## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive summary</td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td>9</td>
</tr>
<tr>
<td>Flowers in barren ground: the experience of communities Oxfam works with</td>
<td>10</td>
</tr>
<tr>
<td>The dominant economic model – and why it is failing</td>
<td>11</td>
</tr>
<tr>
<td>Measuring the new prosperity</td>
<td>12</td>
</tr>
<tr>
<td>An ailing society: Glasgow's story</td>
<td>13</td>
</tr>
<tr>
<td>Our society: really regenerating communities</td>
<td>15</td>
</tr>
<tr>
<td>Whose work, whose wealth? The labour market divide</td>
<td>18</td>
</tr>
<tr>
<td>Our work, our wealth: closing the labour market divide</td>
<td>22</td>
</tr>
<tr>
<td>Whose worth? The disconnect between earnings and social value</td>
<td>25</td>
</tr>
<tr>
<td>Our worth: linking economic reward with social value</td>
<td>25</td>
</tr>
<tr>
<td>Whose taxation system? Rewarding the rich, punishing the poor</td>
<td>27</td>
</tr>
<tr>
<td>Our tax system: a tool for achieving equality</td>
<td>28</td>
</tr>
<tr>
<td>Whose welfare state? The erosion and stigmatisation of social protection</td>
<td>30</td>
</tr>
<tr>
<td>Our welfare state: solidarity through social protection</td>
<td>31</td>
</tr>
<tr>
<td>Whose decisions? How wealth equals influence</td>
<td>33</td>
</tr>
<tr>
<td>Our decisions: equality through power and participation</td>
<td>36</td>
</tr>
<tr>
<td>Whose community? Barriers to collective assets and ownership in low-income communities</td>
<td>38</td>
</tr>
<tr>
<td>Our communities: enabling collective ownership</td>
<td>39</td>
</tr>
<tr>
<td>Whose environment? The unequal causes and effects of climate change</td>
<td>41</td>
</tr>
<tr>
<td>Our environment: sharing the benefits of a low carbon future</td>
<td>43</td>
</tr>
<tr>
<td>Reclaiming our economy</td>
<td>45</td>
</tr>
<tr>
<td>Our business: creating social returns – the role and responsibilities of the private sector</td>
<td>46</td>
</tr>
<tr>
<td>Conclusion – how do we get there?</td>
<td>49</td>
</tr>
<tr>
<td>Our Economy: recommendations for sharing real wealth</td>
<td>51</td>
</tr>
<tr>
<td>Notes</td>
<td>55</td>
</tr>
<tr>
<td>References</td>
<td>60</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

For too many Scots, the existing economic model is failing. Far from improving their lives, it traps them in a cycle of economic hardship. For them, the signs of economic prosperity are in clear sight, but remain stubbornly out of reach. In modern Scotland, inequalities are both numerous and gaping – in income and wealth; in life chances and lifestyles; and between individuals and communities. Despite decades of economic growth, regeneration and a myriad of anti-poverty policies, the reality for many Scots is a cocktail of high mortality, economic inactivity, mental and physical ill-health, poor educational attainment, and exclusion from the decisions that affect them.

The roots of this poverty are historical and structural. In recent decades, the Scottish economy has been transformed from one based on manufacturing to a service-led, supposedly ‘knowledge economy’. Retail and call centres have expanded to (partly) fill the void left by the demise of manufacturing. Service jobs have replaced skilled trades. Yet these new jobs do not necessarily offer a route out of poverty: many roles simply do not pay enough to live on, far less build for the future.

Experiencing poverty in this rich country is also intensely stressful. Stigmatisation through media and political rhetoric adds to individuals’ sense of anguish and isolation. They, not society, nor the economy, are blamed for their poverty. Meanwhile, pressures to consume abound in a culture that elevates status and image above relationships, community contribution or care for the environment.

Yet it is possible to overcome poverty, both in Scotland and across the UK. As the seventh richest country in the world we have adequate resources. Many of the solutions already exist – hidden within the very communities hit hardest by an economic model that worships at the altar of ‘economic growth’.

In Scotland, Oxfam works in the same ways as we do overseas – we work with community groups who are addressing disadvantage and to overcome the structural causes of poverty and inequality. This community viewpoint is the starting point for this paper. Our partners undertake extraordinary work. Their ideas and experience have helped frame the structure and content of this report. By learning from their experience we hope to show how allocating resources in a more effective and sustainable way can deliver lasting change.

We need to re-position the Scottish economy as the servant of the people and pursue policies which deliver for the people. In doing so, we will create a new prosperity with fewer extremes of money and wealth, esteem and status, power and position. At the heart of this new prosperity would rest community-led economies which focus on the quality and distribution of growth – creating livelihoods for the many, not profits for the few. The assets of communities, and the value of individuals, would be utilised and enhanced to promote a sustainable and socially-just future.

But this new system must be nurtured. Policy-makers must play a central and driving role as the underwriters of community solutions: supporting communities to develop what they want, in the manner they want; promoting and fostering shared economic activity, decision-making and prosperity; and fostering a wholesale reclamation of the economy with genuine participation for all.
Our propositions for change include the creation of a socio-economic duty and associated Poverty Commissioner; social protection measures championed as a collective good on which we all depend, and from which we all benefit; recognition of the central role of businesses in the new economy (as taxpayers, employers and recipients of state support); and an interrogation of economic growth (how we pursue it, how we share it, and how we measure it). Below is a list of our recommendations for change:

Measuring the new prosperity

- Build on the National Performance Framework and the Oxfam Humankind Index to create a better way of measuring our collective prosperity.
- Monitor and evaluate Government policies and private sector activity holistically (using Humankind Impact Assessments) to ascertain net contribution to society.

Our society: really regenerating our communities

- All state agencies should be governed by a socio-economic duty, and replicate Highlands and Island Enterprise's brief to pursue social development. State support via these agencies should be conditional on achieving genuine social returns.
- Create a Poverty Commissioner to ensure spending decisions are poverty proofed and to support communities to challenge Government policies and private sector actions that do not contribute to socio-economic equality.
- Economic development and planning policies should take into account gender equality and conduct gender impact assessments to understand the impact on the poorest women.

Our work, our wealth: closing the labour market divide

- Employers in the public and private sectors should pay a living wage.
- Employers need to ensure their workplaces are conducive to inclusive employment. As part of a socio-economic duty, state support should be withheld if key conditions are not met.
- Work should be better shared. This is likely to require limiting overwork and reprioritising paid and unpaid time.
- Greater earnings equality should be linked to state support – including reduced taxes and charges for those companies with lower pay multiples. Scottish Government agencies should consider this as a key consideration in financial support.
Our worth: linking economic reward with social value

• The amount someone is paid should reflect their contribution to society. This means increasing wages for those who create social value yet are poorly paid (such as childcare workers) and reducing wages for those who destroy social value yet are highly paid. Scotland’s public sector can lead by restructuring its own payment regimes to create incentives for those organisations which deliver public services that promote social value.

• Social enterprises and community organisations need their social contribution valued and appropriately funded. ‘Best value’ should be extended to fully incorporate the goal of socio-economic equality.

Our tax system: a tool for achieving equality

• Tax havens, offshore earnings and loopholes which allow avoidance, should be pursued and closed. Business support, corporate social responsibility awards and government plaudits should be contingent on companies meeting their tax obligations.

• A ‘Robin Hood Tax’ – a financial transaction tax – should be pursued with the finance raised being used to protect those living in poverty at home and overseas.

• The principles of the Public Health Levy should be extended to other activities that harm Scotland’s prosperity – this will require the tax base to be shifted to environmentally and socially harmful activities (such as pollution, overwork and the accumulation of wealth) ensuring that entities undermining the collective good pay more.

Our welfare state: solidarity through social protection

• A Sustainable Livelihoods Approach (SLA) to social protection should be pursued. This would recognise complex barriers to work, gender differences and caring responsibilities as well as rewarding individuals’ range of skills and contributions (including activities that deliver social benefit but are currently insufficiently valued by the market).

• Introduce a Financial Security Change Fund to mitigate against welfare cuts.

Our decisions: equality through power and participation

• The state should underwrite community solutions by providing financial support for local investment as well as technical assistance.

• Planning policies need to be amended to position communities and their priorities at the apex of decision-making with state revenue and civil service targets directed to areas and projects that people themselves determine – real agenda-setting, not just consultation on details of projects presented as faits accomplis.

• Finance and technical support should be skewed towards deprived communities to enable them to participate in planning processes. This requires a range of outreach processes being followed to reach the poorest communities, delivered by culturally and gender sensitive practitioners.
• Training (and retraining) of public officials is needed so that officials appreciate the extent of socio-economic inequality in Scotland and the barriers this creates for deprived communities in accessing, utilising and enhancing their social, human, environmental, financial and physical assets.

• Participatory Budgeting should be deployed more widely, helping ensure that public expenditure serves community needs and reflects community priorities.

• Community spaces – rather than those for shopping – need to be prioritised by planning and economic development.

Our communities: enabling collective ownership

• Support for Cooperative Development Scotland and social enterprises needs to be increased, with a more ambitious remit to make such models the ‘structure of choice’ for enterprises in Scotland.

• The Scottish Government should consider enacting – parallel to the Community Right to Buy – a ‘Right to Control’ or a ‘Right to Manage’ which gives communities and employees the option and support to buy or take over management of relevant businesses at certain junctures.

• Funding is required to make it easier for deprived communities to own assets for local benefit. As part of a socio-economic duty, council staff should support deprived communities prepare for ownership, with upfront grants enabling communities to assess the merits of an opportunity.

• The Scottish Land Fund should pay particular attention to deprived areas and provide adequate support to ensure poorer communities can benefit from these provisions.

Our environment: sharing the benefits of a low carbon future

• Public procurement processes should support low-carbon industries and take environmental considerations into account.

• The Scottish Government’s own expenditure through the Scottish Budget needs to be skewed towards environmentally beneficial activities.

• There must be protection for the most vulnerable from any negative impact associated with a transition to sustainable, low carbon economy. This means ensuring vulnerable communities and individuals benefit first from opportunities created.

• Women, so often excluded from manufacturing opportunities, should be supported into emerging low carbon employment industries.

• There should be a duty on companies poised to make considerable money from the natural resources of Scotland, to recompense the Scottish people. This could involve the creation of a Renewable Energy Equality Fund or a ‘right to buy’ into new commercial projects for local communities and non-profit organisations.
Our business: creating social returns – the role and responsibilities of the private sector

• A Scottish Ethical Business Initiative (SEBI) should be explored. Based on the Ethical Trading Initiative model, this would set out key aspects of acceptable behaviour for businesses operating in Scotland. Given that Scotland is home to many financial institutions, the SEBI would encourage all institutional investors (including pension funds and other asset owners) operating from Scotland to adopt, implement and publish a responsible investment policy.

• As part of a socio-economic duty, state assistance (such as preferential procurement, licensing, advice, rebates, subsidies, training and awards) should be contingent on businesses delivering socio-economic benefits.

• As Scottish Government support for low carbon industries expands with considerable support provided to selected businesses, the *quid pro quo* should be an expectation that these organisations help reduce socio-economic inequalities.

• Investors should be pushed to integrate all relevant social, environmental and governance into investment decisions, with implementation monitored and progress reported annually.
INTRODUCTION

Poverty is unjust and unacceptable. It is also avoidable. In Scotland, the proportion of people on low incomes is almost twice that of the Netherlands and one and a half times that of France. Yet there is nothing inevitable about Scotland’s level of poverty. In comparison to many other countries where Oxfam works, several conditions for eradication of poverty already exist. These include a (relatively) independent media and judiciary; provision of (increasingly) basic services and infrastructure; and laws that prohibit discrimination. However, the dominant mode of economic development is perpetuating old inequalities and creating new ones. Systemic structural discrimination, powerful institutions, vested interests, and negative public attitudes have undermined redistribution and led to unequal access to services and opportunity. The resulting inequalities undermine empathy and mutual support systems, enabling and exacerbating the demise of the relative value of social protection.

This paper is the product of a series of seminars held in Scotland in 2010-2011 entitled ‘Whose Economy?’, organised by the University of the West of Scotland and Oxfam’s UK Poverty Programme in Scotland (see Oxfam’s Policy and Practice website for films of the presentations, and papers contributed by key speakers). Discussions were framed using the Sustainable Livelihoods Approach which highlights that people, communities and societies need more than financial assets to prosper – they need social, environmental, human and physical assets as well. In considering the access to, and barriers to enhancing, these assets, the seminars explored the dominant economic model and associated issues of wealth, inequality and power; labour market equalities; solidarity and social protection; community relationships and consumerism; and environmental sustainability. In short, we explored the realities of people’s lives. We didn’t simply look to statistics around income levels or employment.

There were lively debates about various topics and positive alternatives were proposed. This paper attempts to distill these discussions, and draw on the experiences of communities where Oxfam works, to imagine a new prosperity for Scotland: one in which we share production and rewards and consume sustainably, and in which there are fewer extremes of money and wealth, esteem and status, power and position. It explores alternatives to a mode of narrow economic development that has proved itself incapable of delivering collective prosperity. It envisages community-led economies generating better quality and more equal growth, where the assets of Scottish communities and the value of individuals are enhanced to promote Scotland’s social and environmental sustainability.

In the sections that follow, the Whose Economy? findings are briefly sketched out, highlighting the experience of Oxfam’s partners and the communities where Oxfam works. The existing model of economic development pursued in Scotland, and more widely across the UK, is analysed – with particular reference to Scotland’s largest city, Glasgow. This analysis focuses on the ramifications for deprived communities in terms of inequalities in health, wealth, employment and power. Discussion also covers changes in the way social protection is delivered, and the economy’s impact on local and global environments. Following each section we offer an alternative vision and corresponding set of policy proposals to reclaim our economy.

Under this approach, economic development would focus on communities that need it most. Instead of watching from the sidelines, communities would actively benefit from economic activity through participation in the production and distribution of wealth. They would be employed in quality jobs and engage with businesses that deliver real social, environmental and economic benefits.
By way of conclusion, this alternative model is then distilled into some practical policy actions for the Scottish Government, for Scotland’s private sector and for Scottish civil society, with a view to better sharing our collective real wealth. These are not definitive, nor do they represent a detailed policy blueprint. Oxfam Scotland is working with the University of the West of Scotland to develop a new policy forum featuring Oxfam’s partner organisations and leading thinkers in various areas. We hope to publish further work to expand on some of our recommendations below.

FLOWERS IN BARREN GROUND: THE EXPERIENCE OF COMMUNITIES OXFAM WORKS WITH

‘Community is the thing we should value most in life… If we’re going to move forward at a time when the economy’s failing and our ecology’s under threat we have to look at how communities can be involved in the equation much more, because when you see communities working, it’s an amazing thing.’ – Tam McGarvey, GalGael Trust, 2012

Scotland’s biggest asset is its people. So it is no surprise that some of the best ideas about challenging poverty and its root causes come from people in Scotland’s deprived communities. They see opportunities for change. They have passion and enthusiasm. They demonstrate time and again that the answers lie in communities.

Oxfam wants to end poverty and suffering – in Scotland and around the world. To do that, we work with partner organisations in the communities most affected. The word ‘partner’ reflects our relationship; both sides bring skills and ideas, both sides benefit from the relationship.

Our partners stand up for themselves. They create projects that challenge the dominance of a money-driven world. They use community action to enhance equality and provide the social support that prevents people falling into crisis.

But our partners in Scotland don’t have an easy job. From Beith to Clydebank to South Uist our partners create positive change – but it is often against the odds. Bureaucracy wears them down – its complexity; its lack of understanding; its lack of creativity; its hoarding of power and information; and its inability to support competent and passionate individuals with ideas to work with those around them. Our partners are often not taken seriously – instead they are patronised and brushed away as a nuisance rather than welcomed as a partner for change.

The deprived communities they work in are too-often excluded from decisions that impact on them. Representative democracy does not work for communities when they are not listened to by policy-makers. Some politicians have been guilty of visiting partners for photo opportunities, but then failing to offer tangible support. Our partners often find that official criteria about their work is changed, just as they deliver what they were told was required. Civil servants and policy-makers at all levels pass responsibility back and forth, from one level of government and from one department to another. Our partners in Govan report feeling like an island of disadvantage in a big city that builds roads around them, rather than standing beside them for change.
One of the results is that wealthier neighbourhoods obtain grants and resources while our partner organisations struggle to survive – a reflection of how wealth and power go together in our society. Our partners also tell us that their success is undermined by the economic system. They see economic developments being given priority by people in power, without any firm expectations – let alone evidence – that developers will deliver social benefit. Over the years this has been seen in Linwood, Clydebank and Partick.4

There is little consideration of the social and environmental damage associated with many forms of economic development. Instead, the private sector is given official respect and deference that Oxfam's partners can only dream of.

As a result, many of our partners are struggling. They are vulnerable financially. Funding is either not forthcoming, or it is not provided over the long term. Our partners are often told there is ‘no money left’ – only to see vast sums spent on building shopping centres, new motorways and corporate subsidies.

Our partners are extraordinary. Our economy should embrace their ideas, their wisdom, and their passion for a fairer Scotland.

THE DOMINANT ECONOMIC MODEL – AND WHY IT IS FAILING

‘By building a more dynamic and faster growing economy we will increase prosperity, be better placed to tackle Scotland’s health and social challenges, and establish a fairer and more equal society’ – Scottish Government, 20115

This presumption is false. It ignores the failure of decades of economic growth to change the lives of too many Scots who still face premature mortality, economic inactivity, mental and physical ill-health, and poor educational attainment. In some parts of Scotland more than one in five adults are being prescribed drugs for anxiety and depression.6 In these communities – the communities where Oxfam works – the economic and social policies pursued in recent years have largely been ineffective in reducing deprivation,7 while unquestioningly prioritising economic growth has produced social and environmental damage. Failings of the current economic model manifest themselves profoundly in Scotland’s growing health inequalities, most evident in Glasgow. Inherent in this dominant, but inadequate, model have been the assumptions that:

• Wealth creation will ‘trickledown’ to benefit all.
• Wealth creation is more important than wealth distribution.
• Market freedom is more important than community wellbeing or individual security.
• Local economic development premised on retail and services is sustainable (economically, environmentally and socially).
• Money spent on bricks and mortar, rather than on enhancing communities themselves, will improve the socio-economic circumstances of vulnerable neighbourhoods.
Any jobs are better than none, regardless of quality; work in and of itself explicitly makes a good society; and paid work makes the most valuable contribution to society.

How and what wealth is created and distributed has been ignored in the drive to simply increase it. When the economy grinds to a halt, the communities Oxfam works with are left high and dry by forces out with their control.

*Whose Economy?* participants highlighted how the pursuit of labour-market flexibility has foisted most risk onto individuals to the detriment of family and community life. They told how the slavish pursuit of Gross Domestic Product has devalued our environmental assets (such as community parks) and failed to limit the impact of environmental degradation. Participants noted how the prevailing model of economic growth has intensified materialism and consumerism, resulting in debt and environmental damage whilst singularly failing to increase true satisfaction. They also described how social, political and economic structures insufficiently recognise, foster, harness and enhance the assets of communities. The result of our flawed economic model is a society and economy in which many social problems stem from alienation – from each other, from industry and even from one’s own aspirations and sense of identity. Angst and hopelessness seem to be growing: suicide is correlated with deprivation (and is higher in Scotland than in England or Wales⁸). This is made worse by social and political discourse, particularly at the UK level, which labels people as ‘scroungers’, ‘cheats’ and ‘undeserving’. *Whose Economy?* reflected on these injustices, recognising that it is perhaps unsurprising that people experiencing poverty are more likely to die early and spend more of their shorter lives unwell.⁹

**MEASURING THE NEW PROSPERITY**

‘*Most of us would define genuine wealth in terms of the conditions of our relationships…the social cohesion of our neighbourhoods and the quality of our children’s play. We wouldn’t tend to measure wealth in terms of our military spending, war, the development of prisons, the cutting down of ancient forests, or increases in the [stock market]’* – Mark Anielski, 2003

Participants take part in a group discussion as part of the Humankind Index consultation

In order to achieve this sustainable and socially-just Scotland, there needs to be a re-framing of politics so that Scotland nurtures what matters to Scotland.
We must develop a better way of measuring our collective prosperity, beyond just narrow economic growth, in order to reconceptualise what constitutes the ‘success’ of our economy and the ‘success’ of communities and individuals. While the Scottish Government’s National Performance Framework is a good starting point, economic growth, as measured by Gross Domestic Product, still seems to sit at the top of the framework. Pursuing real prosperity, encapsulated by a consensual measure that captures what is important to people, would help shift the focus of our attention and the efforts of our policy-makers so that they sustain our society, and do not simply kowtow to the economy. It would lead to the prioritisation and reward of social goods (relationships, care, nurture, gentleness, recycling, mutuality, play, healthy spaces and so on) as opposed to short-term economic gain for the fortunate few.

Developed through widespread public consultation, the Oxfam Humankind Index enables Scotland to measure itself by those aspects of life that make a real difference to people. The Index is an attempt to move away from an economy and society based on inequalities of wealth and pursuit of relative status, and towards an economy and society which promotes health (mental and physical) and equality, and reduces poverty, inequalities and over-consumption. It will help policy-makers and communities focus on what is required for a sustainable and socially-just Scotland – one in which resources are built together and their benefits better shared.

Yet such a measurement will only be of help if affects policy change. Oxfam has developed a Humankind Index Policy Assessment Tool to help monitor and evaluate the impact of Government policies and private sector activity on the Humankind Index. We hope policy makers and others will engage with this tool and move towards more holistic assessments of proposed policies and their net contribution to society.

**Recommendations**

- Build on the National Performance Framework and the Oxfam Humankind Index to create a better way of measuring our collective prosperity.
- Monitor and evaluate Government policies and private sector activity holistically (using Humankind Impact Assessments) to ascertain net contribution to society.

**AN AILING SOCIETY: GLASGOW’S STORY**

‘Alienation... is the cry of men [sic] who feel themselves victims of blind economic forces beyond their control... The feeling of despair and hopelessness that pervades people who feel, with justification, that they have no real say in shaping or determining their own destinies... Society and its pervading sense of values leads to another form of alienation. It alienates some from humanity.’ – Jimmy Reid ‘Rat Race’ Speech to Glasgow University, 1972

Glasgow, where most of Oxfam’s work in Scotland is undertaken, demonstrates how the imposition of a narrow model of economic development impacts communities and individuals. It illustrates how pursuit of a very partial type of financial assets undermines social and human assets – our friends, our family relationships and our health.
The Whose Economy? seminars showed that up until 1981 the gradient of poor health in Glasgow mirrored that of similarly-sized UK and European regions. Since then, however, health inequalities have deepened because of something beyond material deprivation. Glasgow’s level and variation of income deprivation is the same as in Liverpool and Manchester. Yet Glasgow’s poor health manifests in premature male mortality which is 30% higher than in these comparable cities; suicide is 70% higher; there are 32% more violent deaths; and 225% more alcohol-related deaths. These excesses emerged only in the last two or three decades – a time when the Scottish economy grew by almost 2% each year and when spending on social problems and social welfare doubled.

Asking why this is the case, rather than blaming individuals involved, reveals the uncomfortable path Glasgow pursued over the last few decades. Whose Economy? contributors suggested that the mode of economic development (premised on a trickle down from wealth creation) pursued from the 1980s onwards seemed to intensify anxiety over image and status, compelling people into materialistic pursuits that damaged wellbeing and led to harmful behaviours (such as alcohol and drug misuse). Whereas deindustrialisation has been somewhat managed and mitigated in other old industrial areas, the West of Scotland lost the greatest number of jobs as a proportion of its total employment. And while regeneration models in comparable cities also incorporated ‘lifestyle’ and consumption, Glasgow’s economic development appears to be particularly service-based and consumerist. For example, once one of the world’s leading industrial cities, Glasgow is now the UK’s second largest shopping destination. £2.55 billion is spent in Glasgow shops each year, compared to Edinburgh’s £1 billion.

Glasgow shows how transition to a narrow model of economic growth and reliance on trickle down fails to reduce inequalities – or to revive communities rendered redundant by the prioritisation of finance over people and of pounds over participation. The experience of Oxfam’s partners in Glasgow is that development of shops, business parks and infrastructure under the ambit of regeneration has not equated to a reduction in local unemployment – jobs created are often taken by people from outside the area and displace jobs in other local businesses. Physical improvements focused on business development and consumption-based activities, but, despite decades of considerable investment, this did not significantly reverse the comparative fortunes of disadvantaged communities.
Vulnerable people are not assisted in gaining relevant skills on a sufficient scale, nor have the types of jobs available been relevant to local people. Instead, individuals are compelled to increase their own ‘employability’. In practice, this means becoming more ‘flexible’ – disregarding family and community affiliations, lowering expectations, and even changing how they look. The Whose Economy? seminars revealed that citizens increasingly need to engage as consumers and customers, rather than as community members.

‘You have clothing but you think you have nothing to wear...you have that pressure to go out and buy stuff, to just go out and buy stuff...You feel the pressure of buying something that you don’t really need’ – Mary

‘We have pressure, pressure from the marketing, television and all those things, people around, competition’ – Olivia

Feelings of stress and strain are reported – especially for families on benefits or minimum wages who struggle to cope with consumer pressure. Many fall deeper into debt in an attempt to keep up with their peers and wider society, with others experiencing a sense of marginalisation and inadequacy. Oxfam’s research in Glasgow highlights that families experiencing poverty feel compelled to consume to assert their similarity and avoid being stigmatised as poor. Providing socially-acceptable clothing has become a means by which parents protect their children from such stigmatisation, by masking poverty to outsiders. Mothers make considerable personal sacrifices, for example reducing ‘invisible consumption’ such as food, or missing out on activities that sustain their own social assets.

‘There are times that I can’t afford my shopping bill. When that happens I’ll make sure that my son eats before I do. In the last fortnight before pay day I would say I skip meals maybe twice a week, just to make sure that he has enough.’ – Ann, full-time council worker

‘Even if you can’t afford it you’ll give to your weans before you have for yourself…I put myself down the line to get them more’ – Carole-Anne

Low income in childhood and feeling unsafe and insecure has been linked to a greater susceptibility to messages that promise happiness through consumption. It seems that Glasgow’s brutal experience of deindustrialisation rendered Glaswegians susceptible to the negative effects of materialism spawned by the ensuing model of economic development, creating angst, hopelessness and status anxiety. Yet the economic development medicine prescribed to cities like Glasgow is making people worse. So while the Scottish Government’s ‘preventative spending agenda’ is a welcome step towards long-term and holistic policy-making, it will do little – as currently envisaged – to change the structures that alienate and disempower people.

OUR SOCIETY: **REALLY** REGENERATING COMMUNITIES

‘Communities that have worked successfully to promote a measure of ‘cultural continuity’ linking their own traditional past and building collective future [will best support their young people]’ – Chandler et al, 2003

As the bitter experience of Glasgow has shown, Scotland’s communities need good growth, based on better distribution and gender equality. Self-organising
communities, setting their own direction and utilising local resources and determining the nature of development and distributing it more equally are important in giving people control back, control that links to improved health outcomes. Vibrant communities directing economic activity to where it is needed locally will create local jobs, delivering goods and services appropriate for local contexts. This is what underpins robust local economies.

But this requires re-balancing economic activity so it focuses on those communities which need it most. Enterprises — whether social enterprises, small businesses such as childcare providers, or large businesses — need to be enticed into deprived areas, creating economic action in areas where the market fails to deliver. Tax breaks, subsidies and other public sector provided incentives should be used to direct private sector investment where it is most needed, linking such incentives to tangible socio-economic impact.

Economic development and planning policies also need to take gender equality into account. Gender impact assessments to help understand the impact on the poorest women should be undertaken.

Creating enterprise

Glasgow-based organisation Karibu is led by African women and provides support to vulnerable women from Africa, often those seeking asylum. Supported by Oxfam, Karibu delivers befriending; volunteering and mentoring support; drop-in sessions; sign-posting to support agencies; English and computer classes; and gardening and textile training. This support helps women navigate complex bureaucratic processes and access the social protection available to them. Many of Karibu’s members find they face barriers to employment. In response, Karibu is developing a catering enterprise called ‘A Taste of Africa’, creating employment for women using their skills and knowledge. This is an example of creating demand for skills the market has deemed to be of little economic value, supporting women to participate in the economy, and giving marginalised individuals some power in a market that to date has not recognised their contributions.
Type of economic activity is important – the Oxfam Humankind Index\(^35\) shows that Scottish people prioritise health and having a safe, secure and affordable home, a pleasant local environment and satisfying work. The Index also shows that people are very precise about what they want from the economy – suitable work, enough money to participate in society, and security of income and employment. Economic activity needs to deliver across these areas – not simply be pursued for its own sake.

This means planning policies need to strengthen demand for high-quality jobs and ensure that local people are employed.\(^36\) Greater links between social and economic sustainability need to be made by state agencies such as Scottish Enterprise.\(^37\) All state agencies should be governed by a socio-economic duty, and replicate Highlands and Island Enterprise's brief to pursue social development in their respective regions.\(^38\) Such state support should be conditional on achieving genuine social returns. A Poverty Commissioner for Scotland could help enforce such a duty, ensuring spending decisions are poverty proofed and communities wishing to challenge Government policies and private sector actions that do not contribute to socio-economic equality are supported.

### Growing what matters

Glasgow’s Govan has seen much economic activity come and go. Oxfam supports The GalGael Trust, which seeks to repair lives damaged by Govan's declining economic fortunes – a process GalGael describes as the ‘tide [going] out on shipbuilding, leaving communities without work and without meaning’.

GalGael works cooperatively to meet the needs of local people and support their participation in the social, cultural and economic life of the community. GalGael has created a cultural ‘anchor point’ for local people to re-find their skills, community and sense of purpose – through traditional woodworking skills, including building and sailing traditional ships. Its premise is that everyone has something to bring and everyone is welcome – a telling contrast to community members’ experience in an economy that treats them as economic actors with little value beyond their consumption potential.

GalGael is expanding its work as a social enterprise, selling hand-crafted bespoke wooden products and providing paid training courses in woodwork and boatbuilding.
Recommendations

• All state agencies should be governed by a socio-economic duty, and replicate Highlands and Island Enterprise’s brief to pursue social development. State support via these agencies should be conditional on achieving genuine social returns.

• Create a Poverty Commissioner to ensure spending decisions are poverty proofed and to support communities to challenge Government policies and private sector actions that do not contribute to socio-economic equality.

• Economic development and planning policies should take into account gender equality and conduct gender impact assessments to understand the impact on the poorest women.

WHOSE WORK, WHOSE WEALTH? THE LABOUR MARKET DIVIDE

‘Labour market conditions are widening the income gap between full-time employees and an increasing share of the workforce on part-time, insecure and low wage jobs. This comes in a context where income inequality was already high and rising before the recession’ – OECD, UK Annual Health Check, 2013
Over the past 25 years the top 1% of earners in the UK have seen their incomes rise by 117% in real terms. This compares to an increase of just 47% for the poorest 10%. This rising inequality is particularly stark when looking at the pay of large, multinational company directors. The average CEO of a FTSE 100 company is now paid £4.8 million per annum - 185 times the average salary. This has risen from £1.2 million in 1999 and is forecast to increase further in the coming years.

In-work poverty is rising in Scotland as a share of all poverty. While the number of pensioners in poverty has decreased significantly in recent years, the number of people with jobs who are living in poverty has risen. Since 2008, in-work poverty has grown from around 255,000 to 280,000. Poverty wages demonstrate that work is not always a route out of poverty. And in necessitating working tax credits, they also reduce state funds for other methods of poverty alleviation. While in-work tax credits are vital for those on low incomes, they are effectively subsidies from the public purse to employers paying poverty wages. In the UK, businesses paying below the Living Wage cost society between £5.9 billion and £6.3 billion a year in extra benefit payments and lost taxation. Poverty wages also fail to take account of a business’s ability to pay, or earnings at the top of the organisation. For example, while many supermarket employees receive tax credits, their bosses earn between £3.2 million (Justin King, Sainsbury’s) and £6.9 million (Philip Clark, TESCO) annually.

Alongside growing labour-market inequalities is an increase in work insecurity. Jobs accessed by people moving off Jobseeker’s Allowance invariably entail short spells of employment rather than sustained employment trajectories. The jobs that are emerging often do not represent quality work; instead they are filled by a growing group (particularly women) described as ‘the precariat’. 

![Diagram of People in Poverty 2012](image-url)
who face an ‘insecure working environment characterised by casual contracts, low pay and deskillled work’. Across the UK there are more zero-hour contracts than anywhere else in Europe, with the second highest proportion of contracts requiring less than ten hours a week.

‘The precariat consists of those who feel their lives and identities are made up of disjointed bits, in which they cannot construct a desirable narrative or build a career, combining forms of work and labour, play and leisure in a sustainable way’ – Guy Standing, 2011

We know that supportive assets are damaged when people can access only short-term, poor quality work. Discussions in the Whose Economy? seminars highlighted how social interaction, for example, is curtailed when people work anti-social hours or multiple jobs to make ends meet – they become both time-poor and income-poor. The 2010 Marmot Review warned that ‘insecure and poor-quality employment is... associated with increased risks of poor physical and mental health’. Yet in Scotland the number of people working part time, but wanting full time work has risen to 120,000, from 70,000 in 2008. In addition, there has been a rise in self-employment as outsourcing rises – with associated rises in insecurity for many who lack the power to benefit from hyper-flexible employment relations, namely women and ethnic minorities.

On top of these national issues of poor wages, insecure work and underemployment, changes in Scotland’s economic base and, consequently, its labour market have meant that, in deprived communities, employment options are limited. There are few permanent jobs, limited opportunities for high quality part-time work, and insufficient family-friendly policies (such as job sharing and term-time working). Even prior to the recession, there was a lack
of jobs accessible to particular communities. Although the unemployment rate in Scotland is currently around 7%, over one in six people of working age are not in work, while many more are in low-quality and low-paid work. Current statistics show that for every Job Centre Plus advertised vacancy across Scotland (be it full-time, part-time or temporary), there are 5 Jobseeker’s Allowance claimants. For every full time job, the figure is 1 in 8, rising to 1 in 40 in West Dunbartonshire.

At the same time as the total number of hours worked across the economy is falling, we tolerate the ‘hoarding of work’ (the UK was alone in opting out of the EU maximum working hours legislation). For those in work there is a growing divide between the hours worked by high- and low-paid workers (now 2,450 compared to 1,050 hours annually). Polarisation is thus growing: between the highly-paid and those relegated to the lower-paid, insecure end of the labour market; and between professional and managerial workers (who retain considerable bargaining power) and those who lack the education and skills to be ‘competitive’ in the labour market. Projections suggest this ‘hourglass economy’ is likely to increase.

These inequalities reinforce segregation of particular demographic groups in poor quality work. Gender is one manifestation of this: while many men (often those who once worked in industry) are relegated to the status of long-term unemployed or become reliant on disability benefit, many women are unable to do paid work because of caring responsibilities. When women are employed they remain subject to a pay gap, disproportionately concentrated in unskilled and semi-skilled work, leaving them economically isolated and vulnerable to low wages, sporadic employment and segregation into stereotypical ‘women’s roles’.
OUR WORK, OUR WEALTH: CLOSING THE LABOUR MARKET DIVIDE

‘Quality jobs benefit people, companies and places. They are the seeds from which broader prosperity grows, providing workers with the opportunity for self-sufficiency, economic security, and a sense of control over their lives’ – International Economic Development Council, 2010

Work is an important mechanism to reduce poverty. It provides an income, and often skill-development and social status that imparts esteem and self-worth, in turn linked to mental and physical health. Yet our polarised labour market means that the social and economic returns from quality work are only derived by some people. The simultaneous existence of overwork, unemployment and underemployment in Scotland demonstrates that we need to make the labour market more inclusive so those who need work access its benefits.

Jobs need to be created in areas that need them most. Jobs also need to be inclusive, rather than just the preserve of those with the resources and contacts to lever opportunities. People need to be supported in skill-acquisition, confidence-building and in managing other responsibilities. Vocational qualifications need to be accorded greater recognition and value.

All employers need to ensure their workplaces are conducive to inclusive employment (this might require cultural change so colleagues are supportive of those who lack confidence or recent work experience). Inclusive employment demands commitment to delivering genuine gender equality – giving women the skills they want for the jobs, and lives, they want. This should be part of the socio-economic duty of businesses. If businesses do not meet such socio-economic duties, state support should be withheld (see page 46-48 for further discussion). Be it tax relief, wage subsidies, training allowances, business assistance or reward and recognition, state support should be contingent on creation of quality work accessible to those who need it most.

In 2011 the Scottish Government articulated an aim to make ‘better use of its purchasing power to help deliver sustainable economic growth… using community benefit clauses in contracts to provide training opportunities for local people, or by reserving contracts for supported businesses’. If the Procurement Reform Bill translates into tangible advantage for disadvantaged groups, it could be an important mechanism to achieve a more inclusive labour market, enabling the state to deliver greater socio-economic equality.

Scotland needs to consider how to manage lower levels of economic growth without this leading to the high levels of unemployment and underemployment currently evident. Within the current economic model, it seems that ‘full employment’ as once conceptualised is unattainable at least in the foreseeable future: the economy cannot generate sufficient jobs (particularly the numbers of entry-level jobs it once did) while it is focussed on creating wealth rather than sharing work. Greater socio-economic equality demands radical rethinking of how work is allocated across society and between age groups, and how individuals assess their own employment needs. It might require new conceptions of business ‘efficiency’ that go beyond short term cost reduction which often equates to labour reduction to understandings that labour intensive operations can deliver wider socio-economic benefit. It might require new conceptions of work outwith that of the market and beyond the formal contract between an employer and employee.
Sharing work better means limiting overwork\textsuperscript{73} where possible and reprioritising paid and unpaid time. This will require changes to regulation and remuneration, and new social norms that celebrate work-life balance above long hours. Consideration of a shorter working week in Scotland might be necessary. This has benefits for communities and wider society. The US state of Utah found when all public sector employees shifted to a four-day week, significant environmental benefits (decreased transport and energy costs) and a rise in volunteering resulted.\textsuperscript{74} The Scottish Government already leads by example with its flexible-working practices and job-share arrangements – and should incentivise the private sector to follow its example. Of course, this requires sufficient security of income through strong social protection mechanisms (discussed elsewhere) and Living Wages. Better sharing work also requires employers to provide flexible working arrangements and childcare so mothers can access work without compromising their caring responsibilities.

Providing quality employment

Oxfam’s experience is that businesses can be part of poverty-reduction efforts through creating jobs that provide decent and fair working conditions, and enhancing the skills of women and other marginalised groups. Employers have a responsibility for the wellbeing and security of their employees and workers in their supply chains. For businesses to deliver positive socio-economic impact, work not only needs to be better shared – it also needs to be better quality\textsuperscript{75}:

- Impart a sense that one’s work is worthwhile and satisfying
- Deliver security and Living Wages.
- Ensure work is shared. The European working time directive – which the UK has opted out of – could be used as a benchmark for an acceptable working week. If people need to work beyond this to earn enough to live with dignity and participate in Scottish life, it is likely that their wages are too low.
- Enhance equality (with minimum wages linked to average earnings).
- Enable employees to undertake other activities in their communities; and facilitating progression.

The Oxfam Humankind Index made clear that work that is satisfying, secure and suitable is a key priority for the people of Scotland.\textsuperscript{76} Alongside this, there is a strong business case for providing such decent work, including better staff retention, morale, loyalty, productivity and a healthier community in which to sell, source and recruit.\textsuperscript{77} Employees are more likely to remain in a job and deliver to the best of their ability if work meets their needs – if it delivers security, if it allows work-life balance, and if it makes people feel that they are part of a team through earnings equality. Potential customers and investors will be attracted by satisfied employees and sustainable business practices.

But this business case will only be recognised by enlightened employers with long-term vision. For others, regulation is important to compensate for unequal power in the labour market. One area where little legislation exists is earnings equality (the ratio between the highest paid and the lowest paid in an organisation), despite its relevance to employee motivation, wider socio-economic equality, and even societal solidarity. Greater earnings equality should be linked to state support – including reduced taxes and charges for those companies with lower pay multiples. \textit{Whose Economy?} participants called for an earnings ratio of 7:1, and some expressed a desire for a maximum wage. In the meantime, transparency of earnings ratios (for example in annual reports) would enable Scottish civil society to pressure companies and regulators to deliver greater earnings equality. The Scottish Government also has a role
to play in ensuring that its agencies consider this as a key factor ahead of any financial support. It is also an important trendsetter in terms of earnings-convergence in public sector agencies.

Work, however, should not be construed as simply something provided by others, a transaction in which individuals experiencing poverty are just ‘takers’ without scope to shape the nature of their employment nor the activity being undertaken. Instead, Scotland’s communities need to be assisted in generating the work they want, through the creation of employment in activities that address community needs. This means proactively creating those enterprises that increase the power of smaller producers or otherwise vulnerable individuals to enter the market – through collective mechanisms such as employee ownership, trade unions or producer cooperatives. With more power in the market, people can negotiate terms and obtain a greater share of reward. Rebalancing power relationships in the labour market will bring greater equality to employment, in turn increasing socio-economic equality.

**Developing enterprise where it is needed most**

Oxfam’s Enterprise Development Programme (EDP), which operates in countries such as Rwanda and Nepal, is an example of communities creating local employment delivering goods and services their communities require. It helps people experiencing poverty harness commercial opportunities to work their way out of poverty. The EDP provides loans, grants and bank guarantees for capital equipment and working capital; mentoring to help with business decisions; advice for engaging with the state; and technical assistance and marketing support. Mentoring assists communities maximise their assets, learning new skills, gaining employment and avoiding costly and environmentally unsustainable practices.

In Scotland, Oxfam has supported Eadha Enterprises, a social enterprise which aims to unlock potential through planting trees to regenerate land and communities. Thriving native forests if properly designed and managed can meet the needs of local communities, creating a resource that can provide incomes and jobs for local people, as well as helping protect local biodiversity. Eadha Enterprises was recently awarded £37,000 from the Central Scotland Green Network (CSGN) to develop a Growing Green Energy (GGE) Project.

**Recommendations**

- Employers in the public and private sectors should pay a Living Wage.
- Employers need to ensure their workplaces are conducive to inclusive employment. As part of socio-economic duty, state support should be withheld if key conditions are not met.
- Work should be better shared. This is likely to require limiting overwork and reprioritising paid and unpaid time.
- Greater earnings equality should be linked to state support – including reduced taxes and charges for those companies with lower pay multiples. Scottish Government agencies should consider this as a key consideration in financial support.
WHOSE WORTH? THE DISCONNECT BETWEEN EARNINGS AND SOCIAL VALUE

‘...wealth is simultaneously no ultimate reward and makes many without wealth feel more worthless – causes despair. In turn, despair prevents us from effectively tackling injustice’ – Danny Dorling

Remuneration structures bear little relevance to the social value delivered by different roles. Existing pay structures favour financial accumulation, materialism and status competition at the expense of activities that nurture, sustain the environment, or involve sharing and care for others. This reflects a disconnect between what is being created by the current economy and what people and communities actually value most (see ‘Measuring the new prosperity’, below).

According to the new economics foundation, bankers destroy £7 of social value for every pound they generate, while advertising executives (because of their encouragement of consumer spending, and the debt and feelings of inadequacy and stress they cause) destroy £11 for every pound they generate.

By contrast, some of the worst-paid members of society generate most social value: childcare workers create up to £9.50 of social benefits for every £1 they are paid. There is a strong gender bias to the inverse correction between remuneration/job quality and job value – jobs performed by women, particularly those from ethnic minority communities, are often the lowest-paid and most insecure. Yet these jobs, including care work and teaching, make the greatest contribution to communities, families and society.

OUR WORTH: LINKING ECONOMIC REWARD WITH SOCIAL VALUE

‘All have their worth and each contributes to the worth of the others.’ – J.R.R Tolkien

The imbalance between remuneration and social value, and the way that the market undervalues activities of greatest social value, need correcting. Scotland needs to properly value activities that increase prosperity and enhance wellbeing. This entails redeploying remuneration to prioritise activities which are most socially beneficial. Such redeployment would signal which roles are most important in Scottish society and alter associated incentive structures.

Scotland’s public sector can lead by restructuring its own payment regimes to create incentives for those organisations which deliver public services that promote social value. The Scottish state can use its patronage (such as advice, funding and recognition) to celebrate organisations demonstrating appropriate remuneration models, and provide guidance and compulsion to spur recalcitrants to change (for example, by withholding support, licensing and public contracts from those organisations operating perverse remuneration policies).

Similarly, social enterprises and community organisations need their social contribution valued and appropriately funded. This will ensure their contribution to social and environmental sustainability will still be realised even if they cannot derive a surplus through mainstream economic practices. The Scottish public sector spends £9 billion each year buying goods and services. Its axiom of
deriving ‘Best Value’ from these purchases needs to be extended to incorporate the goal of socio-economic equality. This means properly valuing activities: reward organisations which deliver quality work and are inclusive in their employment, support local economies, retain wealth locally, and proactively and substantially engage with communities. It would not matter whether these organisations constitute social enterprises, charities, cooperatives or mainstream businesses – the key measure would be whether they operate in a progressive manner to deliver socio-economic returns to those who need it most. It would mean that organisations such as GalGael (see page 17), which deliver so much social value – but which struggle to present this in terms of pounds and pence – would flourish.

We also need to recognise that useful and socially valuable ‘work’ need not mean ‘jobs’ in the sense of paid work. Work in the home, community activities and productive leisure are fundamental to our collective prosperity and individual wellbeing, and as such need to be encouraged and enhanced. Social attitudes evidence suggests that when people do recognise a contribution being made by individuals receiving benefits (such as carers) there is considerable backing for supporting these individuals through collective revenue.85 Real social protection (following the Sustainable Livelihoods Approach) would implicitly acknowledge all contributions and roles in society, including those not currently valued by narrow economic metrics that look only to financial assets.

Your creation

Sunny Govan Community Radio uses media to encourage, support and celebrate local people and their communities. Its slogan is: “Your station, your creation”. Sunny Govan champions volunteering – individuals and community groups are actively encouraged to take a role in the station to ensure it succeeds in its objective to stimulate community development. All contributions from all people are welcome and everyone is valued for their unique skills and unique value.
Recommendations

• The amount someone is paid should reflect their contribution to society. This means increasing wages for those who create social value yet are poorly paid (such as childcare workers) and reducing wages for those who destroy social value yet are highly paid. Scotland’s public sector can lead by restructuring its own payment regimes to create incentives for those organisations which deliver public services that promote social value.

• Social enterprises and community organisations need their social contribution valued and appropriately funded. ‘Best value’ should be extended to fully incorporate the goal of socio-economic equality.

WHOSE TAXATION SYSTEM? REWARDING THE RICH, PUNISHING THE POOR

‘The dramatic growth of pay at the top has created an economic elite, which appears to ‘float free’ from the rest of society’ – High Pay Commission, Interim report, 2011

Scotland is one of the most unequal societies in the developed world. The wealthiest households are 273 times richer than the poorest households.86 This looks likely to widen in future years. In 2012 Scotland’s 100 richest men and women increased their fortunes to £21 billion, up from a combined wealth of £18 billion in 2011.87 These deepening inequalities are accentuated by the declining progressivity of the UK tax and benefits system88 – which should address rather than exacerbate inequality. Even before the rise in VAT and the cut in the top rate of tax which have taken place in recent years, people on low incomes in the UK paid a larger amount of their income in consumption taxes than those in higher-income categories,89 and a larger proportion of income as tax (39%) than the richest fifth (35%).90
At the other end of the scale, tax minimisation for big businesses (under the guise of ‘tax efficiency’) seems an accepted, even condoned, practice of ‘prudent’ businesses. Inevitably, it is the wealthiest businesses (and individuals) who can afford to buy in expertise that ‘benefit the most from exploitation of reliefs and loopholes in the tax system’. One Whose Economy? speaker estimated that £120 billion is lost in tax avoidance and tax evasion in the UK annually. Recent research has estimated the amount lost through tax evasion is £69.9 billion (this doesn’t account for legal tax ‘avoidance’), while HMRC estimate the ‘tax gap’ to be £32 billion. Each of these figures are vastly greater than the £3.4 billion lost from the welfare system due to fraud and official error – and yet this seems to be where political and media vilification is focused. Despite such glaring imbalances, employers are rewarded for simply offering jobs, regardless of their quality or accessibility, and tax rates are lowered in an attempt to entice businesses into a locality with little effort to ensure they repay this ‘corporate welfare’. There is no hint that such support for businesses is contingent on any quid pro quo beyond simply the ‘business of business’.

**OUR TAX SYSTEM: A TOOL FOR ACHIEVING EQUALITY**

‘Taxation is often at the heart of a social contract between citizens and government’ – Oxfam International

Ensuring that all taxes are levied in a progressive manner – whether by the Westminster Government as current arrangements provide for, or under a future
scenario where more tax raising powers are devolved to the Scottish Parliament – is crucial for a fairer distribution of Scotland’s resources. If the focus of social policy is only on the poorest people and areas of most deprivation, then analysis and solutions are limited to mere mitigation, disregarding privilege and inequality at the top of the economy and society. Tax should be a redistributive mechanism so economic development benefits the most vulnerable in society. A rigorously-enforced progressive taxation system ensures individuals and companies with most opportunities to sustain their livelihoods and enhance their assets pay a fair amount of tax, while also allowing universal services to be fairly paid for.

Enforcement needs to include the pursuit of tax havens, offshore earnings and closing of loopholes which allow avoidance, with moral and reputational weight brought to bear on those who avoid paying. Business support, corporate social responsibility awards and government plaudits should be contingent on companies meeting their tax obligations. As outlined in the Whose Economy? discussions, a truly fair tax and benefits system would ensure contribution by all, and would treat fraudulent and selfish behaviour in the tax system as seriously as it treats fraud in the welfare system. Our tax regime should also include support for a ‘Robin Hood Tax’ – a financial transaction tax – which collects funds directly from those who caused the financial crisis and uses them to protect those now bearing the brunt of the budget cuts made in response.

In short, tax can help create the sort of Scotland we want. It can help fund social protection measures and curtail activities that do not fit this vision. Shifting the tax base to environmentally and socially harmful activities (such as pollution, overwork and accumulation of wealth) means that entities undermining the collective good pay more. The public health levy on large retailers selling alcohol in Scotland is a good example of this. The principles of this should be extended to other activities that harm Scotland’s prosperity – such as businesses which pollute, speculate on land and those which do not provide decent work. Concurrently, the tax load should be lightened on activities contributing to environmental and social sustainability (such as renewables and work that gives employees time to meet family and community responsibilities) and organisations contributing to robust local economies (community and employee cooperatives and locally-focused enterprises that invest, recruit and source locally).

Recommendations

- Tax havens, offshore earnings and loopholes which allow avoidance, should be pursued and closed. Business support, corporate social responsibility awards and government plaudits should be contingent on companies meeting their tax obligations
- A ‘Robin Hood Tax’ – a financial transaction tax – should be pursued with the finance raised being used to protect those living in poverty at home and overseas.
- The principles of the Public Health Levy should be extended to other activities that harm Scotland’s prosperity – this will require the tax base to be shifted to environmentally and socially harmful activities (such as pollution, overwork and the accumulation of wealth) ensuring that entities undermining the collective good pay more.
‘Those pulling the economic reins would have us believe that these people are workshy loafers, scroungers and benefit junkies’. – Tam McGarvey, 2012

Wherever Oxfam works, whether at home or abroad, it is apparent that without income, savings and access to social insurance, shocks can force people to go without food, sell their assets and rely on support from social networks. Unfortunate events (such as losing employment, becoming ill and relationships ending) can happen to anyone – this is where social safety nets are crucial. What is unjust is the unequal distribution of this support, and the lack of understanding of why it is provided (let alone the blatant stigmatisation of recipients). Worse is the perpetuation of structures in the economy and society that create inequalities in life chances in the first place. These inequalities account for a significant element of demand on public services (via the correlation between income-inequality and social and health problems). It is estimated that 40% of Scotland’s public expenditure is spent reactively mitigating negative outcomes that would be preventable if our economy and society worked better for the people.

Despite this, ‘social protection’ such as welfare, education and health services – which mitigate extremes of wealth and compensate for unequal distribution of opportunity – are under attack. As speakers at the Whose Economy? seminars observed, welfare in particular is becoming the ‘enemy of society’. The welfare system is increasingly seen as a battle between ‘us’ and ‘them’ – with ‘us’ paying for it and ‘them’ using it (ignoring the £850 billion of state funding provided to banks in crisis). As social protection measures become increasingly (and punitively) conditional on certain behaviours, individuals who do not fit a specific mould are blamed – and their contribution to society questioned because it is measured in purely economic terms.
Clydebank Independent Resource Centre (CIRC) in the west of Scotland is a barometer of how changes in the welfare system are affecting communities. It has been offering welfare rights advice for two decades and is now dealing with the consequences of partial means-testing and more stringent assessment for many benefits (including lengthening application forms, increasing restrictions on eligibility and a proliferation of incorrect decisions by government officials). Demand for CIRC’s help in disability-related benefits has risen significantly: many clients require support to appeal a decision that initially denied them their benefit. Almost 80% of decisions are overturned when CIRC supports appeals – bringing belated financial support for those Clydebank residents who desperately need it, but only after a process which incurs considerable cost to the taxpayer. The growing need for CIRC’s services demonstrates that our social protection regime is denying vulnerable people the most modest of support.

Consequently, the UK welfare system provides one of the lowest income-replacement benefits in the OECD. Out-of-work benefits and other measures now bear no resemblance to what is required to lift families out of poverty; nor to average earnings; nor to what people deem necessary to be able to participate in society. Between the late-1970s and mid-1980s, taxes and benefits offset over half of rising market inequality; now they reduce inequality by just a quarter.

OUR WELFARE STATE: SOLIDARITY THROUGH SOCIAL PROTECTION

‘I am indebted to the British welfare state...When my life hit rock bottom, that safety net, threadbare though it had become...was there to break the fall.’ – JK Rowling, 2012

Social protection is an antidote for market failure and an important mechanism to deliver substantive equality in Scotland. For Oxfam, social protection is public and publicly-mandated initiatives that prevent individuals and households from declining into destitution and enable them to cope with shocks. It encompasses the transfers of resources, and the provision of essential services, free health care and education. It cannot, however, substitute for pro-poor social or economic policies. As currently arranged, social protection delivers only some protection against the collateral damage of an economic system that rewards some at the expense of many others.

Social protection in Scotland should be positioned as a means to achieve greater equality. Rather than compelling people to make claims and assert their conformity through compliance with narrow conditionality regimes, social protection should be delivered as a right – based on a social contract to deliver greater socio-economic equality. Using current powers the Scottish Government should do all they can to ensure individuals take up their rights under this social contract. Already they have committed an additional £9 million to the devolved Social Fund (Community Care Grants and Crisis Grants), above and beyond the sum devolved from Westminster, demonstrating that action is not contingent on greater devolution of powers to the Scottish Government. They must go further, however. One way to do this would be to introduce a Financial Security Change Fund to mitigate against the worst of the welfare cuts. Such an approach could seek to extend successful welfare money and advice...
programmes and organisations, such as Clydebank Independent Resource Centre and boost the capacity of credit unions. It could be brought together with matched contributions from energy companies and banks operating in Scotland to assist those who may be affected by welfare changes and, in the longer-term, explore approaches to encourage savings among low-income households.\textsuperscript{119} This would enhance the preventative benefit of social protection – reducing not only demand, but the inequalities which drive demand for social protection.\textsuperscript{120}

**The Sustainable Livelihoods Approach to social protection**

The Sustainable Livelihoods Approach (SLA) is an approach to tackling poverty that takes as its starting point not deprivation but assets: the strengths and capabilities of people living in poverty and the strategies they use to ‘get by’ through drawing on a range of human, social, environmental, physical and financial assets. Initially developed by organisations working in the global South, it has since been brought to the UK. It is used by Oxfam and the UK government’s Department for International Development (DfID). It is participatory in nature - starting from people’s everyday experiences, using this information to build up a picture of their livelihood strategies, and seeing people as active agents of change. By looking at the range of factors that determine poverty it constitutes a framework for social protection that delivers greater equality across all five assets. Using the SLA to see people’s lives holistically would, for example:

- Prevent mothers being pushed into work that encroaches on their caring responsibilities without putting in place adequate supports.
- Recognise individuals’ range of skills and contributions, including activities that deliver social benefit but are currently insufficiently valued by the market.
- Appreciate the complex barriers to work (lack of affordable transport, affordable childcare for example).
- Ungrudgingly compensate people who are unable to work or live in areas highly affected by economic blight.
- Understand that confidence and self-esteem are pre-requisites for people entering the labour market.
- Take account of gender differences and accordingly deliver wrap-around childcare.

The SLA framework will also ensure that Scotland’s social protection system recognises the structural causes of poverty, reducing divisions between recipients and funders and ensuring all are treated with dignity and respect. Social protection thus needs to be advocated and delivered as a universal and collective good on which all Scots depend and from which all gain. Most people derive substantial benefits from the welfare state as children and in old age, but less so in their working years.\textsuperscript{121} It is estimated that 75% of the redistributive impact of welfare is across lifecycle, not from richer to poorer.\textsuperscript{122} This ‘lifetime welfare contract’ should be highlighted to elicit greater commitment to taxation. Social protection needs to be funded through progressive taxation so that those with most ability to contribute (often due to an unequal head start in life) do so, and those who need support at various points in their life receive it according to their needs.
Recommendations

• A Sustainable Livelihoods Approach (SLA) to social protection should be pursued. This would recognise complex barriers to work, gender differences and caring responsibilities as well as rewarding individuals’ range of skills and contributions (including activities that deliver social benefit but are currently insufficiently valued by the market).

• Introduce a Financial Security Change Fund to mitigate against welfare cuts.

WHOSE DECISIONS? HOW WEALTH EQUALS INFLUENCE

‘The people in power don’t listen to the people facing the problems’ – Asma Abdullah, Amina, 2011

The creation of an economic elite, combined with increasing stigmatisation of people in poverty, stretches social links up to and beyond breaking point – to the extent that one group no longer recognises a common bond with the other. It is dangerous when those with the power to influence the lives of others cannot relate to the livelihoods and challenges of ‘ordinary’ people.¹²³

Power is skewed along the same contours as wealth, and vested interests perpetuate the current configuration of access and privilege, undermining the ability of individuals to engage in decisions that impact them.¹²⁴ As politicians’ reverence to wealth continues,¹²⁵ perceptions of influence within wider society have fallen. In 2011, only 22% of Scots felt they could influence decisions affecting their local area.¹²⁶
Oxfam research has found that local residents are under-represented on bodies that make decisions about regeneration, and that local decision-making structures are insufficiently open to substantial community involvement and shared agenda-setting. More than half the people living in Scotland’s most deprived 20% of areas report difficulties in improving local circumstances, compared to less than one-third of people in the least deprived areas.

This picture is mirrored at a national level: a recent report estimates that more than two thirds of those who give evidence to Parliament or are appointed to public bodies earn over £34,000 per annum (despite only making up 14% of the population).

Our partners see business interests almost exclusively capturing the attention of politicians and policy-makers, while they themselves are patronised as ‘backward’ and their demands dismissed. Women are often absent from economic decision-making at all levels. Oxfam has found that even when women attend regeneration meetings, the manner in which meetings are run can discourage them from participating. Exclusion has serious repercussions: disempowerment and lack of control contribute to ill-health and cause adverse health behaviours.

Dealing with exclusion

Tea in the Pot is a twice-weekly women’s drop-in service in Govan, Glasgow. Supported by Oxfam, it provides guidance, advice and support to women on mental health issues, welfare rights and employability. Most importantly, it is a safe space for women to meet and share their experiences, thoughts, concerns and ideas. Despite numerous statutory agencies operating in Govan, Tea in the Pot members feel they are not consulted on decisions made on their behalf. On the few occasions they do meet officials, they feel their opinions are neither listened to nor respected. Tea in the Pot is a concerted reaction to this; a community-led forum created to bring women together to voice their concerns, on their terms, for their reasons and for each other.
Disempowerment of community groups is further evident in the growing contracting-out of public services to private companies. Via corporate supply chains, many community organisations find themselves part of delivery frameworks for government policies. Once embedded in supply chains (for example, delivering welfare-to-work policies), their income streams rely on implementation of government agendas. This financial dependence creates a reluctance to disagree with dominant policy agendas. This is epitomised in the experience of an Oxfam partner which found that ‘community organisations could have either resources or a tongue in their heads’.

This effective silencing of certain voices through financial dependency (and granting of privileged access for those with most resources) undermines the ability of policy-makers to hear the voices of deprived communities; to see and understand how their policies impact the poorest and most vulnerable people; and to listen to alternatives suggested by communities.

Every little £20 million helps…

Multinational supermarket chain Tesco (the UK’s largest private sector employer) has recently been accused of using its economic power to impose its plans on the community of Linwood, near Glasgow. Linwood was once home to a large Chrysler factory, the closure of which led to 13,000 job losses. By 1995, Linwood had one of the UK’s highest unemployment rates.

Tesco acquired a shopping centre from Balmore Properties. In 2001, Balmore purchased Linwood Town Centre for £1.7 million, selling it to Tesco for the same amount in 2007. It is claimed that Balmore allowed the area to fall into disrepair as some retailers were evicted and others refused lease extensions, leading to closures, desertion and eventual disrepair, graffiti and anti-social behaviour.

Tesco created a ‘Love Linwood Group’, stating that it undertook ‘rigorous consultation… with Linwood residents’, asserting it would ‘regenerate Linwood, bringing not only a Tesco store, but many jobs for the long term unemployed and a new health centre and library.’ It promised a £20 million development, including public offices and community facilities, and gifted £500,000 for refurbishment of a health centre. In November 2010, Tesco announced the plans would be re-submitted as they would no longer contain a health centre. In June 2011, Tesco received official approval for its plans, however legal matters delayed progress and in April 2012 Tesco announced a new timeline. Development is now expected to be completed in January 2014.

Tesco’s engagement left community members feeling misled, marginalised, ignored and disempowered. They feel Tesco’s agenda was imposed, with only the details up for discussion.

Now the Linwood community is fighting back. Linwood Coalition (bringing together Linwood Focus, Community Council, the Housing Association, churches and football clubs) was formed in 2011 to protect community facilities. The Linwood Community Development Trust – an Oxfam partner – has helped local people develop their own community action plan – reaching out to more than 2,000 residents - demanding affordable community space and the services local people want and need.
In Oxfam’s experience, political and economic transformation are inseparable: redistribution needs to include redistribution of power and voice, accountable decision-making and community-led economic development. As discussed above, this means communities exercising power in markets through sharing ownership, sharing work, and sharing rewards, rather than simply accepting the whim of economic forces beyond their control. It is simultaneously about putting disadvantaged communities at the heart of agendas – enabling genuine participation in economic activity.

Communities that Oxfam works with are not short of ideas and solutions – they need to be supported in developing these by civil society and a state that underwrites community solutions (investing in communities and socialising risk). Communities need to be strengthened so that they have increased power (and heightened expectations) to make demands of the state, the private sector and civil society.

Planning policies need to be amended to position communities and their priorities at the apex of decision-making. Mechanisms to ensure representativeness and the inclusion of seldom-heard voices should be a natural element of planning. State revenue and civil service targets should be directed to areas and projects that people themselves determine – real agenda-setting, not just consultation on details of projects presented as faits accomplis.

As with all channels of participation and engagement, socio-economic barriers to participation need to be recognised. The challenges of living in poverty, of struggling to make ends meet, providing for one’s family on a limited income, often working several jobs and having little time for oneself means that unless there are appropriate mechanisms to support people’s involvement, they will, understandably, feel that the process is not genuinely for them. To avoid perpetuating inequalities, supportive infrastructure needs to be put in place to enable deprived communities to participate on an equal footing. Including, but not limited to, finance and technical support skewed towards deprived communities to enable them to participate in planning processes (otherwise another two-tier system will develop and perpetuate the inequalities in Scotland). Accessible involvement requires a range of outreach processes be constructed to reach the poorest communities. They need to be delivered by culturally and gender sensitive practitioners. Cultural and attitudinal change is urgently required in the public sector. Training (and retraining) of public officials is needed so that officials appreciate the extent of socio-economic inequality in Scotland and the barriers this creates for deprived communities in accessing, utilising and enhancing their social, human, environmental, financial and physical assets.

Participatory Budgeting, in which communities determine budget expenditure, is a proven mechanism that brings local communities closer to public budget decision-making processes. Thus far used only on a small scale, Participatory Budgeting (PB) can help ensure that public expenditure serves community needs and reflects community priorities. In taking the principles of PB to a larger
scale, mechanisms to garner people’s values and concerns (such as Oxfam’s Humankind Index, discussed below) should be utilised to track public spending decisions and ensure they are directed towards issues and activities identified by communities as priorities.\textsuperscript{151}

\textbf{Participatory Budgeting in Govanhill}\textsuperscript{152}

In addition to facing a range of social, economic and health inequalities, Govanhill in Glasgow is a diverse neighbourhood where over 50 languages are spoken. In 2010, the Govanhill Community Action group (GoCA) – comprising representatives from local community groups – was allocated £200,000 from the Scottish Government and tasked with deciding how it should be spent locally. Oxfam supported the group and facilitated the PB process.

GoCA embraced the responsibility – they discussed strategic priorities and then invited wider community groups to participate. Funded projects were innovative, diverse and ambitious, emphasising people rather than place. The PB process was a positive and beneficial experience for all concerned; it enabled structured and purposeful dialogue between community members as well as the public and third sectors. It also reflected a cultural shift towards devolving decision-making power to the Govanhill community and, as a result, trust and respect has increased. The community demonstrated strategic prioritisation of wide community interests – they knew the issues and directed money toward practical, efficient and effective solutions.

PB should be deployed more widely, following the principle of subsidiarity that places decision-making as locally as possible.\textsuperscript{153} This requires collaboration and partnership between people, communities and organisations.

Local environments also need to be conducive to people coming together – without physical spaces to share, engage and deliberate, there will never be the ‘head space’ for doing so: communities need to be together to do together. Community spaces – rather than those for shopping – accordingly need to be prioritised by planning and economic development.
Recommendations

• The state should underwrite community solutions by providing financial support for local investment as well as technical assistance.

• Planning policies need to be amended to position communities and their priorities at the apex of decision-making with state revenue and civil service targets directed to areas and projects that people themselves determine – real agenda-setting, not just consultation on details of projects presented as faits accomplis.

• Finance and technical support should be skewed towards deprived communities to enable them to participate in planning processes. This requires a range of outreach processes being followed to reach the poorest communities, delivered by culturally and gender sensitive practitioners.

• Training (and retraining) of public officials is needed so that officials appreciate the extent of socio-economic inequality in Scotland and the barriers this creates for deprived communities in accessing, utilising and enhancing their social, human, environmental, financial and physical assets.

• Participatory Budgeting should be deployed more widely, helping ensure that public expenditure serves community needs and reflects community priorities.

• Community spaces – rather than those for shopping – need to be prioritised by planning and economic development.

WHOSE COMMUNITY? BARRIERS TO COLLECTIVE ASSETS AND OWNERSHIP IN LOW-INCOME COMMUNITIES

‘Parks are being privatised, community halls closed – all that is left is the bookies and the pub’ – Oxfam Partner

A society seems to be emerging where esteem and self-worth are derived from acquisition, material consumption and perceived status rather than relationships, mutuality or pursuit of equality.\textsuperscript{154} Real prosperity is undermined by a lack of time and emotional ‘space’ for relationships – and in physical ways, as locations where people congregate give way to retail spaces. This undermines collective action and community control that could contribute to sustainable communities with local identities strong enough to resist materialistic messages.

In Scotland, prospects for community control of local physical spaces are weakened because insufficient priority is placed on the needs of deprived communities; whereas wealthier communities are better positioned to benefit from the opportunities presented by ownership of community assets. Since the implementation in 2004 of the Scottish Community Right to Buy Act, only nine purchases have been made via the legislation (up to 2010).\textsuperscript{155} While its existence has facilitated purchases outside the Act, the legislation is complex, cumbersome and resource-intensive (challenges include capacity constraints and burnout of key individuals). Insufficient funding to support community purchases of land mean that the challenges of community ownership are particularly acute for deprived communities.\textsuperscript{156} Facilitative legislation has largely targeted the Highlands and Islands of Scotland, with little support for deprived communities in urban contexts. This will not be helped by the Scottish Budget for 2012-13, which declared a goal of ‘maximising income generated through asset
sales¹⁵⁷ – meaning deprived communities who want to own assets will have to generate ‘maximum income’ to do so. In addition, it has been observed that the greater the challenges faced by a community organisation, the less helpful the banks are.¹⁵⁸ The interests of short-term economic gain seem to outweigh any pursuit of a more equal Scotland through shared ownership of assets.

**Barriers to land ownership in Southern Scotland**

Eadha Enterprises was set up in April 2011 by a community group based in Lochwinnoch, Renfrewshire, with funding support from Oxfam. Eadha seeks to enable and assist communities secure land for the creation of new woodlands, particularly Aspen.

Since establishing their social enterprise Eadha has approached over 30 land owners with a view to either renting or purchasing a small area of land to establish a local nursery for its clone collection of aspen trees. To date it has not been successful in securing even a small pocket of land locally. The group currently houses its growing tree collection courtesy of a friend. It has encountered problems when trying to map ownership of land, access publicly owned land and access privately owned land.¹⁵⁹

**OUR COMMUNITIES: ENABLING COLLECTIVE OWNERSHIP**

‘Reinventing the corner shop, the bakers and local farming is where we’re going to create our jobs and real viability on the ground level. Investing in these will make them resilient economies’. – Indy Johar, 2012

Reclaiming our economy at the margins is insufficient. Instead, reconceptualising and reorientating economic activity so that it advances social and environmental sustainability is needed. This requires new models of business and production in which ownership and management is more widely shared; social and environmental returns take priority; and economic decisions are democratised.
Collective business models such as community or employee ownership can be used to share prosperity, allowing communities and employees to own and control their assets. This can be vital in deprived communities where other sources of investment or service provision are not available. Models of community and employee ownership include credit unions, community or employee cooperatives and community trusts. In Scotland there are approximately 550 cooperatives, co-owned businesses and mutuals.

At a community level, collective ownership impacts on community identity, increasing cohesion, confidence and assertiveness. Ownership of assets also generates income that bolsters the local economy. Crucially, the community (or employees) decides where surpluses are spent, so money is retained locally (leading to further investment and multiplying benefits). For example, as discussed below, community-owned wind farms present an opportunity to develop an income stream to meet social and environmental needs.

The presence of cooperatives in local economies is associated with lower levels of inequality. Cooperatives give greater influence in economic transactions to individuals who – as employees, communities, consumers or producers – would otherwise be unable to exercise significant market power. This distributes resources more fairly than other business models as the wealth received by employees flows into local economies, directed by employees or communities themselves.

### Cooperatives Around the World

Oxfam knows the power of collective action. Where people experiencing poverty have joined together to deliver services they want, they have been able to increase their clout in markets. For example, in Mali, Oxfam worked with partners to build capacity of cotton producers’ cooperatives and reduce small farmers’ dependence on a single cotton harvest. Oxfam's support led to provision of entrepreneurial advice – a need identified by cooperative members. Members relay this information to each other. A guarantee fund increases access to credit. Participation of women farmers involved in running the cooperatives has doubled (particularly because of literacy support) and farmers have diversified into other markets such as Organic Fair Trade and the Better Cotton Initiative.

Beyond cooperatives, locally owned businesses are associated with higher levels of money circulation in the local vicinity, higher levels of corporate charitable giving and greater social returns on investment. Small, locally-owned businesses are also associated with per capita income growth while larger firms seem to have the opposite effect.

Prioritising social sustainability requires that such business models (and also other organisational forms such as social enterprises and ‘Benefit Corporations’) are central, not marginal, to Scotland’s economic future. Scotland’s public bodies (not least Scottish Enterprise and its support agencies Business Gateway and Careers Scotland) should divert their provision of technical expertise and financial support to these business models. Support for Cooperative Development Scotland and social enterprises needs to be increased, with a more ambitious remit to make such models the ‘structure of choice’ for enterprises in Scotland. Business models that elevate social and environmental returns could be further encouraged through tax advantages and procurement preferences that focus on social and environmental outcomes. The Scottish Government should consider enacting – parallel to the Community Right to Buy – a ‘Right to Control’ or a ‘Right to Manage’ which gives communities and employees the option and support to buy or take over
management of relevant businesses at certain junctures (such as when an enterprise enters administration or seeks to expand into new locations).

Recent legislation in Scotland has facilitated ownership and/or management of assets by communities. Scotland’s Land Reform (Scotland) Act 2003 gives communities the right to buy land and buildings in certain circumstances.\textsuperscript{176} There is also considerable supportive infrastructure in place\textsuperscript{176} and funding can be accessed from a range of sources.\textsuperscript{177} The Community Empowerment and Renewal Bill has the potential to extend wider ownership, including in urban areas. However, as shown in the previous section, to deliver social sustainability concerted targeting of support to deprived communities is necessary.\textsuperscript{178} Funding is required to make it easier for deprived communities to own assets for local benefit, particularly at the start-up stage (via social investment, venture capital, philanthropy or social banks, for example), technical assistance, increased transfer of publicly-owned assets (not just liabilities) and ongoing support to increase community capacity to manage and sustain ownership. As part of a socio-economic duty, council staff should support deprived communities prepare for ownership, with upfront grants enabling communities to assess the merits of an opportunity. Delivery of the SNP manifesto pledge to recreate the Scottish Land Fund (set up by the Labour-Liberal Democrat coalition in 2001, and replaced to some extent by the Big Lottery’s Growing Community Assets) to finance buy-outs with community funds should pay particular attention to deprived areas and provide adequate supports to ensure poorer communities can benefit from these provisions.

\section*{Recommendations}

- Support for Cooperative Development Scotland and social enterprises needs to be increased, with a more ambitious remit to make such models the ‘structure of choice’ for enterprises in Scotland.
- The Scottish Government should consider enacting – parallel to the Community Right to Buy – a ‘Right to Control’ or a ‘Right to Manage’ which gives communities and employees the option and support to buy or take over management of relevant businesses at certain junctures.
- Funding is required to make it easier for deprived communities to own assets for local benefit. As part of a socio-economic duty, council staff should support deprived communities prepare for ownership, with upfront grants enabling communities to assess the merits of an opportunity.
- The Scottish Land Fund should pay particular attention to deprived areas and provide adequate support to ensure poorer communities can benefit from these provisions.

\section*{WHOSE ENVIRONMENT? THE UNEQUAL CAUSES AND EFFECTS OF CLIMATE CHANGE}

‘You are lost if you forget that the fruits of the earth belong to all and the earth to no one.’ – Jean-Jacques Rousseau ‘Discourse on the Origin of Inequality’, 1754

Not only is the current consumerist model of economic development bad for our health and our communities, it is also harmful for our environment. The
narrow mode of growth – and its assumption that ‘more is better’, regardless of quality or distribution – has proved catastrophic for the global environment.179 Resource scarcity and biodiversity loss has reached a zenith which confronts all communities with unprecedented constraints.180 In Scotland, as in other countries where Oxfam works, low-income communities are invariably the most negatively impacted by climate change (for example, because they are less able to afford insurance or rising prices stemming from resource limits). They are also most adversely impacted by the environmental damage associated with industrial production (which is often located in the poorest neighbourhoods).181 While they bear the brunt of climate change, low-income families are least responsible – carbon emissions are strongly associated with affluence and consumption.182 It is a further injustice that poorer communities have less access to green space, and consequently obtain fewer health and social benefits from the natural environment.183 In the most deprived areas of Scotland, 74% of people live within a ten minute walk of green or open space, compared to 87% for the least deprived areas.184

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<thead>
<tr>
<th>Access to Green Space</th>
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<tr>
<td>Poorest Fifth</td>
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<td>88%</td>
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<td>Richest Fifth</td>
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<td>87%</td>
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As Whose Economy? seminars demonstrated, seeking environmental sustainability via the existing economic model is inequitable, and simply replacing fossil fuels with renewable energy is not enough. Scotland’s footprint is such that if the world lived as Scotland does three planets would be needed to survive.185 The current economic model of consumerism needs to change so we demand less ‘stuff’ and recycle more. In short, we need to lighten our environmental footprint while widening our social impact.
OUR ENVIRONMENT: SHARING THE BENEFITS OF A LOW CARBON FUTURE

‘Live simply, so that others might simply live’ – Mahatma Ghandi

The planet is haemorrhaging under the stress of rich country lifestyles. Scotland needs to live within the planet’s capacity, but in an equitable way so that the foundations of social justice are maintained: a space that is both environmentally safe and socially just. Simply producing renewable energy will not protect our planetary boundaries. Those who consume too much need to live simpler, less materialistic lives. Creating an economy that is more equal and more socially-just, with strong local economies, might just lead people to consume less.

The Scottish Government expects that by 2020 there will be a significant increase in recycling and a reduction in waste going to landfill. This requires ‘smart consumption’: purchasing more durable products and repairing and recycling more. Scotland needs to focus on manufacturing that is light in resource-use. This should be a key consideration in public procurement policy and contracts.

The government’s own expenditure needs to be skewed towards low impact activities. For example, in the Scottish Budget for 2012-13, £282m was pledged to the Forth Replacement Crossing, compared to the £16m support provided for sustainable and active travel. Reversing such expenditure is part of ensuring that economic decisions incorporate impact on resources. Prices and cost-benefit calculations need to be aligned with environmental impact and social costs.

Of course there must be protection for the most vulnerable from any negative impact associated with a transition to sustainable, low carbon economy. This means ensuring vulnerable communities and individuals benefit first from opportunities created, particularly in the labour market, and ensuring access to social protection so labour market changes do not damage livelihoods.

The Whose Economy? discussions showed that protecting the environment can go hand in hand with creating social sustainability. Green technology and low carbon industries have already been heralded as the way forward for Scotland. Low carbon jobs in Scotland are predicted to grow to 130,000 by 2020, representing 5% of the Scottish workforce. Many decades of the failure of trickle down in the communities where Oxfam works demonstrate that explicit links need to be made to ensure that the benefits are shared: education and training delivered in an appropriate manner; explicit procurement from vulnerable communities; and supportive recruitment to ensure inclusive employment. Low carbon jobs need to be located in areas which have too often been deprived of jobs – in short, employment needs to be taken to communities.

Creating these sustainable and tangible pathways out of poverty must bring together the Scottish Government, Scottish Enterprise and Highlands and Islands Enterprise, local authorities, housing associations, Jobcentre Plus, social enterprises, charities, trade unions and other interested stakeholders. New jobs must also deliver quality jobs paying Living Wages and offering progression and participation. Across this agenda, there must be recognition that women have very often been excluded from good manufacturing jobs and are less likely to work in those sectors expected to grow in the transition to a low carbon economy (such as construction and manufacturing). We need to ensure that women are supported into emerging employment opportunities. Only then will Scotland attain an equitable low carbon future.
Climate-proofing, community-protecting in the Outer Hebrides

Oxfam knows from its work in countries such as Bangladesh the terrible impact climate change can have. Yet climate change also threatens communities in Scotland. The Scottish island of South Uist is particularly low-lying and vulnerable to sea-level rises, increases in the frequency and intensity of rainfall, and changes in wind and storm patterns. Oxfam has supported coastal adaptation carried out by local communities to protect areas of cultivated machair systems using old tyres and damaged fishing nets, and constructing sand-blow fencing.

This shows that not only do we need to take climate change seriously and scale up action to address the challenge, but that in doing so there are opportunities and scope for creating community and social benefit. Most importantly, it demonstrates that solutions are often within communities themselves, whether the ‘community’ is bounded by the shoreline of an island or connected in other ways.

Renewable energy: harnessing the power of communities

We need to ensure that the power of Scotland’s communities is harnessed alongside that of renewables – and that the benefits (economic, social and environmental) of any low carbon bonanza are targeted at those who need it most. The Scottish Government expects that by 2020, 100% of Scotland’s electricity demand will be generated from renewables. This presents significant opportunity for social sustainability – collective community ownership projects can provide a stream of income to the local community, allowing it to maximise the social and environmental benefits. Already there are over 800 community energy projects in Scotland191 with the greatest opportunity for communities to benefit in wind power, followed by hydro, and then biomass.192 Community ownership of renewable energy projects can deliver reductions in fuel poverty, fund energy-efficiency measures or construction of sustainable transport, or deliver finances to be used more broadly (such as development of local enterprises, school projects or local skills).193

The Scottish Government has promised to ‘transform the scale of community ownership of renewable energy developments, by enhancing our Community Renewable Energy Scheme’.194 As discussed above, the impact of such schemes on social justice and poverty depends on the extent to which they proactively target deprived communities and ensure communities determine the nature and direction of development. While there is already some supportive infrastructure in place to enable communities to take ownership of renewable assets, there
is considerable scope to skew this support to deprived communities to ensure outcomes benefit the poorest members of our society. At present, there is a danger that benefits flow only to those communities with the necessary resources, skills, patience and leverage. Low-income communities also stand to lose out because the majority are located in urban areas where there is little scope for large renewable projects.\textsuperscript{195} Adopting a society-wide agenda would entail a duty on companies, which are poised to make considerable money from the natural resources of Scotland, to recompense the Scottish people. Extracting this contribution from businesses could be via hypothecated taxation (a social sustainability levy, for instance) in order to create a Renewable Energy Equality Fund. Another approach would be to ensure that local and non-profit communities are afforded a right to buy a certain percentage of new commercial projects. This could be based on the Danish approach where developers are required to offer up to 20\% shares to those living within 4.5km of a development.\textsuperscript{196}

**Recommendations**

- Public procurement processes should support low-carbon industries and take environmental considerations into account.
- The Scottish Government’s own expenditure through the Scottish Budget needs to be skewed towards environmentally beneficial activities.
- There must be protection for the most vulnerable from any negative impact associated with a transition to sustainable, low carbon economy. This means ensuring vulnerable communities and individuals benefit first from opportunities created.
- Women, so often excluded from manufacturing opportunities, should be supported into emerging low carbon employment industries.
- There should be a duty on companies poised to make considerable money from the natural resources of Scotland, to recompense the Scottish people. This could involve the creation of a Renewable Energy Equality Fund or a ‘right to buy’ into new commercial projects for local communities and non-profit organisations.

**RECLAIMING OUR ECONOMY**

‘The big economy out there is s*it, we’ll do it ourselves’ – Oxfam partner at Whose Economy? seminars, 2011

In Scotland empathy – let alone solidarity – is being eroded by inequality, making rights for the poorest and most vulnerable harder to uphold. Reversing inequality is therefore key to overcoming poverty and achieving social justice. As Oxfam’s work in Scotland and worldwide has shown, this means putting disadvantaged communities at the heart of policies and programmes; developing communities’ capabilities and building their initiatives; and sharing ownership.

Building solidarity within and between communities will regenerate support and sharing – creating a context in which giving back to community is inherently rewarded and reciprocated, and in which materialistic pressures can be better resisted. Already more mutual aid, through informal volunteering, is undertaken in low-income communities than in affluent communities.\textsuperscript{197} Oxfam’s sustainable livelihoods research\textsuperscript{198} reveals that in vulnerable communities the most important (and sometimes the only) assets are family relationships and social networks. These social assets engender a sense of support sometimes not evident from
the state – and might explain why the only dimension of wellbeing in which lower socio-economic grades report greater satisfaction than higher socio-economic grades is community. These social assets need to be protected and enhanced by economic development, not undermined by economic development that treats people as inventory and sees communities simply as markets.

This building of solidarity needs to be reflected at the macro level, where social justice and equality is determined via distribution that takes place through two mechanisms – market processes initially, and subsequently by the state. The former can be made more equitable by, for example, Living Wages, equality of earnings, sharing asset-ownership, employee bargaining power, sharing the benefits of wealth production through cooperatives, and utilising the role of small enterprises in sustaining local economies. Meanwhile, the state can redistribute to achieve greater equality through comprehensive social protection, underpinned by progressive taxation.

Ultimately, this will help to create an economy that serves the people of Scotland, not the other way around. It is evident that profound and substantial changes are required. This means focusing on what matters to people, and concertedly prioritising greater socio-economic equality. Both public sector and private sector activity needs to be directed to this end, giving socio-economic equality and sustainability precedence in decision-making, and ensuring a socially-just and sustainable Scotland is the goal of public and private sector action.

Investment needs to be directed to Scotland’s poorest communities, enabling them to create the economies that they want: economies that are inclusive, sustainable and equitable. Stronger duties on government agencies to deliver socio-economic equality are necessary. A duty could be both simple and profound. It would ensure all new development and policy was undertaken with long term thinking in mind, benefiting society and ensuring we didn’t undermine labour conditions, communities and the environment. There must be greater expectation on businesses operating in Scotland, with a mirroring of the reciprocity expected from individual citizens, particularly the conditionality placed on those receiving welfare benefits.

OUR BUSINESS: CREATING SOCIAL RETURNS – THE ROLE AND RESPONSIBILITIES OF THE PRIVATE SECTOR

‘The old business model of growth at any price is broken. We have to find a new way of doing business’ – Amanda Sourry, Chair, Unilever UK

Challenges facing deprived areas and vulnerable communities are multi-dimensional and therefore require multi-faceted solutions involving a range of organisations, not simply the state and civil society organisations. Many of the causes of poverty are within the private sector’s sphere of influence, some arguably more so than that of government. The lives of people experiencing poverty are impacted, positively and negatively, by the actions of businesses, whether large corporate or small to medium enterprises:

• Employment practices (job creation, recruitment techniques and quality of work).
• Sales and pricing decisions.
• Advertising strategies.
• Location and local investment.
• Supply-chain policies.
• (Increasingly) delivery of government contracts.

Accordingly, just as there should be a public sector duty to ensure socio-economic equality, businesses operating in Scotland should be subject to greater expectations. This would ensure that businesses that do not meet key socio-economic criteria would not be eligible for state support.

Oxfam has strong relationships and diverse partnerships with many private sector enterprises, through which it has engaged to encourage behavioural change and expand social impact delivered by businesses. When businesses (not least small and medium enterprises) harness their own skill-sets and integrate social and environmental responsibilities into core activities and decision-making, they make the greatest and most efficient impact on poverty. Businesses make the best contribution doing what they do best – not trying to replicate the state or civil society – but acting for the right reasons and from an enlightened perspective of sustainability.

As discussed above, there is a clear case for businesses to deliver socio-economic returns, including reputational enhancement amongst current or potential staff as well as local communities, civil society, investors and regulators. Employee attraction, retention and motivation will be increased whilst avoiding both consumer and shareholder pressure, and regulatory intervention. Delivering socio-economic equality also helps create ‘healthy’ and stable market contexts.

But this clear business rationale should be made stronger to incentivise more businesses to consider the wider impacts of their operations and contribute to social justice and sustainability in Scotland. Scottish businesses should be rewarded when they maximise their positive impact: state assistance (such as preferential procurement, licensing, advice, rebates, subsidies, training and awards) should be contingent on businesses delivering socio-economic benefits.

The 2011 Scottish Budget states that it will require recipients of major public contracts to deliver new training, employment and apprenticeship opportunities. Expectations on business need to go further – the current Scottish Government must aim higher. For example, as Scottish Government support for low carbon industries expands with considerable support provided to selected businesses, the *quid pro quo* should be an expectation that these organisations help reduce socio-economic inequalities. Businesses have told Oxfam that mandating them to act in a certain way or to deliver a certain activity, particularly when accompanied by tangible incentives, will compel action. Accordingly, a Scottish Ethical Business Initiative (SEBI) should be explored, led by civil society (based on the model of the Ethical Trading Initiative, see below), but constructively engaging businesses. The SEBI would set out key aspects of acceptable behaviour for businesses operating in Scotland, including:

• Paying tax and being transparent in doing so.
• Offering quality jobs to those most disadvantaged.
• Enabling and encouraging sharing of work through flexible working and restrictions on overtime.
• Using supply chains to support socially orientated local enterprises and cooperatives.
• Enacting remuneration policies that reward social value and contribute to equality, rather than perpetuating inequality.

• Ensuring local communities shape development at all stages.

In maximising the private sector’s impact on poverty, Scotland should take advantage of its role as a home for many financial organisations to set world-leading standards. The SEBI should encourage all institutional investors (including pension funds and other asset owners) operating from Scotland to adopt, implement and publish a responsible investment policy. This policy should assign senior management responsibility for its implementation and force investors to engage with companies in which they invest to encourage high standards of social and environmental performance. Furthermore, investors should be pushed to integrate all relevant social, environmental and governance into investment decisions, with implementation monitored and progress reported annually.

Beyond the financial sector, creation of a SEBI enables discussion of the industries Scotland needs to encourage, and which industries should take a less prominent role in our economy. The overarching consideration should be an industry’s capacity to advance environmental and social sustainability. Similarly, models of business that serve people before profit need to be supported—cooperatives and social enterprises as discussed above, but also social enterprises and ‘Benefit Corporations’ which state that profit will be balanced by other values and objectives. In this way, over time, Scotland’s business base will comprise businesses that advance the country’s collective prosperity.

**A model for business?**

Oxfam was a co-founder of the Ethical Trading Initiative (ETI) in 1998. The ETI brings corporate, trade union and voluntary sector members together to improve working conditions for poor and vulnerable workers around the world. Companies adopt the ETI Base Code and must prove their commitment, direct involvement and improvement over time. This includes demonstrating support for ethical trade; integrating ethical trade into their core business practices; and reporting openly and accurately about their activities.

**Recommendations**

• A Scottish Ethical Business Initiative (SEBI) should be explored. Based on the Ethical Trading Initiative model, this would set out key aspects of acceptable behaviour for businesses operating in Scotland. Given Scotland’s home to many financial institutions, the SEBI would encourage all institutional investors (including pension funds and other asset owners) operating from Scotland to adopt, implement and publish a responsible investment policy.

• As part of a socio-economic duty, state assistance (such as preferential procurement, licensing, advice, rebates, subsidies, training and awards) should be contingent on businesses delivering socio-economic benefits.

• As Scottish Government support for low carbon industries expands with considerable support provided to selected businesses, the *quid pro quo* should be an expectation that these organisations help reduce socio-economic inequalities.

• Investors should be pushed to integrate all relevant social, environmental and governance into investment decisions, with implementation monitored and progress reported annually.
CONCLUSION – HOW DO WE GET THERE?

‘The challenge before us today is to seize the opportunity for change and set course towards a new prosperity, an age of cooperation rather than competition, in which the wellbeing of the many is put before the interests of the few.’ – Robert Bailey, 2011 ‘Growing a Better Future’, Oxfam International

Scotland needs a community-led economy underpinned by redistribution of power via substantial community participation in decision-making and agenda-setting, with a state that underwrites community solutions. It needs greater employee involvement in the management of organisations and businesses, and fairer sharing of resources. This future requires guaranteed social protection measures for all, funded by progressive taxation and founded on greater equality that fosters the empathy needed for strong societies.

The challenge in moving towards this goal from our current state of widening inequalities, our increasingly individualistic society, and our unsustainable economy, is considerable.

Yet, there are places to start.

Oxfam’s partners deliver asset-based community development projects which promote equality and sustainability – they are small-scale examples which together challenge the dominant model. They involve people working together and for each other, highlighting different ways of organising, of conceptualising success, and of valuing each other. We need to use these initiatives as the model for our economy and society. By doing so, we will displace the broken economic model that has served us, and the environment, so badly.

In realising this change, all levels of governments need to work together. However, the next few years are potentially a time of great transition, and the level of government with capacity to act on certain issues is likely to change. At the time of writing it is not clear where the powers most pertinent to the Our Economy vision will lie following the independence referendum in 2014. Oxfam’s vision is not limited by the delineation between reserved and devolved powers – Our Economy describes our aspiration for Scotland.

Levers of change – the state, the private sector, civil society

Realising a sustainable and socially-just Scotland requires a shift in resource distribution, as well as transformation in our goals and how we attain them. This shift requires the active participation of Scottish civil society. Whether that be through leading the practical shift to alternative ways of doing such as community energy projects, campaigning against vested interests, or developing new mechanisms for change, such as the Oxfam Humankind Index, civil society has an important role to play.

The Scottish Government has a key role in leading, developing and implementing many elements of a new prosperity. Examples of the scope to enact more pro-poor and socially-just policies are seen in certain actions since devolution. These include the (relative) non-marketisation of the NHS; introduction of inequality targets (despite their inadequacy); legislation to facilitate collective ownership; and support for the credit union movement.
But more must be done. Public sector planning regimes can set the direction for a new prosperity by moving away from the received orthodoxy that wealth creation and retail-led economic development is sufficient. Scotland’s public resources need to be skewed in a way that encourages shared, sustainable prosperity, including withholding their provision from activities that do not support this vision. The UK Government needs to heed the necessity for socio-economic equality across all its decision-making, particularly in its tax raising powers and the future welfare regime it is creating.

In addition, many causes of poverty are within the private sector’s sphere of influence. Businesses need to act responsibly – breaking ranks with vested interests, strengthening political will to resist such pressures and developing business models which deliver a sustainable and socially-just prosperity. Organisations need to empower and collaborate with each other to present a collective, critical voice, and resist involvement in policies that push people into poverty.

Civil society, through a Scottish Ethical Business Initiative, needs to bring moral and reputational weight to bear on Scottish businesses which neglect the common good, harm the environment, avoid paying taxes, only offer low-quality jobs and selfishly protect their privilege. Overall, Scotland should expect more of the businesses it homes.

Civil society can explore and articulate the change needed, building momentum and leading by example through formulating alternative models which challenge the status quo. Oxfam’s partners already do this – but civil society as a whole needs to raise its gaze and heighten its ambition. It needs to set the example, imagine the better future and reprimand those who undermine its achievement. Civil society has a role in galvanising government to resist vested interests, demanding governmental action and engaging with businesses to shift incentives towards social and environmental sustainability. This includes promoting recognition of the social contribution of individuals and organisations contributing to collective prosperity in ways that are not valued by the market.

Finally, our communities need to inculcate values of equality and empathy, recognising each other’s humanity and rights. They need to foster a world view and mode of living that reduces demand for material goods and prioritises community. Communities need to use collective ownership to garner community cohesion, strength and equality, and develop local businesses that meet community needs on the community’s terms.
OUR ECONOMY: RECOMMENDATIONS FOR SHARING REAL WEALTH

Some ways of moving Scotland towards this goal that might be enacted relatively quickly are set out below under key themes. While this list encompasses all the recommendations made throughout the document, it is not definitive – the proposals do not represent the limits of Oxfam’s ambition for a sustainable, socially-just Scotland. In conjunction with the University of the West of Scotland, we hope to develop more detailed policy briefings on many of the changes needed to realise a new prosperity.

Measuring the new prosperity

• Build on the National Performance Framework and the Oxfam Humankind Index to create a better way of measuring our collective prosperity.

• Monitor and evaluate Government policies and private sector activity holistically (using Humankind Impact Assessments) to ascertain net contribution to society.

Our society: really regenerating our communities

• All state agencies should be governed by a socio-economic duty, and replicate Highlands and Island Enterprise’s brief to pursue social development. State support via these agencies should be conditional on achieving genuine social returns.

• Create a Poverty Commissioner to ensure spending decisions are poverty proofed and to support communities to challenge Government policies and private sector actions that do not contribute to socio-economic equality.

• Economic development and planning policies should take into account gender equality and conduct gender impact assessments to understand the impact on the poorest women.

Our work, our wealth: closing the labour market divide

• Employers in the public and private sectors should pay a Living Wage.

• Employers need to ensure their workplaces are conducive to inclusive employment. As part of a socio-economic duty, state support should be withheld if key conditions are not met.

• Work should be better shared. This is likely to require limiting overwork and reprioritising paid and unpaid time.

• Greater earnings equality should be linked to state support – including reduced taxes and charges for those companies with lower pay multiples. Scottish Government agencies should consider this as a key consideration in financial support.
Our worth: linking economic reward with social value

• The amount someone is paid should reflect their contribution to society. This means increasing wages for those who create social value yet are poorly paid (such as childcare workers) and reducing wages for those who destroy social value yet are highly paid. Scotland’s public sector can lead by restructuring its own payment regimes to create incentives for those organisations which deliver public services that promote social value.

• Social enterprises and community organisations need their social contribution valued and appropriately funded. ‘Best value’ should be extended to fully incorporate the goal of socio-economic equality.

Our tax system: a tool for achieving equality

• Tax havens, offshore earnings and loopholes which allow avoidance, should be pursued and closed. Business support, corporate social responsibility awards and government plaudits should be contingent on companies meeting their tax obligations.

• A ‘Robin Hood Tax’ – a financial transaction tax – should be pursued with the finance raised being used to protect those living in poverty at home and overseas.

• The principles of the Public Health Levy should be extended to other activities that harm Scotland’s prosperity – this will require the tax base to be shifted to environmentally and socially harmful activities (such as pollution, overwork and the accumulation of wealth) ensuring that entities undermining the collective good pay more.

Our welfare state: solidarity through social protection

• A Sustainable Livelihoods Approach (SLA) to social protection should be pursued. This would recognise complex barriers to work, gender differences and caring responsibilities as well as rewarding individuals’ range of skills and contributions (including activities that deliver social benefit but are currently insufficiently valued by the market).

• Introduce a Financial Security Change Fund to mitigate against welfare cuts.

Our decisions: equality through power and participation

• The state should underwrite community solutions by providing financial support for local investment as well as technical assistance.

• Planning policies need to be amended to position communities and their priorities at the apex of decision-making with state revenue and civil service targets directed to areas and projects that people themselves determine – real agenda-setting, not just consultation on details of projects presented as faits accomplis.

• Finance and technical support should be skewed towards deprived communities to enable them to participate in planning processes. This requires a range of outreach processes being followed to reach the poorest communities, delivered by culturally and gender sensitive practitioners.
• Training (and retraining) of public officials is needed so that officials appreciate the extent of socio-economic inequality in Scotland and the barriers this creates for deprived communities in accessing, utilising and enhancing their social, human, environmental, financial and physical assets.

• Participatory Budgeting should be deployed more widely, helping ensure that public expenditure serves community needs and reflects community priorities.

• Community spaces – rather than those for shopping – need to be prioritised by planning and economic development.

Our communities: enabling collective ownership

• Support for Cooperative Development Scotland and social enterprises needs to be increased, with a more ambitious remit to make such models the ‘structure of choice’ for enterprises in Scotland.

• The Scottish Government should consider enacting – parallel to the Community Right to Buy – a ‘Right to Control’ or a ‘Right to Manage’ which gives communities and employees the option and support to buy or take over management of relevant businesses at certain junctures.

• Funding is required to make it easier for deprived communities to own assets for local benefit. As part of a socio-economic duty, council staff should support deprived communities prepare for ownership, with upfront grants enabling communities to assess the merits of an opportunity.

• The Scottish Land Fund should pay particular attention to deprived areas and provide adequate support to ensure poorer communities can benefit from these provisions.

Our environment: sharing the benefits of a low carbon future

• Public procurement processes should support low-carbon industries and take environmental considerations into account.

• The Scottish Government’s own expenditure through the Scottish Budget needs to be skewed towards environmentally beneficial activities.

• There must be protection for the most vulnerable from any negative impact associated with a transition to sustainable, low carbon economy. This means ensuring vulnerable communities and individuals benefit first from opportunities created.

• Women, so often excluded from manufacturing opportunities, should be supported into emerging low carbon employment industries.

• There should be a duty on companies poised to make considerable money from the natural resources of Scotland, to recompense the Scottish people. This could involve the creation of a Renewable Energy Equality Fund or a ‘right to buy’ into new commercial projects for local communities and non-profit organisations.
Our business: creating social returns – the role and responsibilities of the private sector

• A Scottish Ethical Business Initiative (SEBI) should be explored. Based on the Ethical Trading Initiative model, this would set out key aspects of acceptable behaviour for businesses operating in Scotland. Given Scotland’s home to many financial institutions, the SEBI would encourage all institutional investors (including pension funds and other asset owners) operating from Scotland to adopt, implement and publish a responsible investment policy.

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• As Scottish Government support for low carbon industries expands with considerable support provided to selected businesses, the *quid pro quo* should be an expectation that these organisations help reduce socio-economic inequalities.

• Investors should be pushed to integrate all relevant social, environmental and governance into investment decisions, with implementation monitored and progress reported annually.
Admittedly community can be a contested term – ‘community’ is not always benign, it can be elitist, exclusionary and divisive. Instead, the way Oxfam envisages the term ‘community’ for the purposes of this paper is the community as embodied by our partners. They encompass communities of geography (such as Tea in the Pot [see page 34] and the Clydebank Independent Resource Centre [see page 30-31), communities of interest (such as Karibu [see page 16], or even communities of fate that come together in the face of a common concern or threat such as Linwood (see page 35).

(Collins, Chik, 2008) and (Paton, Kirsteen, 2012)

Scottish Government, 2011: 7)

(Mair, Colin et al., 2011: 8)

For example 15% of Scottish people still lived in poverty in 2010/11 (Scottish Government, 2012a)

Scottish Public Health Observatory, 2011


(Walsh, David, 2011)

Scottish Public Health Observatory, 2011. In 2004, when comparable figures are available, both male and female suicide rates were 50% higher than England and Wales (although the number of male suicides in Scotland has fallen more recently).

(Walsh, David, 2011) and (Walsh, David, 2010)

(Collins, Chik and McCartney, Gerry 2011 )

From 1977 to 2007 Scotland’s Gross Domestic Product increased by an average of 1.9% each year (Scottish Government, 2009).

Barnardo’s Scotland quoted in (Scottish Parliament Finance Committee, 2011)

(Collins, Chik and McCartney, Gerry, 2011); (Welldorf, Sarah, 2011); (Carlisle, Sandra and Hanlon, Phil, 2011); (Kasser, Tim 2002)

(Collins, Chik and McCartney, Gerry 2011 )

Between 1971 and 2005 (Walsh, David et al., 2009). In 1931, the single most important sector for male employment in Glasgow was metal-based industries, including ship-building (Crawford, Fiona et al., 2007: 9).

By 1970, industrial employment peaked across Western Europe (Walsh, David et al., 2009), but employment in Glasgow had been steadily declining since 1951 with manufacturing employment falling from 34 per cent of all jobs in 1971 to seven per cent in 2009 (Process plant and machine operatives figure found in (NOMIS, 2010).

(Collins, Chik, 2008: 101); also (Boyle, Mark et al., 2008).

(Glasgow City Council, 2010b); (Glasgow City Council, 2010a)

Scottish Retail Consortium, 2012

(Page, David, 2006: 108)

(Warhurst, Chris, 2011)

(Glass, Lisa, 2011 (unpublished)

UK household debt is amongst the highest of any developed countries (on average, British consumers are twice as indebted as consumers in the rest of Europe. Debt is higher amongst people working in routine occupations and those who are long term unemployed, and particularly amongst lone parents (ONS Wealth and Assets Survey 2006/08 cited in (HM Government, 2010: 10). In Scotland, almost half a million people have debts amounting to over half the average salary in Scotland (MacDonald, Stuart, 2010)

(Paton, Kirsteen, 2012)

(Hamilton, Kathy, 2011)

(Hamilton, Kathy and Miriam, Catterall, 2006)

(Kasser, Tim 2002: 33)

In the 2011 Scottish Budget a £500m Change Fund was announced – delivering support for older people; early years and reducing reoffending.

(Escott, Karen and Oxfam, 2007: 17)

(Marmot, Michael, 2004)

(Boyle, David, 2011)

(Gower, Richard et al., 2012: 5)

See www.oxfam.org.uk/humankindindex

(Escott, Karen and Oxfam, 2007: 4)

Scottish Enterprise aims to ‘give effect to state interventionism in business and industry and the remediation of derelict land’. Its functions involve furthering development of the economy, safeguarding employment, enhancing skills, promoting industrial efficiency and international competitiveness, and improving the Scottish environment. In 2011 it had a budget of £331.8 million and 1,081 staff ((Nicol, Scherie, 2011: 3)).

(Nicol, Scherie, 2011: 3)

(Office for National Statistics, 2013)

(High Pay Commission, 2011: 7); (High Pay Centre, 2012)
...remunerated when their clients remain in work for more than 13 and 26 weeks.

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( Aldridge, Hannah et al., 2013)

...they are employed and paid only when required. When not required, they receive no income.

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( Aldridge, Hannah et al., 2013)

...middle income jobs fell by 13% from 1995 to 2010, while high and low income jobs both increased by a

...described as an ‘hour glass’, in light of the growing numbers of high and low skilled jobs, but few intermediate

...machine operatives have fallen in number by 25% ( Poinasamy, Krisnah, 2011: 21) – middle income jobs fell by 13% from 1995 to 2010, while high and low income jobs both increased by a

...senior officials have increased by 24%; professional occupations have increased by 36%; while plant and

...administrators – jobs earning less than £13,000 a year) have increased by 48%; the number of managers and

...be secure. Deliver sufficiency of income, allow people to undertake other commitments outside the work place and it must

...consultation suggest that decent work must deliver satisfaction and a sense that one’s job is worthwhile. It must

...ob sustainability is one of the targets of the Government’s Work Programme, with providers of support being

...measure. The results of Oxfam’s Humankind Index suggest that decent work must deliver satisfaction and a sense that one’s job is worthwhile. It must deliver sufficiency of income, allow people to undertake other commitments outside the work place and it must be secure. This has considerable implications for the nature of economic development in Scotland and we urge a wider debate about what ‘decent work’ means in Scotland.

...See www.oxfam.org.uk/humankindIndex

...This is different from the role of Benefit Corporations or social enterprises discussed elsewhere. Such organisations have a specific socio-economic remit, whereas the (related) priority discussed here is greater market power for those currently unable to exert influence on the market.

...The social return was calculated by including economic returns such as jobs, but also incorporating attributable environmental degradation and changes in wellbeing to communities or to society.

...‘Socially beneficial’ might be interpreted as the areas highlighted by the Humankind Index for Scotland.

...Horton, Tim and Gregory, James, 2009: 130)
Based on top and bottom 10% of households in terms of wealth – which includes pension arrangements, homes and finances (Office of National Statistics figures cited in (Peterkin, Tom, 2012).

87 (Stewart-Robertson, Tristan, 2011). See, (MacGregor, Fiona, 2013)
88 (OECD, 2011)
89 (Lawlor, Elis et al., 2011: 41).
90 (Horton, Tim and Gregory, James, 2009: 100).
91 (Murphy, Richard, 2008)
92 (Murphy, Richard, 2008)
93 (Tax Justice Network, 2011)
94 (HMRC, 2012)
95 (Herbert, Nick, 2009); (Department for Work and Pensions, 2013)
96 The UK government provides more to businesses through various tax benefits and subsidies each year than it extracts in total corporate taxation (Farnsworth, Kevin, 2012: 2).
97 For example, the 2011 Scottish Budget proclaimed that ‘[Scotland] will continue to provide business with the most generous package of rates relief available anywhere in the UK’ – since the introduction of the Small Business Bonus Scheme rates for SMEs have been reduced by £300 million (Scottish Government, 2011: vi, 82).
98 (Watkins, Kevin 2008) and (Gower, Richard et al., 2012: 4)
99 (Sinfield, Adrian, 2011)
100 By ‘support’ we mean advocating for a Robin Hood Tax in meetings with Treasury Ministers at Westminster and in relevant European fora, and committing to implement a Robin Hood Tax should relevant tax raising powers be devolved to the Scottish Parliament in an future constitutional change.
101 Currently Scotland has no powers to levy a FTT, but it can maintain support for the concept at a UK level and pledge to introduce a FTT should it gain the powers to do so.
102 (Itiago, Deborah, 2011: 1)
103 See (Bailey, Robert, 2011)
104 Inequalities of income and power undermine access to healthcare and education for many (Gower, Richard et al., 2012: 10).
105 For example, in 2011 the Government released a list of ‘bizarre’ excuses that people use when caught allegedly fraudulently claiming benefits (BBC News, 2011), implicitly encouraging mockery of people who require benefits and perpetuating stigma and ill-founded assumptions that people receiving benefits are doing so fraudulently.
106 (Mair, Colin et al., 2011: 4)
107 See, for example, (Chapman, James, 2010). In 1991 58% of the public felt more should be spent on benefits – by 2009 only 27% of the public felt this way (British Social Attitudes Survey 2010 cited in (High Pay Commission, 2011: 61).
108 See, for example, reference to people who ‘rip off’ the welfare system: (Cameron, David, 2011)
109 (Grice, Andrew, 2009)
110 See chapter 3 in (Department for Work and Pensions, 2010). See also (Boyle, Mark et al., 2008)
111 (Bamfield, Louise and Horton, Tim, 2009). This is evident in a belief that those currently receiving out-of-work benefits are unlikely to make a future contribution to society (Horton, Tim and Gregory, James, 2009: 101). See also (Oxfam GB, 2010b)
112 See (Clydebank Independent Resource Centre, 2011)
113 (Horton, Tim and Gregory, James, 2009: 34)
114 For many years, the value of income replacement benefits (Job Seekers’ Allowance, Incapacity Benefit, Income Support) have fallen below average incomes and below the poverty line (Horton, Tim and Gregory, James, 2009: 34). In 1980 unemployment benefits were worth a fifth of average earnings – in 2010 they were worth just a tenth (Poinasamy, Krishnah, 2011: 18). While this has increased since 2010 – it is now around 15% - this is due to average wages falling in real terms, not because of above inflation increases in job seekers allowance, see (Portes, Jonathan, 2012) and (Turn to Us, 2012). The coalition Government’s pegging of benefits to the Consumer Price Index rather than the Retail Price Index and subsequent Uprising Bill will also lead to social security payments falling further behind wages.
115 See http://www.minimumincomestandard.org/
116 (OECD, 2011)
117 (Oxfam GB, 2010a)
118 (Scottish Government, 2012b)
119 As recommended in Jim McCormick’s report for SCVO: (McCormick, Jim, 2013)
120 (Christie Commission, 2011)
121 (Horton, Tim and Gregory, James, 2009: 42)
123 (High Pay Commission, 2011: 5)
124 (Gower, Richard et al., 2012: 10); see also (New Economics Foundation, 2011)
125 Over half of all donations to the Conservative Party in the twelve months to July 2011 came from individuals and businesses working in finance (Sysi, Rajeev et al., 2011).
126 (Scottish Government, 2012c)
127 (Escott, Karen and Oxfam, 2007: 9)
128 (Reid, Susan and Curtice, John, 2010: 30)
129 (Gallacher, Bronagh et al., 2013)
130 (Escott, Karen and Oxfam, 2007)
131 (Escott, Karen and Oxfam, 2007: 9)
132 Marmot cited in (Collins, Chik and McCartney, Gerry 2011 )
133 (Collins, Chik, 2008: 130)
134 (Collins, Chik, 2008: 70)
135 (Poulter, Sean, 2010)
136 See (Wightman, Andy, 2013)
137 As Peugeot Talbot Group.
138 (Flannigan, Kirsty, 2011 (unpublished))
139 (Poulter, Sean, 2010)
140 (Bradley, Jane, 2010)
141 Doug Wilson, Corporate Affairs Manager for Tesco, quoted in (Rennie, Alison, 2011 )
142 Tesco spokesman quoted in (Poulter, Sean, 2010)
143 (Rennie, Alison, 2011 )
145 (Flannigan, Kirsty, 2011 (unpublished))
146 (Flannigan, Kirsty, 2011 (unpublished))
148 (Stuart, Elizabeth, 2011: 4)
149 Public contracts are an obvious example of this distinction – compulsory community benefit clauses need to deliver real, tangible benefits for local communities from business activity that takes place on their terms (not simply token benefits at the margins to secure consent). Community participation in this sense thus goes beyond policies purporting to ‘empower communities’ or community benefit clauses in development contracts that, at their core, do not necessarily seek to deliver what communities actually want. Extracting community benefit from such developments otherwise unaligned to enhancing local assets is mere mitigation.
150 In the UK PB project funds have ranged from approximately £500 to £2.5m.
151 Oxfam is developing a policy framework to assess potential decisions according to the Humankind Index.
152 This case study is drawn from (Harkins, Chris and Egan, James, 2012)
153 European local government is much smaller, closer to the people: 2000 – 12,000 people in each, compared to Scotland where each local authority has an average of 162,000 people ((Riddoch, Lesley and Bort, Eberhard, 2012)).
154 The movement towards consumer capitalism has gathered pace since the 1960s: in the last twenty years the proportion of family income spent on leisure has more than doubled ((Department for Children, Schools and Families, 2008: p61) There has been an average annual growth of 3.3% in the volume of retail sales ((Office for National Statistics, 2008)).
155 (Dobson, Julian, 2011: 4)
156 (Braunholtz-Speight, Tim, 2011)
157 (Scottish Government, 2011: 41)
158 (Dobson, Julian, 2011: 5)
159 (Eadha Enterprises, 2012)
160 Research in Italy has found that a village where half the businesses are employee owned has a healthier community compared to a nearby village with no employee ownership. This encompassed more equality, larger social networks, children stayed at school longer, higher turnout at elections, less conspicuous consumption, more disposable income and less stress-related illnesses (Erdall, David, 2011: 241).
161 (Cooperative Development Scotland, no date)
162 (Cooperative Development Scotland, no date)
163 Cooperatives themselves include consortiums, cooperatives run by workers, community cooperatives and consumer cooperatives.
164 Representing an annual turnover of £4.6 billion and 28,600 employees (Peakin, William, 2009) and (Cooperative Development Scotland, no date).
165 (Watt, John, 2011)
166 (Cooperative Development Scotland, no date)
167 Jones and Kalmi (2009) cited in (Lawlor, Ellis et al., 2011: 38)
168 (Bailey, Robert, 2011: 35)
169 (Erdall, David, 2011: 22) and (Cooperative Development Scotland, no date)
170 (Dia, Abdoulaye and Traore, Aboubacar, 2011)
171 See www.bealocalist.org
Part 2 of the Act, the Community Right to Buy (CRtB) is a right that can only be activated once a landowner has indicated the land in which there is a registered interest is to be sold, and the community body is expected to have already registered an interest in the land they wish to purchase.

Such as the Community Interest Company Regulator, the Office of the Scottish Charities Regulator, Development Trust Association Scotland, and the Scottish Council for Voluntary Organisations.

Including local authorities, the European Regional Development Fund (ERDF), loans from Social Investment Scotland and grants from the Big Lottery Growing Community Assets.

(See Bailey, Robert, 2011)

It is estimated that by the end of the 21st century, one in ten species will have been made extinct by climate change (Conner, Steve, 2011)

Air pollution and traffic impacts, for example ‘fall disproportionately on poorer populations…the poorer the area the higher the nitrogen dioxide levels’ (Sustainable Development Commission, 2010)

(Closeness to, and time spent in the natural environment, has a positive effect on health complaints, perceived general health, blood pressure, mental health and recovery from surgery and physical activity, social contacts and play amongst children are all enhanced by local green space (Sustainable Development Commission, 2010)

(Scottish Government, 2012c)

http://www.oneplanetliving.org/index.html

(Scottish Government, 2011)

Scottish Government, 2010: 10)

Such as energy management; biomass: hydrc: wave and tidal; wind; air pollution; contaminated land reclamation and remediation; recovery and recycling; waste management; and (installation of) green building technologies.

(Bird, Jenny and Lawton, Kayte, 2009: 7)

(Dobson, Julian, 2011: 3)

(Gubbins, Nicholas, 2011)

Community ownership thus far has generated financial benefits that have been spent supporting local groups (36%); improving local infrastructure (23%); funding other recreational activities (12%); improving the local environment (6%); and identifying the needs and priorities of communities (2%) (Gubbins, Nicholas, 2011)

(Scottish Government, 2011: 23)

(Trebeck, Katherine, 2007)

(Scottish Parliament Information Centre, 2012)

(Oxfam GB, 2010b)

(Orr, Sheena et al., 2006)

Defra (2007) cited in (Jackson, Tim, 2009: 40)

See (Trebeck, Katherine, 2007)

See (Erdall, David, 2011)

(Scottish Government, 2011)

For example, the Scottish Government is pledging to make funding and support available to low carbon building technologies – for example, a £60million capital budget will support development of offshore wind and marine technologies and a £70million National Renewables Infrastructure Plan (Scottish Government, 2011: 22).

(Bird, Jenny and Lawton, Kayte, 2009: 6)

www.ethicaltrade.org

(Viñes Fiestas, Helena et al., 2010)

See www.ethicaltrade.org

In a recent decision that will hardly quell materialistic values or create decent work for those who need it most, Glasgow City Council authorised £83million of funding for the expansion of Buchanan Galleries shopping centre (including a 350,000 square feet expansion of the existing Buchanan Galleries and new retail development of 55,000sq ft, provision of new retail development of 125,000sqft on the Atlas site; a new 1500-space car park at Queen Street Station with associated retail units encompassing 25,000sqft) (McGuire, Joe, 2010).

(Haddad, Moussa, 2012)

(Bailey, Robert, 2011: 67)
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