

## SUBMISSION FROM PROFESSOR PAUL SPICKER

1. This submission has been prepared by Professor Paul Spicker, who holds the Grampian Chair of Public Policy in the Robert Gordon University, Aberdeen. Professor Spicker is the author of several books on poverty, including *Poverty and social security* (Routledge, 1993), *Poverty and the welfare state* (Catalyst, 2002) and *The idea of poverty* (Policy Press, 2008). He was also editor, with S Alvarez Leguizamon and D Gordon, of *Poverty: an international glossary* (Zed Books, 2008). He has acted as an adviser on projects for the States of Guernsey and was recently Special Adviser to the House of Commons Work and Pensions Committee on benefit simplification. His work on poverty in Scotland has included research for Dundee, Aberdeen and Glasgow councils, six reports for Shelter (Scotland), evaluation of third-sector organisations, mentoring participative research into poverty by Dundee Anti-Poverty Forum and Moray against Poverty, and the preparation of Dundee Council's Anti-Poverty Strategy.
2. **Child poverty in Scotland**

Poverty is a complex, multi-dimensional concept. There are hundreds of competing definitions, but the main elements include;

  - material deprivation, including for example physical needs, ill health, bad housing, fuel poverty and patterns of multiple deprivation;
  - economic circumstances, including economic inequality, occupational status, employment and the structure of opportunities; and
  - social relationships, including problems of social exclusion, marginality, dependency, powerlessness and the inability to participate in society.
3. The Committee's request for submissions suggests that "The effects and causes of child poverty are well documented". There is an extensive literature, but that literature shows little consensus about effects or causes. In relation to *effects*,
  - important differences have emerged between children's experience of material deprivation and the income of households (Institute for Fiscal Studies 2008, *Poverty and inequality in the UK 2008*, <http://www.ifs.org.uk/comms/comm105.pdf>);
  - information about the distribution of resources within the household is poor;
  - although there is evidence of disadvantage in later life, most poor children do not become poor adults, and there is little clear information about the long-term effects of poverty on children; and
  - there has been very little work done to understand poverty from the perspective of the children themselves.
4. The complexity of the issues makes it difficult to distinguish the effects of poverty from the confounding impact of other associated factors. Ask people about poverty, and they are likely to respond about a wide range of issues – for example, crime, transport, housing, drug use, education or the environment. Most academic studies are very selective in the effects they focus on; the process of focusing on specific issues, like income or employment, is controversial.

5. In relation to *causes*, there are limits to what can be shown. Poverty is clearly associated with certain factors – like family breakdown, sickness or insecurity – but there are competing views as to how far these factors are causes of poverty, and how far they are consequences. Because poverty refers to many issues, and is influenced by many factors simultaneously, explanations of causes are inevitably partial.
6. Although it can be difficult to prove that causal explanations are good accounts of a process, it is easier to show that some are not. Probably the most important finding of this kind is that the “cycle of deprivation” is a myth. The research in this field shows that:
- the experience of poverty tends to change frequently,
  - the underlying circumstances vary extensively over the course of a person’s life,
  - poverty in childhood does not generally lead to poverty in adulthood, and
  - education, partnering and economic conditions make a substantial difference to outcomes between generations.

See e.g. M Brown, N Madge, (1982), *Despite the welfare state*, London: Heinemann; Coffield, F, and Sarsby, J, (1980) *A cycle of deprivation?*, London: Heinemann; Kolvin, I, Miller, F, Scott, D, Gatzanis, S, and Fleeting, M, (1990) *Continuities of deprivation?*, Aldershot: Avebury.

7. There is not a stable, clearly identifiable population of “poor families” that can be helped so that there will be no problems left after a period of time like five or ten years. Poverty affects most people in the UK: the last DWP figures covering these issues show that 58% of the UK population spent at least one year in ten below the 60% median income threshold (DWP, *Households below average income 1994/95-2003/04*, London: DWP, table 7.5 AHC). There is frequent movement into and out of poverty. The Scottish Council Foundation makes a telling distinction between three nations:
- In *Settled Scotland*, people have secure, well-paid jobs and a good lifestyle.
  - In *Excluded Scotland*, joblessness, low educational attainment and the problems of poverty are commonplace.
  - *Insecure Scotland* is made up of people who are not poor, but who are at risk – people with moderate incomes and uncertain prospects. Unstable and marginal employment, and limited options for women, make many people insecure. (See J McCormick, G Leicester, *Three Nations*, Edinburgh: SCF 1998.)

“Settled Scotland” is a minority, and even within that group, there is the possibility of change for the worse: divorce, debt or long-term illness can still plunge people into poverty. Most families in Scotland are at risk.

## 8. **Strategies against poverty**

Understanding poverty as a multi-dimensional set of issues poses challenges for policy. In relation to *material need*, appropriate responses have to provide or secure the provision of the essentials of life. Scotland’s lamentable public health record is not the product of inadequate health care, but of poverty - poor

lifestyles, nutrition, housing, income and insecurity. In relation to *economic circumstances*, the emphasis has to fall on economic development, financial inclusion and the structure of the labour market, not just on individual employment. And in relation to *social inclusion*, we need policies not just for poor communities, but for families, for the development of social capital, and for marginal and excluded groups.

9. Strategies against poverty have to be complex, varied and inclusive. Because it is never possible to do everything at once, some priorities have to be identified, and because poverty is always serious, that necessarily means that some important issues will not be acted on. The best way to begin to choose between them is to consult with the people who are affected by them. This is now the approach favoured by the major international organisations engaged with poverty (the World Bank, the IMF and leading NGOs) and expressed throughout the developing world in the consensual, partnership-based Poverty Reduction Strategy Papers.
10. Local government cannot deal with many aspects of poverty. It has no responsibility for the distribution of income and assets, most benefits, health or the structure of opportunities. Although it can make a significant contribution to the structure of the local economy, employment, or exclusion, its role is necessarily restricted. It can be difficult, in consequence, to set meaningful targets for local government: success in the targets does not necessarily show that local government has added value, while failure does not show that local government has done less than it could or should have done. Some local governments have focused their attention on narrowly defined objectives where it is possible to demonstrate improvement, like estate regeneration or youth projects. This kind of focus typically asks local authorities to tackle issues and needs which go beyond its scope, while at the same time it does not extend to many of the things which they could do.
11. The test for local government should not be that it is eliminating poverty, because that is beyond its capacity. It should be, rather, that local government is making a significant contribution to improving the range of problems and issues associated with poverty. Local anti-poverty strategies have to be wide-ranging, because otherwise they will exclude issues that are important to local populations. They have to be geared to the contributions that local agencies can actually make - in areas like housing, social care and education - rather than issues that cannot be dealt with at local level, like international trade or migration. And because they are dealing with a fluctuating set of issues, rather than a single resolvable test measurable in terms of the progress of specific individuals, they should be gauging their contribution across a wide range of issues, viewed in aggregate terms.

## 12. **The Committee's specific queries**

The Committee asks six questions.

- *Targets - how to ensure effective scrutiny of progress made in achieving the target of halving child poverty by 2010 and eradicating child poverty by 2020?*

Poverty is often identified for convenience with particular issues, like low income or benefit receipt. Indicators of poverty should not, however, be confused with definitions or measures. They are - as the name suggests - signposts or pointers. They are used to stand for a much more complex set of problems. For the same reason, headline targets only refer to a small part of a much wider picture. The focus on headline indicators and targets disguises both problems and achievements. There is a need both for more detailed information and for a broader range of targets. The committee needs to refer to a much wider range of indicators, of the type included in the DWP's report *Opportunity for all* (<http://www.dwp.gov.uk/ofa/reports/latest.asp>). That report regularly monitors 17 headline indicators relating to children, along with some sub-indicators; they include, e.g., school attendance, teenage pregnancy, serious unintentional injury and staying on at school. The broader the range of indicators, the more effective the monitoring will be.

The inadequacy of Scottish statistics is however a major obstacle to the Committee obtaining the detailed information it needs. Despite marked improvements in recent years, Scottish statistics have consistently lagged behind other parts of the UK. Compare, for example, what is available for any Scottish local authority at Scottish Neighbourhood Statistics (<http://www.sns.gov.uk/AnRep/AreaTree.asp>) with what is available at the ONS Neighbourhood Statistics website for English authorities (<http://www.neighbourhood.statistics.gov.uk/dissemination/>).

- *Single Outcome Agreements - the role of Single Outcome Agreements and Community Planning Partnerships in relation to policy and service delivery.*

However plausible it may be to argue that there are gaps across Scotland at local level, the information base is deficient. There are many different ways of dealing with similar problems, and local perceptions of how issues are tackled may reasonably differ. We need an audit of existing anti-poverty initiatives, identifying both gaps in service and areas where there might be overlap or duplicate provision. Local authorities and partnerships should monitor developments and changes, considering the distributive impact of their policies and the implications of their policies for poverty.

- *Committee's role - how can the Committee ensure its scrutiny of progress is both regular and effective?*

Effective scrutiny depends on adequate information. There needs to be a reporting system which allows the Committee to monitor the effect of successive policy decisions on poverty. This could be achieved by combining a general audit of the baseline with systematic subsequent reporting on the impact of policy developments on distribution and social inclusion.

- *Employment - supporting parents into, and remaining in, decently paid work.*

In recent years the British economy has created relatively good levels of

employment: compared to the OECD or to the EU-15, Britain's labour force is a higher proportion of its population, and within the labour force its standardised unemployment rate is lower. There are three fundamental problems in trying to respond to child poverty through improving the employment prospects of their families. The first is this can only ever be a partial response. There will never be enough jobs, and wherever there is competition for jobs, some people will not be chosen for work by employers. There is certainly scope to improve the prospects of women with child care responsibilities, but it should be understood that even when we had "full employment", there were still people moving out of the job market or marginalised within it. Second, employment is not enough to secure an adequate income. The latest HBAI figures show that 57% of children who live in households below 60% of the median income have parents in work (DWP, 2008, *Households below average income 1994/95-2006/07*, London: DWP, table 4.7.) Third, some patterns of work, even if income appears to be adequate in the short term, do not guarantee adequate security or opportunities. Parts of the Scottish job market are based in marginal employment, also called "sub-employment". This is based in casual, temporary and short term employment, typically interspersed with periods of unemployment. It differs from the idea of a "dual labour market" because the jobs are not necessarily low-paid; they are, however, insecure.

- *Benefits - practical issues around increasing uptake of benefits.*

The takeup of benefits is adversely affected by a combination of factors - ignorance, complexity, negative attitudes to benefits and the perceived instability of people's circumstances. The situation has been aggravated by the Tax Credit scheme, which combines complexity and uncertainty about entitlement with an aggressive policy of reclaiming overpayments. More generally, the extension of conditionality in benefits increases uncertainty while raising the potential penalties for claiming. The effect of current policy is to reduce the support and access to service given to claimants. Within those constraints, there is little immediate prospect of improvement.

- *Equality - the issue of sections of society being left behind and remaining out of reach of policies designed to reduce poverty.*

There are two different types of answer to make here. One concerns the broad issue of equality. Redistribution is primarily undertaken within the structure of fiscal and benefit policy, but there is a case for the development of some mechanism which can identify the distributive impact of policy. Distributive impact analyses should be a standard element in public policy-making.

The second response concerns issues of social exclusion, which too often in Scotland has been interpreted solely in terms of area-based policy. Provision made for people who are marginalised - such as those in minority groups, young people, homeless people and so forth - has up to the present depended strongly on central funding for local projects. The shift to single outcome agreements means that local authorities have to review whether such programmes are consistent with their core activities, and the relative smallness of marginalised

groups in most authorities suggests that they may not be. Equally, there are few initiatives dealing with social inclusion in the full sense of the term - that is, promoting solidarity, social cohesion and participation in society. There is a case for national initiatives to fill the gaps.

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