insecure work, zero hours contracts and a punitive social security system make it very difficult to escape. That's the trap of poverty."

Jamie Clark, Community Activist, Glasgow

"Poverty destroys everything in your life. A low for me was last Christmas, when I had no money to buy my son a Christmas present. The situation we have today is unacceptable. We should all be able to live a dignified life but too many people are trapped in poverty. I'm blind and I've been locked out of employment since I had a brain injury five years ago. It doesn't have to be this way though. Social security benefits should be enough so that people can live a dignified life and - disabled people should be given support to access employment."

Derek Kelter, Community Activist, Motherwell

The actions we need

We all – governments, businesses, civil society and individuals – have a role to play in tackling poverty. There are a number of actions that the Scottish Government and Scottish local authorities can take to stem the rising tide of poverty, but we know that the UK Government and UK Parliament have significant powers that can solve poverty in Scotland and across the UK.

How some of these powers can be used to free people and communities from the grip of poverty are outlined below:

Social security

All of us rely upon public services like the social security system, but in the last decade our social security system has been hugely weakened and no longer provides a safety net for people when they need it. Rather than preventing and reducing poverty, too often it is pushing families into poverty. Some of the key actions we need are:

- Ending the five week wait for Universal Credit: In communities across Scotland, individuals and families are being pulled into poverty – and often destitution – due to the five week wait for Universal Credit. The measures taken by the UK Government to mitigate the wait – such as the introduction of advance payments – are insufficient and, for people who may already have significant debt, do not represent a credible solution. The five week wait must end.
- Removing the two-child limit: The decision to implement the two-child limit policy was made in contravention of all warnings about its impact on child poverty, and represented a disregarding of one of the most fundamental tenets of our society; that we believe in protecting each other from harm. If we're serious about protecting the life chances of children in Scotland and across the UK, the two-child limit must be removed.
- Ending the punitive sanctions & conditionality regime: Since 2010, the conditionality attached to benefits has increased significantly, not only for people who are out of work but also for many in work. The result has been to increase the psychological burden and stigma experienced by claimants, and to compound the poverty experienced by many, due to the punitive sanctions that can be imposed. Research has shown that not only do these levels of conditionality increase poverty and destitution for many, but that they are

also largely ineffective in their stated aim of facilitating people's entry into or progression within the paid labour market.ⁱⁱⁱ

- Ending the freeze on working-age benefits: While the benefits freeze was due to end in 2019/20, there has been no confirmation from the UK Government that the freeze will not be extended. With this policy particularly hitting families with children, it has been one of the biggest drivers of child poverty in recent years, and simply cannot go on.
- Ensuring adequacy of support: Given the weakening of the support provided by the social security system in recent years – typified by the benefits freeze – there is an urgent need to invest in social security so that it acts as a genuine safety net for people who are struggling to get by. Social security benefits must therefore be increased with the explicit aim of moving towards the Minimum Income Standards, which are based on what members of the public think is the minimum that is required to enable people to meet their needs and live with dignity.

Employment

Employment should provide a route out of poverty but with two-thirds of children in poverty in Scotland living in working households, it is clear that this is simply not the case. With levels of in-work poverty and precarious work rising in recent years and with almost 20% of workers in Scotland receiving less than the real Living Wage, we need increased action to ensure that people are paid enough to cover their needs. Some of the key changes we need are:

- Ensuring a real Living Wage for workers: It is simply not right to pay workers a wage that keeps them locked into poverty and that does not allow them to have a decent standard of living. The real Living Wage, which is based on the real cost of living, is good for workers, for employers and for the economy.
- Taking action on precarious work: In the wider labour market there have been changes in recent years with an increase in precarious employment, typified by the increase in the use of zero hour contracts across the UK. There are over 70,000 people in Scotland on zero hours contracts^{iv}, an increase of 20,000 since 2015. Insecure employment patterns have a significant impact on child poverty, for example by making it more difficult for families to access childcare and to financially plan and budget. The UK Government must take increased action to eradicate exploitative zero hours contracts and ensure that – as well as receiving the real Living Wage – all workers have the security they need.

Brexit

While uncertainty over Brexit continues, the Poverty Alliance has concerns about the potential impact of Brexit – particularly a no-deal Brexit – on levels of poverty in Scotland and across the UK. Some of the key actions we need are:

- Publishing all impact assessments and analysis: In August the Poverty Alliance submitted a Freedom of Information request to the Department for Work and Pensions, requesting any impact assessments or analysis that had been undertaken on the potential impact of Brexit on levels of poverty and inequality in the UK.^v This request was denied, with the DWP stating that – while this analysis had been undertaken – publication was not in the public interest.

We are clear that if Brexit is to have a detrimental impact on levels of poverty then we all have a right to know. It is therefore essential that any and all relevant analysis is urgently published.

- Implementing measures to protect people on low incomes: With Brexit potentially leading to short-term price rises and cuts in income, we are seriously concerned that it is people on low incomes – including children living in poverty – who will be hardest hit by any economic shocks that arise as a result. It is therefore essential that the UK Government implements protective measures – such as an emergency stimulus package for communities with high levels of poverty – to ensure that people living in the grip of poverty do not pay the price for Brexit.

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ⁱ Scottish Government, Poverty and income inequality in Scotland: 2015-18

ⁱⁱ Scottish Government, *Every Child Every Chance: The Tackling Child Poverty Delivery Plan 2018-2022*, March 2018, <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2018/03/child-chance-tackling-child-poverty-delivery-plan-2018-22/documents/00533606-pdf/00533606-pdf/govscot%3Adocument/00533606.pdf>

ⁱⁱⁱ Welfare Conditionality, June 2018, *Final Findings Report: Welfare Conditionality Project 2013-2018*, http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/06/40475_Welfare-Conditionality_Report_complete-v3.pdf

^{iv} ONS, August 2019, EMP17: People in employment on zero hours contracts, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>

^v <https://www.povertyalliance.org/uk-government-refuses-to-disclose-analysis-on-brexit-impact-on-poverty/>