

## **Scottish Anti-Poverty Policy and Looked After Young People**

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### **Introduction**

Since 1997 there has been increased policy attention on poverty and its impact in our society. At both the UK and Scottish levels a wide range of initiatives and programmes have been introduced aimed at tackling poverty and reducing social exclusion. In this article we will look at the impact of some of these policies on poverty, and the implications of what is widely seen as a more progressive policy context for looked after young people.

### **Poverty in Scotland: What has changed?**

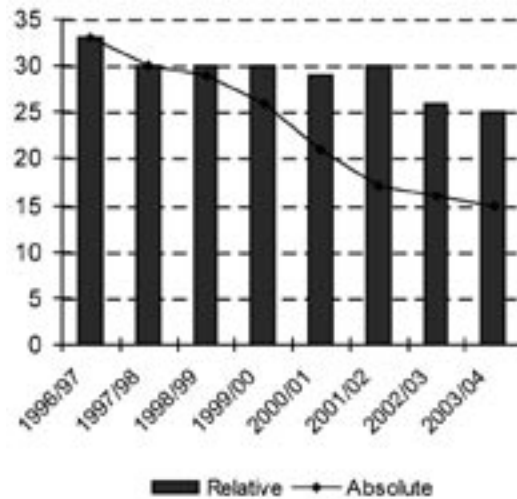
There have been a number of high profile policies at the UK level that have been aimed at boosting low incomes, particularly for those in employment or for those returning to the labour market. These have included the Working Tax Credit and Children's Tax Credit, the National Minimum Wage, the New Deal (in its various forms), and changes to the tax and benefit system.

Tackling low incomes through the tax and benefit system has been only one part of the Government's anti-poverty strategy. A diverse range of initiatives have been developed by administrations north and south of the border. These have been designed to help reduce the risk of poverty, especially for some vulnerable groups. The Scottish Executive has attempted to put social justice at the heart of its activities, first developing the *Social Justice Strategy* in 2001, which was then re-launched in 2004 as the *Closing the Opportunity Gap* approach to tackling poverty (Scottish Executive, n.d.). There can be little doubt then that there has been a great deal of policy activity in the field of poverty and social exclusion over the last eight years.

Alongside the development of policies designed to address the multi-dimensional nature of poverty and social exclusion, a number of important targets have been set by the Government with regard to poverty. A significantly ambitious, although seriously under-reported, goal of the UK Government has been to 'eradicate' child poverty by 2020. Eradication in this context means being 'amongst the best in Europe' (Department for Work and Pensions, 2003, p. 20), which will be no mean feat when we consider the figures below.

Since 1996/97 the proportion of children living in relative<sup>1</sup> low income households in Scotland has fallen from 33% to 25%, from 370,000 children to 260,000. The rate for those living in absolute low income households has fallen to 15%, leaving around 160,000 children living in low income households (Kelly, 2005a). Since the Labour Government came to power in 1997, relative child poverty in Scotland has fallen by 30%. This compares to a fall of only 17% across Great Britain over the same period.

**Figure 1: Proportion of children living in low income households (AHC), Scotland, 1996/97 – 2003/04**



Source: (Scottish Executive, 2005)

It is not immediately obvious why the decline in Scotland has been greater than for Great Britain as a whole. A number of factors may have contributed, including the possibility of statistical error. However it would appear that the improvement in Scotland's position appears to be part of a longer term trend rather than simply a statistical blip. Recent figures appear to show continuing growth in the numbers in employment in Scotland which should also have a positive impact on child poverty in the future.

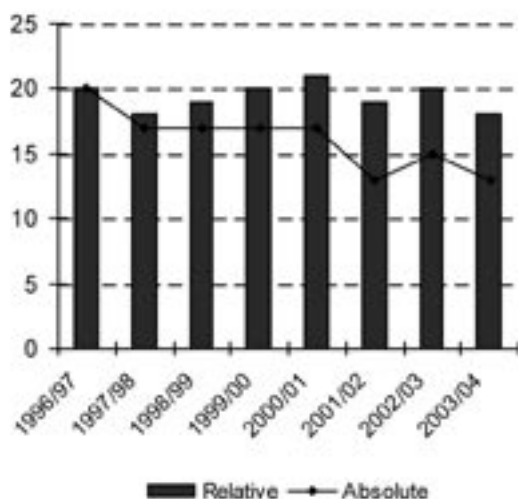
Of course some children are more at risk of poverty than others. Children living in lone parent households are still more likely to be in low income households. However the proportion of children living in lone parent families who are in low income households has fallen from 60% since 1996/97 to 47% in 2003/04. This decrease has taken place despite an increase in the number of lone parent

families overall in Scotland. In addition, children in families where no one was working were more likely to live in low income households. In 2003/04, 77% of children in families where no-one was working were in low income households, compared to only 13% where at least one person was working.

There is perhaps one message that comes through clearly from these figures: policy makes a difference. Since 1997, and especially since 1999, we have seen policies targeted at children and their parents, and significant increases in spending to match these policies. This targeted approach has led to much of the reduction in the levels of child poverty that we now see. However this approach has also resulted in some groups becoming ‘less favoured’.

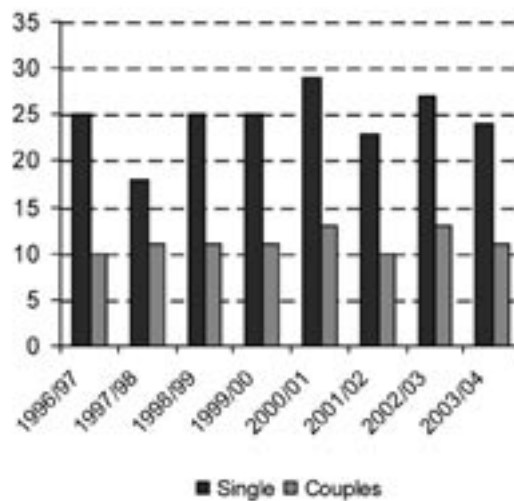
As Dixon and Paxton (2005) have pointed out, there are detailed targets for ending child poverty, broad aims for pensioner poverty, but there are no targets or even aspirations when it comes to reducing poverty amongst working age adults without children. Figure two shows that the improvement in the proportion of working age adults living in low income households has been less dramatic than for children or pensioners. Although there has been a small drop in proportion of working age adults over the period, from 20% to 18%, the overall trend is flat.

**Figure 2: Proportion of working age adults living in low income households (AHC), Scotland, 1996/97 – 2003/04**



Source: (Scottish Executive, 2005)

**Figure 3: Working age adults without children living in low income households (AHC), Scotland, 1996/97 – 2003/04 by family type**



*Source:* (Scottish Executive, 2005)

Figure three, however, shows that one of the consequences of this policy focus is that poverty amongst couples and single adults without children is not being addressed. In 1996/97, 25% of single adults without children lived in low income households. This had declined by 1% by 2003/04, which is effectively no change at all. The figures for couples show the same lack of progress. In both cases, the trend in Scotland over the last eight years has been marginally upwards.

This development has been noted by a number of researchers and commentators, including the New Policy Institute and the Joseph Rowntree Foundation. Whilst the action to tackle poverty amongst children and pensioners is necessary, there is a strong case for the government to seriously address the problems faced by those without children. This group will be the next generation of parents of children born into poverty, and the next generation destined to retire to live on meagre incomes because of the poverty they endured during their working lives.

Overall the picture is somewhat mixed regarding the efforts to tackle poverty in Scotland. On the one hand, we have seen very real advances in the fight against child and pensioner poverty. However, we are also beginning to see the emergence of some groups for whom progress is not being made. The operation of the tax (credit) and benefit system, the structure of the labour market and the system of minimum wage protection all show a deliberate targeting of policy focus on favoured groups.

Whilst some commentators have seen the picture described above as a potential return to a 'deserving and undeserving poor' approach (and the dominant discourse around 'hard working families' may support such a view), the policy approach taken in Scotland potentially undercuts such a notion.

### **Closing the Gap – the Scottish response to poverty and social exclusion**

The Scottish Executive has always argued that it has sought to place social justice concerns at the heart of its programme. Its effective re-launch of the Social Justice Strategy saw the Executive decide to focus on what it regarded as the most important issues and activities that will help overcome poverty in Scotland. This new approach, referred to as *Closing the Opportunity Gap*, has three broad aims: to prevent individuals or families from falling into poverty; to provide routes out of poverty for individuals and families; and to sustain individuals or families in a lifestyle free from poverty (for a full discussion see Kelly, 2005b).

The aims and targets of this new approach are clearly influenced by the UK Government's approach to anti-poverty policy. There is a strong emphasis on the role of employment in tackling poverty, with the key objective being to increase the chances of sustained employment for vulnerable and disadvantaged groups - in order to lift them permanently out of poverty. However, limitations in the Scottish Executive's powers with regard to taxes and benefits mean that its approach must be a more balanced one.

With the *Closing the Opportunity Gap* approach, there are two objectives that will directly impact on looked after young people. Objective B aims to 'reduce the proportion of 16-19 year olds not in education, training or employment by 2008,' whilst objective G seeks to ensure that by 2007, 'at least 50% of all "looked after" young people leaving care have entered education, employment or training' (Scottish Executive, n.d.). These are two very ambitious objectives, which we will now consider in turn.

It is well known that young people who are not in education, training or employment (also known as NEET) are more likely to become long-term unemployed. In addition, the jobs they are in are likely to be low paid and temporary. This target is concerned with ensuring that those young people who are most likely to need support are able to get it and 'have opportunities to improve their skills and to get into the labour market' (Scottish Executive, n.d.). Again there is a focus here on the labour market as the route out of and protection from poverty.

Meeting this target, however, will be a significant challenge for the Scottish Executive given that they believe that between 1998 and 2003 there was no

evidence of any significant change in the levels of young people in the NEET group. In achieving this target the Executive will build on the various initiatives that are already operating. These initiatives are not detailed but the aim is to: provide flexible learning opportunities and support services for young people; promote inter agency collaboration in planning; develop the evidence base on the NEET group; and promote best practice amongst a range of service providers.

The justification for this target is valid. Action that reduces the proportion of young people who are not in training, work or in education is vital to tackle poverty in the longer term. Previous evidence has shown that young people in low income areas are more likely to be in the NEET group (Scottish Executive, 2003). Long term success in bringing down the proportion of young people from low income households who are in the NEET group should assist longer term efforts to tackle poverty and exclusion.

The difficulty in achieving this target should not be underestimated, as the Executive acknowledges. It is not clear from the Executive *Closing the Opportunity Gap* website what new programmes will be in place to tackle this issue. Action will build on current initiatives, but given that no real progress has been made in the last several years it is difficult to see how real progress will be achieved.

If the target that the Executive has set itself with regard to the NEET group is difficult, what of those relating to looked after young people? It will come as no surprise to readers of this Journal that although making up a relatively small proportion of the population, young people leaving care are often found in situations of poverty and social exclusion. They are less likely to remain in formal education or to be in employment and training than their peers who have not been in education. As the Executive states 'there is also strong research evidence linking those who are not in education, employment and training (NEET) after leaving school and disengagement with the economy and society later in life' (Scottish Executive, n.d.). It is this disengagement that the Executive is seeking to reverse.

Again, this will be a challenging target for the Executive and their Local Authority partners to achieve. In March 2004, only 36% of care leavers were in education, employment or training, although it should be noted that the status of 23% of care leavers was not known. It may be that a sizeable proportion of those whose status is unknown are in a positive situation. Measurement of this target will therefore be something of a challenge itself.

Local authorities will be central to delivering on this target. They will have to ensure that they know the destinations of all those who have been in their care,

and that they have access to the support services they need. In addition to the services that local authorities provide, the Executive is also funding 'Columba 1400' to provide support to those leaving care and a £6 million two-year pilot programme of educational support to looked after children.

For some the destination of care leavers may seem like a marginal issue in the context of the fight against poverty. However, success in meeting this target could be seen as a measure of how well the Executive is doing overall in closing the opportunity gap. It should be seen as a measure of how well Scotland, not simply the Executive, is doing in creating a more inclusive and socially just society. Looked after young people often not only come from some of the most disadvantaged backgrounds but also are more likely to have lower educational outcomes and experience recurrent periods of unemployment when they leave care. If part of the Executive's approach is to help those who are most vulnerable to poverty, then those leaving care must be a key target.

Once again this will be a very challenging target for the Executive to meet. Ensuring that more than 50% of all care leavers move into positive outcomes will represent a significant step forward in this area, and in a relatively short timescale. However, even if this ambitious target is met by 2007 there remains the pressing question of what approach should be taken to the significant minority of care leavers who will not be in education, training or employment.

## Conclusion

This article has sought to give a general description regarding current trends in poverty and the policy responses to it. Overall, the news is generally good. Child and pensioner poverty have fallen in Scotland, and new resources have been targeted on these groups. Although poverty rates of all groups remain significantly worse than they were in the 1980s, and the UK still has poverty rates well above the European average, there is little doubt that we are moving in the right direction.

In Scotland, the policy response to issues of poverty and social exclusion has developed over the last few years. The broad ranging and ambitious Social Justice Strategy has been scaled back to what may be seen as a more 'manageable' *Closing the Opportunity Gap* approach. This approach still displays a welcome cross cutting approach to anti-poverty work, and usefully locates policy around looked after young people as a key component of the anti-poverty strategy. In terms of policy development, of the understanding of many of the challenges we face in terms of tackling poverty and exclusion amongst our most vulnerable groups, the Executive should receive praise.

However we must sound a note of caution. Failure to tackle low incomes amongst those without children will hamper efforts in other areas. Too many young people still face a bleak future, particularly those leaving care, and it is these young people who will experience the cycle of low pay and unemployment that condemns them to a life on persistent low income. If this a cycle is to be broken then the Government, north and south of the border, will need to ensure that all groups affected by poverty are being helped.

## Notes

<sup>1</sup> 'Relative' poverty refers to the proportion and number of children living below 60% of median household income for a particular year, whilst 'absolute' measures the proportion living below the 60% threshold for a particular year, in this case 1996/97. For a full discussion, see Kelly (2005a).

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