

Our rural numbers are not enough

A position statement and recommendations to improve the identification of poverty, income inequality and deprivation in rural Scotland

March 2011

Rural Poverty Indicators Action Learning Set (comprising members of the Tackling Poverty Rural Network),
Community Regeneration and Tackling Poverty Learning Network,
Scottish Centre for Regeneration.

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Table of Contents

Table of Contents	3
Acknowledgements	3
Preface: A different kind of report	4
Executive Summary	5
1. Introduction	7
2. What we already know - why indicators matter and what indicators tell us	14
2.1 - On indicators	14
2.2 - On indicators of poverty, deprivation and income inequality in rural Scotland	17
3. What we now need - better measures of rural poverty, deprivation and income inequality in Scotland	27
3.1 - Better numbers- Towards a comprehensive, multi-level indicator set for rural poverty, rural deprivation and income inequality in rural Scotland	28
3.2 - Beyond numbers - Qualitative dimensions of rural poverty, deprivation and exclusion	34
4. Conclusion: What needs to happen now	38
About the Report	40
The Authors.....	40
About the Learning Network	40
About the Tackling Poverty Rural Network.....	41

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Preface: A different kind of report

Many informative reports have been published which have focused on poverty, deprivation and income inequality in rural Scotland.¹ Although much is already known of the difficult circumstances in which many live their lives in rural Scotland, we do not know enough about these problems. The gaps in our understanding stem both from the lack of data that are available, and the ways in which existing data are used. Consequently, we are failing to adequately describe the nature of poverty, income inequality and deprivation in rural Scotland. It is these specific problems that this report seeks to address.

In one respect, this publication is therefore ‘another’ report that aims to increase the stock of knowledge on poverty, deprivation and income inequality in rural Scotland. While this report has a particular (and limited) focus on data - seeking better data to better inform our understanding (a means to an end, rather than an end in itself) - it belongs firmly to the wider canon of rural studies in Scotland that aim to make rural Scotland a better place in which to live.

In other respects, this report represents a fresh approach to informing debate. The report is the product of an Action Learning Set - formed under the auspices of the *Community Regeneration and Tackling Poverty Learning Network (Scottish Centre for Regeneration)*, drawn largely from members of the *Tackling Poverty Rural Network (TPRN, which is affiliated to COSLA’s Tackling Poverty Officers’ Group)*. It is a collectively authored group report that is a by-product of members grappling with the challenges of using data to inform their own understanding of the poverty, deprivation and income inequality that is experienced in their part of Scotland.

Work progressed throughout 2010 and 2011 with contributions from practitioners working in Argyll & Bute, Fife, Highland, Moray, Orkney and Shetland (with academic support from Glasgow Caledonian University). The report has been through iterations, with the wider TPRN and the online community of the *Community Regeneration and Tackling Poverty Learning Network* being consulted at each step along the way.

Most importantly, the authors of the report have sought to engage specialists working throughout Scottish Government (see Acknowledgements). Our aim has been to produce a report that not only seeks to speak to the community of interest, but also one that has involved this community of interest fully along the way.

¹ Figure 1 describes what these ideas mean and how these are used in Scotland.

Executive Summary

Rural Poverty in Scotland.

160,000 people - every seventh individual - living in rural Scotland is estimated to be living in income poverty. Far too many and far too high a proportion of Scotland's rural population are living on an income that is insufficient to meet their needs.

There are particularly rural dimensions to deprivation and poverty in Scotland. For example, evidence suggests that in rural Scotland: the cost of living is higher; more is consumed in fuel; there are fewer opportunities to earn an adequate income; poverty is dispersed and its presence hidden; a prevailing culture of independence and self-reliance masks poverty; the gender pay gap is exacerbated; and key services are less accessible.

Scottish Government and Rural Poverty

Scotland's government has shown an interest in understanding and tackling rural poverty. Rural poverty is explicitly acknowledged in current anti-poverty strategy. The Concordat and Single Outcome Agreements provide local areas with flexibility to develop local rural solutions to local rural problems.

The Challenge

Given that evidence already demonstrates that poverty and deprivation are prevalent in rural Scotland and given that the Scottish Government has shown an interest in tackling these problems, it is

reasonable to query whether there is a need for a report that argues for better information to tackle poverty, deprivation and income inequality in rural Scotland.

Improved measures are needed to fully understand the nature and scale of these problems in rural Scotland - this is explicitly acknowledged by the Scottish Government and the wider community of interest.

The Contribution of this Report

There is a need to draw from the existing body of knowledge to produce a single, collective position statement that: (i) conveys what we already know; (ii) clarifies the nature of the problem; and (iii) identifies what needs to change in order that indicators can contribute more effectively to the challenge of tackling poverty, deprivation and income inequality in Scotland.

Our Approach

The report is collectively authored and is the product of an Action Learning Set - formed under the auspices of the *Community Regeneration and Tackling Poverty Learning Network* - drawn largely from members of the Tackling Poverty Rural Network (which is affiliated to COSLA's Tackling Poverty Officers' Group). Specialists working throughout Scottish Government have offered constructive advice.

What We Already Know

There is much public interest in knowing how many people are living in poverty in Scotland. There is also much interest from people living in

different parts of Scotland to find out how much poverty is in their area.

Within policy circles, the prominence of indicators has grown over the last decade as a means to inform evidence-based policy and there is growing understanding of the qualities required of an 'effective indicator'.

Scotland: has developed robust and widely used schemes for classifying rural Scotland; collects a range of data on poverty and deprivation; makes much of these data readily available through publications and online data reporting tools; and has been the focus on a range of reports and studies into Scottish rural poverty and deprivation.

Limitations of Current Approaches

There is a need to improve the indicators that are available and to make better use of what is currently available.

More specifically, the following problems should be addressed: (i) *the absence of a rural focus in publications and reports*. Rural insights are not always summarised or published, even when these data are available; (ii) *the limitation of only providing aggregate data on 'rural Scotland'*. There is often merit in further exploring differences within rural Scotland, rather than risk oversimplification by only providing data for rural Scotland as a whole; (iii) *the limitations of Scottish rural samples in UK national surveys*. This is evident in inadequate sample size, or an approach to sampling that does not seek to attain a representative Scottish rural sample; (iv) *the inadequacy of current indicators and indicator sets*; (v) *the inappropriate*

use of data. In particular, the wider community must acknowledge the limitations of using the SIMD as a proxy for rural need; and (vi) *the under-utilisation of what we already have*.

Actions to Address Limitations

Each of the problems that have been identified clearly lend themselves to actions that could be taken to improve the resources at our disposal.

Underpinning this, there is a need for a systematic rural-proofing appraisal of the indicators and indicator-sets currently at Scotland's disposal.

We should work toward the determination of a comprehensive 'Scottish Rural Poverty, Deprivation and Income Inequality Multi-indicator Framework'. This, in turn, should form the basis of a regular publication to monitor progress in tackling poverty, deprivation and income inequality in rural Scotland - effectively a 'key facts' on these issues for rural Scotland.

This is envisaged as a collective endeavour that would pool existing resources and bring together analysts and stakeholders in Scotland with an interest in rural poverty, deprivation and income inequality to meet their collective need for information.

Sight must also not be lost of the value of complementing better quantitative information with the insights that can be gleaned through qualitative inquiry. This may involve making better use of the opportunities that currently exist to collect qualitative data (through routine service delivery), although it could equally extend to a new national qualitative panel study.

1. Introduction

Rural poverty in Scotland

160,000 people - every seventh person - living in rural areas in Scotland is estimated to be living in income poverty.² However, this is not just a problem for rural Scotland; income poverty in rural Scotland contributes a significant share of overall poverty in Scotland; one in every six people experiencing poverty in Scotland lives in a rural area. Far too many and far too high a proportion of Scotland's rural population are living on an income that is insufficient to meet their needs. Although these data also suggest that income poverty has fallen in rural Scotland in recent years (from 17% in 2005/6 to 14% in 2007/8) and that the level of poverty is lower in rural than urban Scotland (18% for urban Scotland in 2007/8), Scotland clearly has a substantial rural poverty problem that should be addressed.

'*Relative Poverty Across Scottish Local Authorities*', contains new figures about the prevalence of poverty in rural Scotland.³ Some caution should be used in interpreting these figures as they are undergoing further quality assurance work and have not been released as "official statistics". However, they suggest that the level of poverty that is experienced in some parts of rural Scotland is greater than the level of poverty that is experienced in some parts of urban Scotland. It is estimated that the risk of poverty is greater in remote rural Scotland than it is in small towns that are accessible to larger urban areas (20%, compared to 17% for households).

The problem of rural poverty - not having enough income to meet basic needs - may be *underestimated* by the higher cost of living in rural areas - the equivalent £ in rural Scotland does not stretch as far as that in urban Scotland.⁴ Indeed, the authoritative Joseph Rowntree Foundation minimum incomes project has recently estimated that people in rural areas in England typically need to spend 10-20 per cent more on everyday requirements than those in urban areas. They also suggested that the more remote the area, the greater these additional costs.

'Rural' dimensions of deprivation

There has been a tendency in Scotland for commentators, academics and politicians to focus on urban, rather than rural, deprivation. This is understandable given the far higher number of people in urban Scotland who live in areas of multiple deprivation. However, what is regrettable is when the scale of the urban

² Scottish Government analysis, based on data for 2007/08, using the HBAI dataset from the Family Resources Survey - <http://www.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/poverty-analysis/Q/EditMode/on/ForceUpdate/on>

³ Scottish Government (2010) *Relative Poverty Across Scottish Local Authorities*. Figure 4, p.7. <http://www.scotland.gov.uk/Resource/Doc/322580/0103786.pdf>.

⁴ Hirsch, D. (2010) *A Minimum Income Standard for Rural Households*. York: JRF. <http://www.jrf.org.uk/publications/minimum-income-rural-households>

Figure 1: Poverty, Deprivation and Income Inequality: How we understand these ideas⁵, measure their presence in Scotland and what Scotland wants to achieve.

Poverty: Poverty is not having enough income to buy, or to buy access to, what most people could be expected to have. It is measured for households. In Scotland, UK and Europe, living in poverty means that the total disposable income of everyone in the household is less than 60% of what would be a typical total disposable income for households of that size.

Income Inequality: Income inequality concerns how equally income is distributed across the population. It is measured for whole societies (rather than households or small areas). In Europe and for the UK, the most commonly used measure of income inequality is the Gini Coefficient, which ranges from 0 (perfect equality) to 1 ('perfect' inequality). Scotland uses its own measure of income inequality, i.e. the share of total income of the 30% who have the lowest income.

Deprivation: Deprivation describes whether or not people have resources, or have access to resources. Deprivation tends to be measured for specific aspects of life, with a range of indicators being used to ascertain whether it is present or absent. In Scotland, UK and Europe, material deprivation is measured using two indicators sets, one for Europe (which also gives a UK measure) and one for the UK (which also gives a Scotland measure). Material deprivation is measured for households. Furthermore, here in Scotland, area measures are made for different types of deprivation, as 'domains' within the Scottish Index of Multiple Deprivation, i.e. housing deprivation; income deprivation; health deprivation; education, skills and training deprivation; employment deprivation; access to services deprivation; and crime deprivation (which means too much crime, not a lack of it).

Multiple Deprivation: Multiple deprivation is having too many of deprivations that undermine an adequate standard of living. It can be measured for households. In Scotland, it is measured for small areas; the amount of multiple deprivation is measured for each area, and areas are ranked from 'most deprived' to 'least deprived'. In Scotland, multiply deprived areas are often understood to be those that are ranked in the bottom 15%.

Clearly, poverty, deprivation, multiple deprivation and income inequality are closely related. However, there are key differences between them, for example:

- Over the last decade, poverty has fallen at a much greater rate in Scotland than income inequality (while more of the those with the lowest incomes are no longer so far below the 'typical income' that they are described as living in poverty, on the whole, low income households have not increased their overall share of income (as the very richest have held on to their unequal share).
- Poverty means not having enough money to access an adequate standard of living. Thus, poverty often causes deprivation. However, welfare and other services may intervene to prevent people living in poverty from experiencing deprivation, e.g. adequate social housing and direct assistance with fuel costs can prevent housing deprivation for those living in poverty. On the other hand, people who are not poor can experience some forms of deprivation, e.g. the high costs of housing and fuel in rural Scotland, combined with a more limited housing stock means that housing deprivation in rural Scotland is not limited only to those living in poverty.
- It is commonly understood that most of the people living in poverty in Scotland do not live in an area of multiple deprivation. This is a particularly characteristic of rural Scotland. Similarly, most of the people living in multiply deprived areas are not living in poverty. This is a particularly characteristic of urban Scotland.

Thus, there are good reasons for focusing on poverty, deprivation, multiple deprivation *and* income inequality.

The Scottish Government has set targets for poverty and income inequality:

- **Poverty:** To have less than one in ten of children living in households with income poverty by 2020 (as part of the UK Government's 2010 Child Poverty Act).
- **Income Inequality:** To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017 (the Solidarity Purpose Target).

⁵ For more information about these ideas and how they relate to each other, see JH McKendrick (2011) 'What is poverty?' In *Poverty in Scotland 2011*. London: CPAG.

area deprivation problem (even inadvertently) leads to the dismissing, ignoring, marginalising or downplaying of the significance of the problem of deprivation in rural Scotland. Deprivation is a problem wherever it is experienced. Although area deprivation is undoubtedly more of an urban problem in Scotland, some aspects of deprivation are more prevalent in rural areas (e.g. access to key services). Furthermore, the proportion of the population who experience employment and income deprivations is greater than the proportion of areas that are considered to be deprived in rural Scotland, e.g. 8% of the population in remote rural Scotland are 'employment deprived' and 11% of the population are 'income deprived', while the national share of remote rural areas that are among Scotland's 15% Most Deprived Areas is less than 1%.⁶ By focusing on area deprivation, there is a tendency to underestimate the extent of deprivation that is experienced in rural Scotland.

There are particularities of rural living, which may exacerbate the problems of deprivation in rural Scotland, for example:

- **Higher cost of living.** Food and transport fuel, in particular, cost more in rural areas.⁷
- **Higher levels of consumption.** More money is required to heat homes adequately in rural areas and the greater distances to employment and services mean more money must be spent on transport.⁸
- **Fewer opportunities to earn an adequate income.** Although employment rates compare favourably with urban areas, low pay, seasonal employment and the historical low take-up of welfare benefits in rural areas each depress household income. Furthermore, to earn an adequate income is more likely to require multiple jobs.⁹
- **Dispersed 'invisible' deprivation.** Many rural communities appear affluent and thriving, yet deprivation exists beneath this veneer. Deprivation in rural areas is not clustered but can be spread over considerable distances and can be found adjacent to affluence.¹⁰
- **Culture of independence and self-reliance.** Independence and self-sufficiency are more highly valued in rural areas making it more likely that unmet need is unknown need to policy makers and service providers.¹¹
- **Gender Pay Gap:** Research shows that part-time work is favoured by some women in order to balance other commitments. In rural areas, part-time work tends to be low

⁶ Scottish Government (2010) *Scottish Index of Multiple Deprivation 2009. Revised Version*. Tables 3.5, 3.6 and 3.7, pp.17-18.

⁷ SAC Rural Policy Centre (2008) *Special Study on Living in Poverty in Rural Areas*. Report to the Scottish Government Rural Research and Analysis Directorate. pp.4-5.

⁸ *Ibid*; EKOS (2009) *The Experience Of Rural Poverty In Scotland: Qualitative Research With Organisations Working With People Experiencing Poverty In Rural Areas*. Edinburgh: Scottish Government Social Research; Commission for Rural Communities (2006) *Tackling Rural Disadvantage: Rural Disadvantage: Reviewing the Evidence*. Visit: <http://www.ruralcommunities.gov.uk/files/CRC31-RuralDisadvantage-reviewingtheevidence.pdf>;

⁹ EKOS (2009) *The Experience Of Rural Poverty In Scotland: Qualitative Research With Organisations Working With People Experiencing Poverty In Rural Areas*. Edinburgh: Scottish Government Social Research. p.26.

¹⁰ *Ibid*.

¹¹ *Ibid*; Levin, K. & Leyland, A. (2005) Urban/rural inequalities in suicide in Scotland, 1981-1999. *Social Science & Medicine*. Vol 60, (Issue 12), pp.2877-2890; Shucksmith, M. (2000) *Exclusive countryside? Social inclusion and regeneration in rural areas* Joseph Rowntree Foundation.

paid and below workers' skill levels and qualifications, further exacerbating the gender pay gap.¹²

- **Access.** Access is *the* underpinning issue in rural areas, affecting all aspects of life - access to services, information, transport links, support, employment opportunities, learning and training - the list is endless. Access difficulties also add complexity where the identification of need is concerned: they will not only have most impact on the least mobile groups, e.g. elderly people, people with long term illness, people who are reliant on public transport, for whom access to services is most vital¹³ - but also such issues are harder to identify in rural populations with their complex socio-economic profiles¹⁴. Thus even though access issues compound and exacerbate individuals' need, in rural areas that need is harder to spot (to factor into service planning) and to address (through increased service delivery costs)¹⁵.

These rural realities do not exist in isolation. Indeed, the qualitative experience of rural deprivation is intensified as a result of their interactions, e.g. the double-hit of higher transport fuel costs due to the higher cost of fuel and the greater volume of fuel that must be consumed to cover the greater distances that have to be travelled to reach work and services, or the masking of rural deprivation by both the material (geographic dispersal) and the cultural (higher value placed on self-reliance). As noted above, this has recently been captured for rural England, in financial terms, with the Rural Minimum Income Standard. This research considers what income rural households need to enjoy the same standard of living as their urban counterparts¹⁶. The findings make for sobering reading:

- Single, working-age adults need to earn at least £15,600 a year in rural towns, £17,900 in villages and £18,600 in hamlets or remote countryside to reach a minimum living standard, compared with £14,400 in urban areas.
- For couples with two children, the annual earnings requirement is much higher, about £33,000 to £42,000, depending on whether one or both partners work and the remoteness of the community.
- Among those on basic out-of-work benefits in rural areas, single people get only about one third of the required minimum income, families with children about one half, and pensioners are typically 20 per cent short of the minimum.

Therefore, people in rural areas generally need to work and earn well above the National Minimum Wage to make ends meet. But since many rural jobs are poorly paid, many people have substantially less than they need, even if they work.

Income Inequality in Rural Scotland

Estimates of income inequality are made for Scotland as a whole; no organisation has sought to estimate, let alone monitor, the scale of income inequality within rural Scotland.

¹² EKOS (2004) *Pay, Position and Occupational Options: Women in the Highlands & Islands Area*

¹³ NHS Highland, Public Health Department (2007) *Public Health Report*; Alembic Research (2006) *Fuel Poverty in Argyll and Bute: Mapping Fuel Poverty Risk from Census Data at Small Area Level*.

¹⁴ Farmer, J.C., Baird, A.G. and Iversen, L. (2001) 'Rural Deprivation: Reflecting Reality'. *British Journal of General Practice*. Vol.51, 486-491. Visit:

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1314032/pdf/11407056.pdf>

¹⁵ Highland Council and Argyll & Bute Council (2004) *The Cost of Supersparsity*. Paula Gilder Consulting.

¹⁶ For more information, visit: http://www.minimumincomestandard.org/mis_rural_report.htm

Figure 2: Possible Measures of Rural Poverty, Rural Deprivation and Income Inequality in Rural Scotland:

The existing measures of poverty, deprivation and income inequality that are used in Scotland (Figure 1), all apply to rural Scotland. These are helpful and have contributed to a better understanding of the problems faced in rural Scotland. However, the way in which each of these issues is measured could be improved to provide better estimates of the scale and the nature of the problem in rural Scotland. Examples of better ways of measuring the ‘rural dimension’ of these problems in Scotland are now presented; underscored text identifies the critical revisions that would improve the information that is available.

Poverty: A household measure of not having enough income to buy, or to buy access to, what most people could be expected to have in the UK, which takes account of the realities of the rural economy.

Deprivation: Using indicators that are sensitive to, and able to capture, the particular rural nature of the deprivation that is faced in rural Scotland

Multiple Deprivation: A household measure of not having enough of the elements that are considered to represent an adequate standard of living.

Income Inequality: A measure that compares how equally income is distributed across the population, which both compares the distribution within rural Scotland and between rural Scotland and the rest of the UK.

Progress in tackling and understanding Scotland’s rural poverty

Since its inception, Scotland’s government has sought to understand and tackle rural poverty.¹⁷ More generally, the development of a stable urban-rural classification scheme¹⁸ and the regular publication of statistical compendiums¹⁹ stimulate interest in, and facilitate analysis of, life in rural Scotland.

The current approach of the Scottish Government allows for the particular needs of rural Scotland to be articulated locally, i.e. the Concordat and Single Outcome Agreements provides local areas with flexibility to develop local strategic outcomes, of relevance to local circumstance and issues. This flexibility is advantageous to rural areas, as it enables focus on rural problems, rural actions and rural measures of progress. At the same time, this local focus need not marginalise rural problems. A shared overall national sense of purpose should be fostered alongside this local determination of priorities, as local rural priorities are embedded within Scotland’s National Performance Framework, comprising Scotland’s Key Purpose, Purpose Targets, Strategic Objectives, National Outcomes and National Indicators and Targets. Tackling rural poverty should be an integral part of tackling Scotland’s poverty.

¹⁷ For example, The Rural Poverty and Inclusion Working Group (2001) *Poverty and Social Exclusion in Rural Scotland*. Visit: <http://www.scotland.gov.uk/Publications/2001/10/10277/File-1>

¹⁸ *Scottish Government Urban-Rural Classification, 2009-10*. Visit: <http://www.scotland.gov.uk/Publications/2010/08/2010UR>.

¹⁹ *Rural Scotland Key Facts 2010*. Visit: <http://www.scotland.gov.uk/Publications/2010/09/17092437/0>, updated annually since 2004.

Recently, there has been a step-change in how the Scottish Government has sought to tackle rural poverty. There is explicit acknowledgement in *Achieving Our Potential*, the framework to tackle poverty and income inequality, of the importance of the rural dimension, e.g. “Poverty is most visible in ... urban Scotland, but it is no less real in rural areas”(2008, p.5).²⁰ Qualitative research was commissioned to explicitly explore the experiences of poverty in rural Scotland and reached strong conclusions on the nature of rural problems in Scotland:²¹

‘A lack of opportunities for employment and training limits individuals’ options for increasing their household income and moving out of poverty. With low skill, low pay jobs dominating the rural economy, the route out of poverty for vulnerable groups is, therefore, more challenging.’ (p.67)

‘The main conclusion of the study is that people in rural areas have to spend proportionately more on transport and goods and are less frequently provided with services than their urban counterparts. For people on low incomes, this has negative effects aggravating the experience of poverty and reducing available income significantly.’ (p.69)

In addition, the Scottish Government asked a Working Group brought together by the Rural Development Council to contribute to the development of a consultation document that would inform its rural economic development strategy. One of the briefings that the Working Group considered as part of the evidence was a report on the work of the HIE in developing their ‘Fragile Areas Index’.²² The inclusion of such work in the thinking behind the resulting consultation document, *Speak Up for Rural Scotland*, shows a will to address the issues of fragile rural areas.²³

Most significantly, there has been acknowledgement of the need to handle data much more sensitively, in order that it may be used to address rural realities, e.g. the advice pages on the Scottish Index of Multiple Deprivation (SIMD) offer clear guidance on how it should be used in rural Scotland.²⁴ At the Convention of the Highlands and Islands of Autumn 2007, the Convenors of the member local authorities and Chairs of the NHS Boards met with John Swinney, MSP, Cabinet Secretary for Finance and Sustainable Growth to discuss a letter written by them to the Scottish Government on the use of the SIMD in the allocation of funding. Although this meeting concluded with no plans to revise the SIMD, there was recognition that work was required to better understand the nature and scale of poverty and deprivation where it is spatially dispersed (such as can occur within rural areas).

Government recognition of rural poverty in Scotland is not limited to the Scottish Government. In their *Poverty in Scotland* report²⁵, the Scottish Affairs Committee

²⁰ *Achieving Our Potential*. Visit: <http://www.scotland.gov.uk/Publications/2008/11/20103815/0>

²¹ EKOS (2009) *The Experience of Poverty in Rural Scotland*. Visit:

<http://www.scotland.gov.uk/Publications/2009/03/02144159/0>

²² Scottish Government (2010). *Socio-Economic Briefing on Rural Scotland: Identifying Fragile Rural Areas*: Paper 5: Supporting Evidence Provided to the Rural Development Council Working Group. Office of the Chief Statistician.

²³ Scottish Government (2010) *Speak Up For Rural Scotland*. Visit:

<http://www.scotland.gov.uk/Publications/2010/07/22091602/0>

²⁴ *SIMD and Rural Issues*. Visit: <http://www.scotland.gov.uk/Topics/Statistics/SIMD/FAQRuralIssues>

²⁵ House of Commons Scottish Affairs Committee (2007) *Poverty in Scotland. Second Report of Session 2007-2008. Volume 1*. London: HMSO. Visit:

<http://www.publications.parliament.uk/pa/cm200708/cmselect/cm Scotaf/128/128.pdf>

of the UK Parliament identified three problems - one of which was rural poverty²⁶. The report focuses on the problems of 'income and employment' and 'service provision' in rural Scotland and five of the thirty-six conclusions and recommendations make explicit reference to the problem of poverty in rural Scotland. Conclusion 24 summarises the challenge:

" We conclude that rural poverty presents its own challenges, which will not be solved by an approach tailored to the small pockets of deprivation characteristic of urban poverty. It is vital that the Government's anti-poverty policies are subject to 'rural proofing ... Greater investment in outreach is required to ensure that geographically dispersed communities have equal access to services."

Rural poverty in Scotland is not invisible to government. However, the scale of the problem necessitates that more must be done and the nature of the problem suggests that rural solutions might need to be found. This report is concerned with improving the quality of information that is available to support this endeavour.

Aim of this report

This report aims to improve our understanding of the contribution of indicators to understanding poverty, deprivation and income inequality in rural Scotland. It aims to distil from the disparate and voluminous body of knowledge and literature that currently exists in Scotland, to produce a single, collective position statement that: (i) conveys what we already know; (ii) clarifies the nature of the problem; (iii) identifies what needs to change in order that indicators can contribute more effectively to the challenge.

It should be emphasised that the aims of this report are not radical or original, as the following extract from the *Poverty in Scotland* report of the Scottish Affairs Committee illustrates:²⁷

"... There is a clear need for improved measures of poverty in rural areas of Scotland in order accurately to assess the extent of poverty in these areas. ..."

This report aims to make tangible progress toward achieving a goal that is widely acknowledged as being worthy of pursuing.

Who should read this report and what does it comprise?

This report has been written for all of those who are interested in how poverty, deprivation and income inequality are measured and understood in rural Scotland.

Following this introduction, the report comprises two main sections - 'what we already know' and 'what we now need'. Priority conclusions - the key recommendations for action - are outlined in 'what needs to happen now'.

²⁶ The others were fuel poverty (which itself is a particular problem in rural Scotland) and debt.

²⁷ House of Commons Scottish Affairs Committee (2007) *Poverty in Scotland*. (paragraph 21, p.9) .

2. What we already know - why indicators matter and what indicators tell us

2.1 - On indicators

What is an indicator?

An indicator is simply something we use to understand the level of some else in which we are interested, e.g. using an indicator of income inequality to describe the distribution of income across a population.

Indicators are not perfect measures. After all, if they were perfect measures they would be called measurements, rather than indicators! Ideally, poverty analysts would work with measures of poverty, rather than indicators of poverty. However, poverty cannot be measured in the same way that we can with certainty measure height, weight or age. Consequently, we need to use indicators to estimate the level of poverty in the UK.

Progress toward the goal of eradicating poverty in the UK is most commonly estimated using the indicator, 'level of household income'.

Strictly speaking, a distinction should be drawn between general indicators and performance indicators, with the latter associated with service delivery and being used specifically to measure whether progress is being made toward a pre-defined goal. This report focuses on poverty, deprivation and income inequality in order to tackle these problems in rural Scotland - this means we are concerned with what is not being done by government (which may be captured through general indicators) and with the performance of projects and the work of all tiers of government in addressing these problems (which will be measured through performance indicators).

What are the main 'general' problems with indicators?

The main problem with indicators is that they rarely are able to encapsulate everything about the issue that is being measured and they are rarely able to exclude all of the other factors that intervene to compromise indicator quality. For example, using household income to estimate levels of rural poverty may be less robust for those rural households with highly irregular components to their income patterns, e.g. when a fishermen's income is largely based on catch. Similarly, if the cost of rural living is higher, then the same level of disposable income may not be sufficient to ensure that all basic necessities and reasonable expenses can be met on an equivalent level of income to those living in urban areas (cost of living obscuring the robustness of household income as a measure of rural poverty).

Sometimes, analysts also become pre-occupied with the indicator and, as a result, measurement and progress with the indicator becomes more important for those

delivering services than the goal.²⁸ There is a danger that those concerned with eradicating poverty in the UK become pre-occupied with increasing levels of household income, rather than address the wider range of problems that constitute, and are associated with, poverty.

Why bother with indicators?

The 'general' problems with indicators can be managed and minimised. In particular, there is a need for careful selection of indicators and careful interpretation of data to ensure that the conclusions drawn from indicators are robust. Presenting numbers with an explanatory narrative can help avoid misinterpretation.

More positively, there are very good reasons why we should use indicators to estimate the level of rural poverty:

- **Ease of interpretation.** Indicator results are far more accessible and efficient than large volumes of text and can be concisely presented in tables and figures. They are therefore likely to reach a far wider audience.
- **Ease of comparison.** Indicator results allow comparisons over time and between areas.
- **Information for policy-making.** Indicator results can be used for planning and distribution of resources and used to evidence effects of change.
- **Clues to problems and solutions.** Indicators provide a starting point for further analysis of the reasons for 'poor performance' and 'better performance', i.e. they provide pointers towards where further information or action is needed
- **Public engagement.** A clear and accessible set of indicators in a known (and well publicised) location allows a wider range of individuals with different knowledge and experience to assist in evaluation of trends.

There is much public interest in knowing how many people are living in poverty in the UK. Similarly, there is much interest from anti-poverty practitioners for annual updates of key poverty indicators (such as the *Households Below Average Income* data) to ascertain whether sufficient progress is being made toward achieving agreed outcomes.

What makes a good indicator?

There is widespread agreement of the qualities that define a 'good indicator'.²⁹ For example, ECOTEC³⁰, referred to the six qualities identified by the Department of Land Economy at the University of Cambridge³¹ and AIMS criteria (Action oriented,

²⁸ Smith, P. (2005) On the unintended consequences of publishing performance data in the public sector. *International Journal of Public Administration*, Vol. 18. pp.277-310.

²⁹ HM Treasury, Cabinet Office, National Audit Office, Audit Commission and Office for National Statistics (2001). *Choosing the Right FABRIC: A Framework for Performance Indicators*. http://archive.treasury.gov.uk/performance_info/fabric.pdf

³⁰ ECOTEC (2009) *Developing Performance Indicators for Rural Scotland. A Scoping Study*. Visit: <http://www.scotland.gov.uk/Publications/2010/03/18092820/12>

³¹ Department of Land Economy, University of Cambridge (1999). *Evaluation of the Single Regeneration Budget Challenge Fund: An Examination of Baseline Issues*, for the Department of the Environment,

Important, Measurable and Smart). In effect, these ‘qualities’ refer partly to the nature of the indicator (first seven points) and partly to how these indicators are to be managed (last three points).

- **Measurable.** Information must be available, or be collectable.
- **Quantitative.** Indicators should as far as possible be quantitative in nature even when it is qualitative change that is being assessed.
- **Important.** The indicator should describe an important aspect of the issue clearly and unambiguously. The indicator should be relevant to the local area and community, and reflect national and global concerns.
- **Baseline (comparable baseline).** A good indicator should measure conditions in a locality at a point immediately prior to the commencement of a particular policy, programme or project intervention. Ideally, local conditions should be measured relative to some standard or norm that may represent a wider local, sub-regional, regional or national average. This comparison helps to identify whether a given change in the value of an indicator is due to the impact of programme in question.
- **Replicable.** A good indicator should be capable of measuring change or progress.
- **Understandable (smart).** Most people should be able to understand what the indicator is about, and should find it interesting.
- **Action-oriented.** The indicator should provoke people to debate, and change the way they think and behave. It should be obvious to all in which direction policy should be going. Achievable targets should be set.
- **Systematic application.** Indicators should be measured consistently across an entire policy, programme or project intervention.
- **Dynamic and regular monitoring (continuous monitoring).** The same conditions should be capable of being revisited at the end of (and fairly continuously during) the implementation period of the policy, programme or project intervention, again relative to a standard comparator. This converts the static baseline indicator into a dynamic measure of change. It serves to reveal the degree of local change irrespective of cause.
- **Contextualised estimates for outcomes (strategic).** Indicators that are designed to measure outcomes should relate to a broader set of local changes than are captured by indicators that measure specific outputs. A good indicator must be capable of being influenced by programme or project interventions but are also subject to a wide variety of other policy and non-policy influences.

One key problem of the indicators used to measure poverty in the UK is these qualities of a ‘good indicator’ are rarely met for household income at the local level. Consequently, indicators of local poverty tend not to be based on household income, which in turn makes comparison of local and national poverty more difficult, or impossible to achieve.

Rise to prominence of the indicator

Over the last decade, greater prominence has been given to ‘performance indicators’, in what is often described as the growth of evidence-based policy. Although, more recently, there have been some signals from the UK Lib-Con

Transport and the Regions. Visit:

http://www.landecon.cam.ac.uk/research/reuag/uars/pdf/discussion_paper_109.pdf

coalition government that this importance placed on indicators will be scaled-back³², performance indicators are, and will remain, an important part of the policy landscape in Scotland for some years to come.

2.2 - On indicators of poverty, deprivation and income inequality in rural Scotland

The possibility of rural indicators - classifying rural Scotland

Being able to define rural Scotland is a prerequisite for measuring rural poverty, deprivation and income inequality in Scotland and although all classification schemes will have their limitations and will be open to criticism, there are various schemes that are used to classify rural areas in Scotland (Table 1). In particular, the Scottish Government's urban-rural classification scheme is widely used to classify different types of rural (and urban) Scotland.

Rural Scotland is defined according to accessibility, population size and population density. The geographical units used in these classifications range from datazones³³, through postcode sectors, census output areas and electoral wards to local authorities and NUTS3 regions of the OECD.

The assignation of unit postcodes, postcode sectors or datazones as urban, small town or rural has been used to determine the status of site-based services. For example, the Scottish Government classifies schools into one of six urban-rural categories according to their postcode to describe the patterns of school meal uptake across Scotland.³⁴

³² For example, the National indicator Set is currently under review and the Department of Communities and Local Government cancelled their Place survey, Tenants survey and Tellus survey in August 2010.

³³ Of course, not all rural datazones can be described as small in terms of the area that they cover. It is inevitable that as rural datazones will cover a larger geographical area, as population is more dispersed.

³⁴ For example, Table 5 of Scottish Government (2010) School Meals in Scotland 2010. Visit: <http://www.scotland.gov.uk/Publications/2010/07/06095048/12>

Table 1: Schemes for classifying rural Scotland

Scheme	Categories	Geography	Approach	Result
Randall	1. Urban 2. Rural	32 Local authorities	Population density of less than one person per hectare = rural	14 Rural Local Authorities (18 Urban LAs)
Scottish Government, urban-rural classification	1. Large Urban 2. Other Urban 3. Accessible Small Town 4. Remote Small Town 5. Very Remote Small Town 6. Accessible Rural 7. Remote Rural 8. Very Remote Rural which can be reclassified 1. Large Urban 2. Other Urban 3. Accessible Small Town 4. Remote Small Town (4, 5 from above) 5. Accessible Rural 6. Remote Rural (7, 8 from above) which can be reclassified 1. Urban (1, 2, 3, 4, 5 from first classification) 2. Accessible Rural 3. Remote Rural (7, 8 from first classification) or reclassified as 1. Urban (1-5 from first classification) 2. Rural (6-8 from first classification) or reclassified as 1. Remote (4, 5, 7, 8 from first classification) 2. Not remote (1, 2, 3, 6 from first classification)	6505 datazones Also 2. Postcode unit 3. Census Output Area	Two criteria. 1. Settlement size 2. Accessibility. <i>Rural</i> is settlements of less than 3000 people. <i>Remote</i> is more than 30 minutes drive time to a settlement of 10000 or more people. <i>Very remote</i> has the threshold of 60 minutes.	Accessible rural (11.2% population) Remote rural (3.8% population) Very remote rural (3.2% population) Also Remote small town (2.8% population) Very remote small town (1.3% population)
OECD, Regions	1. Predominately urban 2. Intermediate 3. Predominately rural	23 NUTS3 regions (EU) / TL3 (OECD)	Share of population in communities (see below) of less than 150 inhabitants per km ² . 15-50% = intermediate / Less than 15% = rural. Also no urban centre of more than 200,000 people in the region (otherwise classified as urban)	9 Predominately rural regions (75% territory, 17% population) 7 Intermediate regions (7 Predominately urban regions)
OECD, Electoral Wards	1. Urban 2. Rural	1229 electoral wards (TL5 of OECD)	(Community) Population density of less than 150 inhabitants per km ² .	384 rural communities (95% territory, 23% population)

Resources for evidencing rural poverty, deprivation and income inequality in Scotland

Rural Scotland is fairly well resourced with readily available and robust data that can be used to inform an understanding of conditions in rural Scotland.

Two sources stand apart as compendium volumes of evidence on poverty, deprivation and income inequality in rural Scotland, drawing from a range of sources.

- **Rural Scotland: Key Facts.**³⁵ This is a Scottish Government National Statistics publication, published annually since 2004. Its purpose is to summarise a range of key facts relating to rural Scotland (remote and accessible) compared with the rest of Scotland. Data are drawn from a number of sources. It has three sections: people and communities; services and lifestyle; economy and enterprise. It includes information on fuel poverty, economic activity, income and employment deprivation.
- **Scottish Neighbourhood Statistics (SNS).** The key source of small area statistics in Scotland that provides an array of information on poverty and deprivation in rural Scotland (and a wide range of other subjects). The website has a range of user-friendly tools to assist understanding, utilisation and access data. With the introduction of the new urban-rural classification of Scotland, the reporting tools of SNS have been updated and now permit a nationwide analysis by urban-rural status. Furthermore, if an area is known to be rural, SNS is an excellent one-stop source of (poverty and deprivation) data for that area. Visit: <http://www.sns.gov.uk/default.aspx>

Several studies based in Scotland provide insights into conditions of poverty, deprivation and income inequality in rural Scotland.

- **Scottish Government analysis of the Households Below Average Income (of Family Resources Survey).** Although rural poverty in Scotland is not reported in the main annual Scottish analysis of the HBAI dataset by the Scottish Government,³⁶ supplementary analysis is occasionally undertaken to provide an estimate of rural poverty in Scotland. Visit: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/CoreAnalysis#a2>
- **Scottish Index of Multiple Deprivation (SIMD).** The key source of information on small area deprivation in Scotland, last updated in 2009, providing data for 6505 small areas (datazones). Although not an unproblematic source for rural Scotland (Table 2), the main published report provides some key summary information for rural Scotland (e.g. an urban-rural breakdown (six-fold scheme) of the proportion of Scotland's Most Deprived datazones and Scotland's Most Access Deprived datazones). The SIMD website provides access to the data that comprise the SIMD, facilitating aggregate and domain level analysis across a range of geographical scales. Like SNS (see above), this is particularly useful if the objective is to profile an area that is known to be rural. Visit: <http://www.scotland.gov.uk/Topics/Statistics/SIMD>

³⁵ Scottish Government (2010) *Rural Scotland Key Facts 2010*. Visit: <http://www.scotland.gov.uk/Publications/2010/09/17092437/0>,

³⁶ Scottish Government (2010) *Poverty and Income Inequality in Scotland, 2008/09*. Visit: <http://scotland.gov.uk/Publications/2010/05/povertystats0809>

Table 2: Case study, Part 1: The Scottish Index of Multiple Deprivation (Problems in using it to measure rural deprivation)

Why SIMD matters

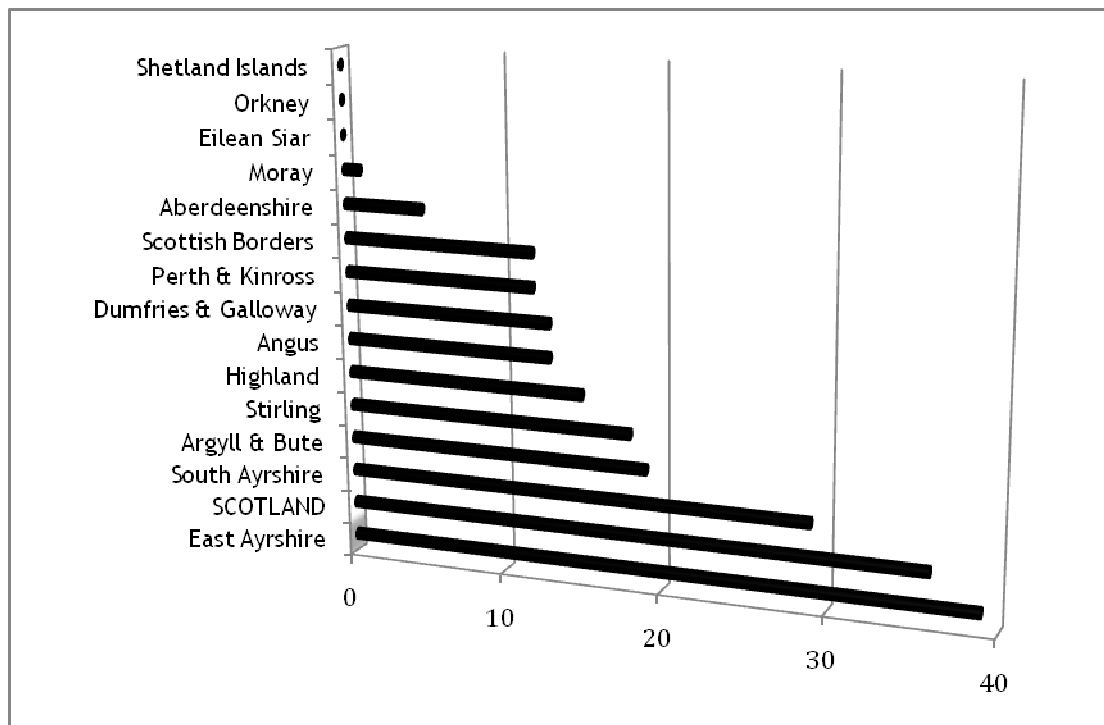
- SIMD is widely used by and beyond government to identify areas with multiple deprivation in Scotland.
- The '15% Most Deprived Areas' category is now a key marker of deprivation in Scotland.

The problems of SIMD for understanding rural deprivation

- **1. Rural deprivation tends not to be concentrated.** The SIMD is designed to measure area concentrations of multiple deprivation. However, rural deprivation tends to be dispersed. Hence, the SIMD does not capture or reflect the scale of household deprivation within rural areas (Figure 3); inadvertently, this reinforces the view that deprivation is predominantly an urban issue.
- **2. The indicators do not measure rural realities.** The steps taken to improve the robustness of indicators for rural contexts are not always sufficient, e.g. frequency of transport is not factored in to the measure - travel time is difficult to estimate for those communities that have weekly or fortnightly public transport and does not therefore capture the inability to utilise public transport for work purposes.
- **3. Problems of disaggregation.** It is possible to focus on particular domains (e.g. employment deprivation or health deprivation). This domain-level focus shifts attention away from *multiple* deprivation and the critically important problems of access is factored out of discrete (domain) deprivation results. Access is *integral* to all aspects of deprivation in rural Scotland.
- **4. Undermining the importance of access and housing.** Poor housing and poor access are particularly problematic in rural areas, but these issues contribute relatively less to the overall index of deprivation. Housing has a weighting of 1 and Access a weighting of 4 to the overall SIMD score, compared to weighting of 6 for education and health and 12 for employment and income.³⁷ The contribution of housing to the overall SIMD index reflects the poor quality of data that were available in 2006 and 2009 (small area housing data is sourced from the decennial Census of Population, next due in 2011). There were more robust access data in 2006 and 2009, but this still carried a low weight. Regardless of the reasons for the weightings they carry, it is clear that the weighting given to housing and access in the SIMD does not reflect the extent to which these problems contribute to deprivation in rural Scotland.
- **5. Few headline results at the 'rural' scale of analysis.** In common with many other sources of data on deprivation in Scotland, very few of the headline results are aggregated and reported for rural Scotland, as a whole.
- **6. Coherency of data zones and sense of rural place.** The population structure in rural areas (small, dispersed populations) means that to achieve datazones, the individual and unique character of communities is lost in aggregation. For example, in Shetland, all the outer isles are appended to different areas of the Shetland mainland.

³⁷ Crime has a weighting of 2.

Figure 3: Proportion of local authority's income deprived population living in Scotland's 15% Most Deprived Areas, rural local authorities in Scotland (Randall definition).



Source: SIMD, 2009, Table 3.3, p.15

- **Scottish Household Survey (SHS).** Designed to support the work of the Scottish Government, the SHS is designed to provide updated information on all local authorities in Scotland on a two-year cycle. A limited number of results in the main annual publication and in the interactive tables tool provide a breakdown of poverty and deprivation by urban-rural status. More generally, information is collected on household income, value of savings, perception of how managing financially, involvement in community and health status. Visit: <http://www.scotland.gov.uk/Topics/Statistics/16002>
- **Growing Up in Scotland (GUS).** GUS is a national survey that tracks the lives of a national sample of Scotland's children from infancy through to their teens. The website contains a particular useful signposting tool that directs users to topics of interest, among which are benefits and tax credits, child poverty, employment, health inequalities and rural areas. Of particular interest is recent data and reports on persistent child poverty and material deprivation. Visit: <http://www.crfr.ac.uk/gus/>
- **Scottish House Condition Survey (SHCS).** The SHCS is a continuous national survey of the physical condition of Scotland's housing and the perceptions of householders. Most significantly, it is the primary source of information on fuel poverty in Scotland. Rural data tend to be compared to urban data in the main report (rather than use one of the

more detailed urban-rural classification schemes). Estimates are provided for local authority areas. Visit: <http://www.scotland.gov.uk/Topics/Statistics/SHCS>

In addition, to these Scottish-based sources, there are a range of UK based surveys and data sources that comprise a sufficient sample size to glean insight into poverty, deprivation and income inequality in Scotland. Although data tend not to be published for rural Scotland, it is possible to model local projections using these data sources:

- **Annual Population Survey (APS).** The Annual Population Survey is designed to provide local authority estimates of employment, education, health and ethnicity. Data are provided for each local authority in Scotland. The Scottish Government funds a boost to the APS, which raises the number of households surveyed from 8,000 (a proportionate share of the GB sample) to 23,000 households. This larger dataset is sufficient to facilitate analysis of rural Scotland and the Scottish Government analysed the 2008 dataset to glean understanding of differences across urban and rural Scotland (three-fold and six-fold classifications). Visit: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/Publications>
- **Annual Survey of Hours and Earnings (ASHE).** These UK data on hours worked and earnings are disaggregated by Government Office Region (Scotland), occupation, gender and industry. Key source of information on low pay in Scotland. Visit: <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15236>. Data for local authorities are also available through NOMIS.

Department for Work and Pensions' data also provide a range of key information, pertinent to poverty and deprivation, that can be disaggregated to small geographical areas. These data can be re-aggregated to provide insight into rural poverty for a range of rural areas in Scotland.

- **Department of Work and Pensions data.** DWP's Tabulation Tool can be used to access small area data on a range of welfare data based largely on the Work and Pensions Longitudinal Study. For example, claimant counts for datazones or electoral wards can be accessed by 'statistical group' (e.g. Lone parent, Jobseeker, etc.), gender and age. These data are updated quarterly. Visit: <http://research.dwp.gov.uk/asd/tabtool.asp>

These data sources will soon be reinforced with two rich sources of information about poverty, deprivation and income inequality in rural Scotland.

- **Census of Population.** The most recent nationwide Census of Population was March 27th 2011. Visit: <http://www.scotlandscensus.gov.uk/en/>
- **Understanding Society.** Results from the UK Household Longitudinal Study, which tracks the lives of 100,000 people from 40,000 households in the UK became available in 2010 and should afford the possibility for better understanding poverty dynamics in rural Scotland. Visit: <http://data.understandingsociety.org.uk/>

Similar to the compendium and other sources referred to above, but authored independently and not published regularly, several reports have focused to some extent on the nature of poverty and deprivation in rural Scotland. Ten key examples are listed overleaf in Table 3.

Evidencing rural poverty, deprivation and income inequality in Scotland

The wide range of data sources yield a variety of insights into the level and nature of these problems in rural Scotland. By way of illustration, eleven headline and key statistics are presented in Table 4 (below).

Table 3: Bespoke reports shedding insight on poverty and deprivation in rural Scotland

- de Lima, Philomena (2008) *Study on Poverty and Social Exclusion in Rural Areas*, Annex 1 Country Studies, Scotland, European Communities. Visit: http://ec.europa.eu/employment_social/spsi/studies_en.htm#povertyruralareas. This 38 page report with its focus on Scotland is the first country annex report to a larger study of poverty and social exclusion in rural Europe.
- EKOS (2009) *The Experience of Rural Poverty in Scotland. Qualitative Research With organisations Working With People Experiencing Poverty in Rural Areas*. Edinburgh: Scottish Government Social Research. Visit: <http://www.scotland.gov.uk/Resource/Doc/262658/0078512.pdf>. Commissioned by the Scottish Government (Social inclusion), the research aimed to ascertain whether the experience of poverty was ‘different’ in rural Scotland and was based on a literature review, national consultation and rural workshops.
- House of Commons Scottish Affairs Committee (2007) *Poverty in Scotland. Second Report of Session 2007-08*. Visit: <http://www.publications.parliament.uk/pa/cm200708/cmselect/cm Scotaf/128/128.pdf>. Landmark 55-page report from the UK Government that focuses on three issues, two of which are particularly pertinent to this report, i.e. fuel poverty and rural poverty.
- McKendrick, John H., Cunningham-Burley, S. and Backett-Milburn, K. (2003) *Life in Low Income Families in Scotland. Research Report*. Scottish Government Social Research: Edinburgh. Visit: <http://www.scotland.gov.uk/library5/social/lili-00.asp>. Commissioned by the Scottish Government (Social inclusion) this focus group research explored the life experiences of adults, children and young people living in urban and rural Scotland (including rural fieldwork in Argyll and Bute. Moray and East Ayrshire).
- McSorley, Leaza (n.d.) *Special Study on Living in Poverty in Rural Areas*. Report to the Scottish Government Rural and Analysis Research and Analysis Directorate. Edinburgh: SAC. Visit: <http://www.sac.ac.uk/mainrep/pdfs/ruralpoverty>. Commissioned by Scottish Government (RERAD), this report is a literature review of rural poverty, with a focus on issues, population group experiences and policy solutions.
- Pacione, Michael (1995) The geography of deprivation in rural Scotland. *Transactions of the Institute of British Geographers*, NS20: 173-192. Refereed journal paper from a leading Scottish academic, which used Census data to describe the distribution of deprivation in rural Scotland.
- Pion Economics (2000) *Accounting for Rural Deprivation*. Visit: <http://www.highland.gov.uk/NR/rdonlyres/4EC768A4-65F7-466E-904F-989CD4A1F737/0/accountingforruraldeprivationpion2000.pdf>. Independent review of how rural deprivation is measured in the UK, commissioned to inform the work of Highland Council.
- Rural Poverty and Inclusion Working Group (2001) *Poverty and Social Exclusion in Rural Scotland*. Visit: <http://www.scotland.gov.uk/Publications/2001/10/10277/File-1>. Landmark publication written within the framework of the first Scottish Executive’s *Social Justice Strategy* and with an explicit remit to focus on indicators for rural Scotland. The need for a “comprehensive programme to measure rural poverty and exclusion” was one of its two key messages.
- Shucksmith, Mark (2004) *Social Exclusion in Rural Areas: a review of recent research*, Arkleton Centre for Rural Development Research, University of Aberdeen. http://alpsknowhow.cipra.org/main_topics/governance_capacity/pdfs/shucksmith.pdf. Although focused on England, this 21-page report addresses issues that are pertinent to policy and understanding in Scotland.
- Turbett, Colin (2009) *Rural Scotland and Socialism in the 21st Century*. Visit: http://www.scottishsocialistparty.co.uk/new_pdfs/pamphlet/rural2withcover.pdf. A short and partisan political pamphlet, outlining a socialist vision for rural Scotland and including four pages focused on ‘combating poverty’ (pp.18-22)

Table 4: Selected evidence on poverty and deprivation in rural Scotland

- **Income Poverty.** 160,000 people in rural Scotland (14% of the rural population) were estimated to be living in income poverty in 2007/08 by the Scottish Government (source: Scottish Government, 2009, Poverty in urban and rural areas analysis, measure 'relative low income before housing costs'; analysis based on HBAI data from Family Resources Survey).
- **Relative Poverty.** In 2008, 20% of households in remote rural Scotland were estimated to be living in relative poverty (16% in accessible rural Scotland). 'Local' incidence reaches as high as 25% of households for Eilean Siar. (source: Scottish Government, 2010, *Relative poverty in Scottish local authorities*, Figure 4 and Table 3).
- **Fuel Poverty.** In 2008, 14% of households in remote rural Scotland were defined as experiencing 'extreme fuel poverty' (spending 20% or more of income on fuel), compared to 6% of households in accessible rural Scotland and 6% of households in non-rural Scotland (source: Scottish House Condition Survey: Key Findings for 2008, Table 21, paragraph 74)
- **Persistent Child Poverty.** Although rates of persistent child poverty are higher in urban than rural areas, in 2008/09, it is estimated that 16% of children living in rural Scotland were 'persistently poor' and 18% were 'temporarily poor', where persistent poverty is defined as living in a low income household for three or four of the last four years and temporarily poverty is if income poor for one or two of those years (source: GUS Persistently Poor Topic Report, 2010, Table 3.4).
- **Income Deprivation.** Over 90,000 people in rural Scotland are income deprived (93,910 - source: SIMD 2009 version 2- Table 3.7, p.18).
- **Access Deprivation.** Almost 80% of Scotland's most access-deprived datazones are in rural areas (79.4%). Three quarters of 'remote rural' datazones (76.9%) and three fifths of the 'accessible rural area' (59.2%) datazones are classed as among the 15% 'most access deprived' in Scotland (source: SIMD 2009 - Table 8.1, p.45). Access deprivation is particularly acute in the island authorities, but it also substantial in Argyll and Bute, Highland, Aberdeenshire and Dumfries and Galloway (source: SIMD 2009 - Chart 8.1, p.45). Access deprivation has proven to be resistant to change in rural Scotland (source: SIMD 2009 - Chart 8.2, p.46 and Chart 8.3, p.47).
- **Micro Geography of Multiple Deprivation.** Less than 2% of Scotland's 15% Most Deprived datazones are in rural areas (19 of 976 datazones) - 1.3% (13) in accessible rural areas and 0.6% (6) in remote rural areas (source: SIMD 2009 version 2, - Table 3.5, p.17)
- **Household and Area Deprivation.** Only 5% of 'income deprived' people in accessible rural Scotland and 4% of 'income deprived' people in remote rural Scotland live in datazones classed as among the 15% 'Most Deprived', compared to 50% of 'income deprived' people who live in areas with are among the 15% Most Deprived in Scotland's large cities (source: SIMD 2009 version 2 - 3.25, p.18)
- **Rates of Pay.** The (median) hourly wage rate is lowest in remote rural Scotland (although it should be noted that hourly rates are higher in accessible rural areas than in non-rural areas). For example, in 2009, median hourly rates of pay in Scotland were £10.31 for remote rural areas, £10.67 in non-rural areas and £11.99 in accessible rural areas (source: Annual Survey of Hours and Earnings 2009, as presented in Rural Scotland Key Facts 2010, Figure 22).³⁸
- **Expenditure on Fuel for Cars.** In 2009, 52% of car-owners in remote rural Scotland and 51% of car-owners in accessible rural Scotland spent more than £100 per month on fuel, compared to 37% of those in non-rural Scotland (source: Scottish Households Survey 2009, as presented in Rural Scotland Key Facts 2010, Figure 10).
- **Energy Efficiency of Homes.** In 2008, only 24% of homes in rural Scotland had an energy efficiency rating of 'good', compared to 55% of homes in non-rural Scotland (source: Scottish House Condition Survey: Key Findings for 2008, Table 10).

³⁸ These wage data are based on where people live, rather than where they work. Thus, the relatively higher rate of pay for accessible rural areas may be partly due to them commuting to non-rural areas to work; 52% of workers who live in accessible rural areas, work outside rural areas, whereas only 27% of those who live in remote rural areas work outside rural areas (Reported in *Rural Scotland Key Facts 2010*, Figure 9, <http://www.scotland.gov.uk/Publications/2010/09/17092437/3>).

A cautionary note on poverty, deprivation and income inequality indicators and indicator quality for rural Scotland

The range of statistical resources that are available (Table 3) and the array of evidence that they generate (Table 4) provide Scotland with the means to better understand some aspects of the nature of poverty, deprivation and income inequality in rural Scotland. However, the suitability of what is available is not yet sufficient to fully understand Scotland's rural poverty. In particular, there are six limitations that must be addressed:

1. Absence of headlining, summarising and publishing data in rural Scotland.

Although much of the data that are collected on life in Scotland afford the possibility of describing rural conditions, the rural character of poverty and deprivation is often not described. For example, the annual report on *School Meals in Scotland* provides an urban/rural breakdown of the percentage of pupils taking school meals (free or paid for), but does not present a rural-urban breakdown for free school meals.³⁹

2. Oversimplification of rural Scotland. It is important to have summary data on rural Scotland. However, it is equally important to appreciate key variations across rural Scotland. The Scottish Government classification scheme allows for differences to be explored, yet data on rural Scotland is often only presented in aggregate for rural Scotland.

3. Insufficient sample sizes and sample design. National survey designs and sufficient sample sizes ensure that rural Scotland can be better understood through statistics. However, the *relatively* smaller population in rural Scotland means that not all national sources are able to fully describe rural conditions. For example, the HBAI dataset's headline indicators of UK poverty (income poverty and material deprivation) cannot be described for different types of rural area in Scotland.

4. Limitations in the transferability of indicators across rural and urban Scotland. Questions remain over whether all of the indicators that are used to estimate poverty and deprivation are equally applicable in urban and rural Scotland. In particular, car ownership is more of a necessity in rural Scotland (and cannot be used as an indicator of poverty, as might be so in urban Scotland). Similarly, welfare claimant counts may be inadequate to indicate the numbers of people experiencing poverty in rural Scotland as concerns over anonymity, a culture promoting self-sufficiency and confusion over entitlement may mean that claimant rates are lower in rural than urban Scotland.

5. Inappropriate use of the SIMD - the problem of the 15% Most Deprived Areas. The rise to prominence of 'living in one of the 15% Most Deprived datazones in Scotland (15% Most Deprived Areas)' as a primary marker of deprivation in Scotland - and funding bodies have used it in the past as a proxy of need for resource

³⁹ Scottish Government (2010) School Meals in Scotland 2010. Visit: <http://www.scotland.gov.uk/Publications/2010/07/06095048/12>. It should be acknowledged that (i) there are limits to what can be published in a report; (ii) rural analysis of these data is possible by linking rural/urban status of schools; and (iii) members of the Scottish Government statistics team are open to receive requests to assist with more advanced data analysis. However, equally, it could be argued that the rural dimension in Scotland is sufficiently important that it should be at least headlined and summarised in such reports.

allocation - it can lead to significant underestimation of the scale of deprivation in rural areas.

6. Utilisation of existing data. Although there are ways in which existing data could be strengthened to better inform understanding of poverty, deprivation and income inequality in rural Scotland, there is also under-utilisation of existing resources (see Figure 4, below for a case study of good practice). In particular, there is no single source to collate the disparate array of evidence to provide a more comprehensive understanding and regular monitoring in rural Scotland. In effect, what is proposed is a *Key Facts* for poverty, deprivation and income inequality in rural Scotland.

Figure 4: Fife Council's Approach to Rural Data Analysis

Fife has a mixture of accessible small towns, 'other' urban areas and accessible rural areas. In any large-scale survey or analysis, such as the Residents Survey, there is a routine exploration of whether there are any urban-rural differences. The KnowFife Dataset (www.fifedirect.org.uk/knowfifedataset) also uses the Scottish Government's Urban Rural Classification as one of its geographies, enabling a wide range of data to be available for rural areas, small towns, and other urban areas in Fife.

3. What we now need - better measures of rural poverty, deprivation and income inequality in Scotland

What can be done to improve the evidence base to better inform our understanding of poverty, deprivation and income inequality in rural Scotland? Two suggestions are made in this section.

First, we should not limit our concern to numbers; there is a danger that in a paper that is primarily concerned to improve indicator quality, that sight is lost of the value of probing beyond the numbers to truly understand the experiences that they represent. Section 3.2 is our attempt to avoid this pitfall.

However, we must seek to develop better indicators and better indicator sets for rural Scotland. Of course, definitive solutions are beyond the remit of this report; however, in section 3.1 we open-up a debate that should be progressed beyond this paper.

3.1 - Better numbers- Towards a comprehensive, multi-level indicator set for rural poverty, rural deprivation and income inequality in rural Scotland

What is a rural indicator?

A rural indicator is simply an indicator that adequately describes rural conditions. Some indicators can be measured equally effectively across urban and rural areas. However, what these indicators mean - what they indicate - can be very different in rural and urban areas. For example, car ownership can be measured in both urban and rural Scotland and might reasonably be used as an indicator of poverty in urban Scotland (no car = general indicator of having a lack of resources to buy what most people expect to have). However, owning a car is much more of an essential to access work, education and leisure in remoter rural Scotland; although less useful as a general measure of poverty [people living in poverty in rural areas may have little choice, but to direct their limited financial resources to ensure that they can run a car, perhaps exacerbating difficulties in buying other essentials], car ownership may be a more effective measure of deprivation in remote rural Scotland [no car = indicator of extreme deprivation as a direct result of not owning a car]. The qualitative differences between how life is experienced in urban and rural Scotland, would suggest that rural indicator sets would include some indicators for issues that are less significant in an urban context. The primary focus of a rural indicator is that it adequately describes rural realities. Facilitating urban/rural comparisons is also desirable and a comprehensive multi-level indicator set should allow for this and make it clear when such comparisons are intended and possible.

Why bother?

Put simply, we need better estimates of rural poverty, deprivation and income inequality in Scotland. In order to achieve this, the possibility of *rural* indicators of poverty, deprivation and income inequality need to be considered given the limitations of some of indicators that are currently used.

Making better use of what we have already got

Part of the challenge is to make better use of what is already used to understand poverty, deprivation and income inequality in Scotland. Earlier in the report, we highlighted some issues that must be acknowledged when using the Scottish Index of Multiple Deprivation to understand deprivation in rural Scotland. Continuing with this example, and by way of example, Table 5 outlines some ways in which the utility of SIMD could be strengthened for rural areas.

Table 5: Case study, Part 2: The Scottish Index of Multiple Deprivation (How to make best use of the SIMD to understand rural deprivation in Scotland)

- **1. Keep SIMD, as concentration matters.** As is argued cogently by Professor Glen Bramley (Heriot-Watt University), SIMD serves a particular purpose in advancing our understanding of deprivation in Scotland:
“It (SIMD) is explicitly a tool for highlighting concentrated and multiple deprivation at small area level, and for this purpose it is appropriate and reasonably successful. However it is not the whole story or the whole answer to the need to have measures of ‘deprivation’. It needs to be complemented by more active development of parallel measures for groups, individuals and wider themes.”⁴⁰
Tackling area multiple deprivation is important and robust information on where these pockets exist is important in both rural and urban Scotland.
- **2. Rural work on rural concentrations.** More work needs to be undertaken in some part of rural Scotland to reflect on the qualitative nature of area multiple deprivation in rural Scotland and its importance relative to household deprivation. For example, the efficiencies for service delivery that are achieved through area targeting in the Most Deprived Areas may be less significant in rural Scotland (and hence suggesting that an small area-level analysis is less significant), but thought needs to be given to the limited instances where there are rural concentrations of multiple area deprivation, such as de-industrialising communities (ex-mining, ex-steel fabrication, etc.).
- **3. Sensitivity in disaggregated analysis.** Disaggregation of the SIMD for domain level analysis must not lead to a narrowing of focus on solutions to rural problems, e.g. to ignore the role of access when seeking to tackle the problems of areas which appear to perform relatively less well on employment. Problems are multi-faceted and solutions must be likewise.
- **4. Utilising access domain.** Notwithstanding the need for sensitivity in disaggregated analysis, the Access domain is of potential value as a systematic measure of “remoteness”. Ranking the data zones on the Access Domain provides a helpful measure of access deprivation. This may be particularly valuable in local authorities with a mix of urban and rural areas, to ensure that ‘remoteness’ is factored into an intra-authority analysis of need.
- **5. Re-evaluation of indicators and campaigning for the systematic collection of data where required to improve indicator-sets.** The SIMD team within the Scottish Government systematically appraise indicators to maximise the effectiveness of the SIMD. However, it is clear that not all domains adequately represent deprivation in rural areas; in particular, the housing domain is blighted by limited and dated information.
- **6. Rural analysis and two-tier resource allocation.** The distribution of Fairer Scotland Fund money from 2008 to 2010 involved significant revisions to the way in which SIMD was used for resource allocation; a two-tier system was introduced which took account of both individual deprivation (household deprivation in local authorities) and small area deprivation (the 15% Most Deprived Areas), in addition to introducing a funding floor to the Island authorities (to ensure a minimum share of these funds). These steps are to be welcomed. However, there remains a need to systematically appraise the funding formulas to ascertain the optimum approach that does not disadvantage rural areas.

⁴⁰ Bramley, G. (2005) *Scotland’s Index of Multiple Deprivation. Assessing its statistical validity, and its appropriateness as a mechanism for targeting resources on deprivation*. Research Report to the Scottish Parliamentary Corporate Body. Visit: <http://www.scottish.parliament.uk/business/committees/finance/inquiries/deprivation/SPICeSIMDReport3.htm>

Working toward a ‘Scottish Rural Poverty, Deprivation and Income Inequality Multi-Indicator’ framework

Earlier in this report, we discussed the qualities that are required of effective indicators. What follows is not a comprehensive review of the availability and quality of indicators available to measure rural poverty, deprivation and income inequality in Scotland. We hope that this work will follow from this report and a complementary resource report (prepared by Jeannie Holles and Chris Carr) makes some progress toward this goal.⁴¹ Rather, what is presented in the main body of the report aims to open the debate on what type of information is needed if we are to adequately understand the extent and nature of these problems in rural Scotland. It takes a step toward a ‘Scottish Rural Indicator’ framework for poverty, deprivation and inequality.

It should be emphasised that what is proposed is not an alternative set of performance indicators for rural Scotland or an indicator set for a broadly based volume on the social profile of rural Scotland. Rather, the following is a flavour of the types of key data that could better inform our understanding of poverty, deprivation and inequality in rural Scotland.

We suggest key indicators at three geographical scales - the nation (rural Scotland), the administration (CPP/Local Authorities) and the locality (datazone). As we have described, although poverty, income inequality and deprivation are clearly related, there are also subtle (yet critical) differences in emphasis and conception.

Therefore, it is necessary to propose separate indicator sets for each at each geographical scale.

Measuring Poverty

Rural Scotland

- *Current Measure*. Proportion of (individuals living in) low income households (using *Households Below Average Income* data).
- *Problems with Current Measure for Rural Scotland*. Income estimates do not take into account the higher cost of living in rural Scotland and the additional expenses that are incurred when living in rural Scotland.
- *Adaption to Current Measure for Rural Scotland*. Income should be equivalised to take account of rural cost-of-living and rural expenditure patterns in order to meaningfully estimate the spending power of disposable income in rural Scotland.

Administrations in Scotland, i.e. Local Authority [CPP] areas and Health Boards

- *Current Measure*. Proportion of people living in low income households (using *Scottish Household Survey* (SHS) estimates of household income)
- *Problems with Current Measure for Rural Local Authorities or Health Boards Serving Rural Areas*. (i) As for Rural Scotland. (ii) Also, small sample sizes in SHS undermine the reliability and credibility of these data for small rural local authorities.
- *Adaption to Current Measure for Rural Administrations*. (i) As for Rural Scotland. (ii) Local surveys to use the small methodology as the SHS to generate an adequate sample size.

⁴¹ Holles, J. and C Carr (2011) *Selection of Key Indicators/Measures Applicable to Rural Areas. Resource Report to Our Rural Numbers Are Not Enough*. Lochgilphead: Rural Poverty Indicators Action Learning Set.

Small Areas in Rural Scotland, e.g. Datazones or Wards

- Current Measure. Various measures of receipt of welfare benefits.
- Problems with Current Measure for Localities in Rural Scotland. In-work poverty is a significant form of poverty in rural areas; relying on a measure of welfare benefits alone to estimate poverty may underestimate the extent of rural poverty in Scotland.
- Supplementary Measure for Small Areas in Rural Scotland. Detailed field research on low pay and household risk factors to specify model parameters that could then be applied in rural localities to provide an evidence-based estimate of low pay poverty (which could be added to benefit receipt data to provide a more comprehensive estimate of poverty in rural localities).

Measuring Multiple Deprivation

Rural Scotland

- Current Measure. None - there is no national measure of multiple deprivation for Rural Scotland. However, it would be possible to construct a national measure of the number of households or individuals with multiple deprivation using Census data (next due in 2011).
- Problems for Rural Scotland. If the current weightings that are used in the SIMD were also used in a national measure of multiple deprivation using Census data, then the significance of housing - one of the key aspects of rural deprivation - would be underestimated (see Table 2).
- Adaption for Rural Scotland. Weightings must reflect the significance of each type of deprivation in rural areas (these weightings may differ to those of urban Scotland). If Census data were used to estimate deprivation in rural Scotland, there would also be merit in utilising Census geo-referencing to incorporate the SIMD access data (as these access data are not collected in the Census).

Administrations in Scotland, i.e. Local Authority [CPP] areas and Health Boards

- Current Measure. None- the number of individuals or households living with multiple deprivation is not currently measured for local authorities in Scotland. As described above for Rural Scotland, the Census of Population in 2011 could also be used to provide a measure of multiple deprivation for administrations. Additionally, the SIMD can be used to provide a measure of the number and proportion of small areas that are relatively multiply deprived in local authority areas.
- Problems for Rural Local Authorities or Health Boards Serving Rural Areas. (i) As for Rural Scotland. (ii) As is discussed in Table 2, rural deprivation is dispersed and area measures fail to capture the extent of multiple deprivation in rural areas.
- Adaption for Rural Administrations. (i) As for Rural Scotland; (ii) Fully understand the very limited value of using area-based measures to describe multiple deprivation in rural Scotland.

Small Areas in Rural Scotland, e.g. Datazones or Wards

- Current Measure. Scottish Index of Multiple Deprivation ranking of datazones in terms of the incidence of multiple deprivation.
- Problems for Small Areas in Rural Scotland. (i) As for Rural Scotland.
- Adaption for Small Areas in Rural Scotland. (i) As for Rural Scotland.

Measuring Income Inequality

Rural Scotland

- Current Measure. None - income inequality is only measured for Scotland as a whole (and not for areas or area-types within Scotland).
- Problems for Rural Scotland. There is no measure of income inequality within rural Scotland.
- Adaption for Rural Scotland. It would be possible - if the sample size and characteristics of the Family Resources Survey that provides the income data from which income inequality is

estimated permitted - to sub-divide the Scottish population and produce estimates for rural Scotland (and urban Scotland).

- *Alternative Measures for Rural Scotland.* Descriptive measures of the proportion of resident households living in each income quintile (using Scottish Household Survey data) is possible. Similarly, recent manipulations of SHS household income data to estimate poverty, could also be used to estimate income inequality in rural Scotland.

Administrations in Scotland, i.e. Local Authority [CPP] areas and Health Boards

- *Current Measure.* None
- *Problems for Rural Scotland.* There is no measure of income inequality within rural administrative areas in Scotland.
- *Proposed Measures for Administrations.* (i) Descriptive measures of the proportion of resident households living in each income quintile (using Scottish Household Survey data) (ii) Using the SHS household income estimates that have been used to estimate relative poverty, to estimate income inequality in administrative areas.

Small Areas in Rural Scotland, e.g. Datazones or Wards

- *Current Measure.* None
- *Problems for Small Areas in Rural Scotland.* There is no prospect of adequate income data being collected at small area level to estimate micro-scale income inequality. It might also be queried whether small areas have coherency as a framework for rationalising and investigating income inequality.
- *Proposed Measures for Small Areas in Rural Scotland.* None.

These suggestions are indicative, rather than comprehensive or prescriptive.⁴²

Action

Better understanding rural poverty, deprivation and income inequality is a means to an end. As the sub-title of this paper suggests, the ultimate aim is to improve the quality of information that is available to advise on how these rural problems should be tackled.

Regular publication. Rural poverty, deprivation and income inequality in Scotland should be described and monitored through a single biennial publication that is an authoritative statement providing intelligent interpretation of a robust evidence base. The publication should be written to engage interest in the broad community of interest. With a focus on the 'macro-scale' of rural Scotland, the publication will inform the work of the many rural Community Planning Partnerships (CPPs) with a remit and concern for tackling local poverty and deprivation in rural Scotland. Indeed, such a collaborative publication, written clearly and made widely available through an accessible central point, may present efficiency savings.

Engagement. The development of a rural poverty, rural deprivation and rural income inequality multi-indicator sets is a first step, but a long-term commitment

⁴²

Supplementary detail in the separate resource report of Holles and Carr provides a very brief overview of some of the major strengths and weaknesses of potential indicators. It also offers a subjective 'rating' of the usefulness of each for the purposes of identifying rural need. Where it is felt that there is potential for development of the indicator or index that would enhance its usefulness, this has been highlighted in italics. It is acknowledged that there are many drawbacks in the quality of data available, the sample sizes from which they are drawn, the scale at which they are available (often too coarse a scale to reflect rural need), and their currency.

from rural Community Planning Partnerships is also required to share knowledge and experiences through regular consultation on the utility of the indicators. The sooner an initial, basic indicator set is established, the sooner a more thorough and advanced set can be achieved through consultation, trial, review and improvement.

Responsibility

Poverty, deprivation and income inequality is everybody's business. However, producing better information and making better use of existing information on rural Scotland requires organisation to effect change.

Partnership. The development of rural indicators and monitoring in Scotland is undertaken in a way that meets the needs of a wide variety of users. A collective exercise need not involve all interested parties actively producing a biennial report. It is to be expected that not all of the organisations wishing to make use of rural data in Scotland will have the capacity to analyse source data with accuracy and confidence. However, it is important that the exercise is undertaken with the wider support of the rural community of interest and that any output meets the needs of its wide range of users.

Participation. Broadly based participation would be best achieved through a steering group with representation from each of the rural CPPs, Scottish Government, academic community and each of the umbrella organisations with responsibility and concern for welfare and life in rural Scotland.

Publication. A biennial analysis of poverty, deprivation and income inequality in rural Scotland will require the involvement of analysts and statisticians. Rural indicators are likely to need constant review to assure accuracy and relevance in light of changing research, policy and new data sources and the insights and guidance of professional statisticians.

Financial Support. It would be easy to recommend that the Scottish Government should finance a biennial review of poverty, deprivation and income inequality in rural Scotland. In any financial climate, let alone the current one, this would be a significant undertaking. While the Scottish Government may be in a position to offer funding or support-in-kind for this project, the collaborative and collegiate nature of what is proposed would suggest that the driving force should be the wider community of interest throughout rural Scotland. Although this would mean an additional draw on resources at a time when finances are under-pressure, it may also present an opportunity for a significant cost-saving in that it pools together resources to meet a need that is experienced throughout rural Scotland (and which would otherwise be achieved through needless repetition of local input).

3.2 - Beyond numbers - Qualitative dimensions of rural poverty, deprivation and exclusion

The aim of this report has been to improve the quality of the information that is collected regularly and readily available thereafter to inform understanding of poverty, income inequality and deprivation in rural Scotland. Inevitably, the focus has been on quantitative data and numbers. Notwithstanding the need to improve the quality of quantitative data that are available, it is clear that Scotland already has a range of resources that can be used to build up a numerical picture of rural poverty, income inequality and deprivation in Scotland. Although it is important to quantify these conditions, a more complete understanding of rural Scotland will not be achieved through numbers alone. In this section, we outline five reasons why numbers are insufficient to fully understand rural poverty and deprivation and offer suggestions of what is also needed.

Problems of only relying on numbers

- 1. Not all issues of interest are amenable to quantification.** Statistics are useful tools for ascertaining the risk of poverty and deprivation and describing the characteristics of those living in them. Numbers are less effective at describing what it means to live in poverty and deprivation and to explain the pathways through which people enter (and leave) these conditions. Qualitative research, such as that undertaken in Shetland in 2006,⁴³ is required to explore the reasons why individuals and households find themselves living in poverty and deprivation and the impact that it has upon them.
- 2. Data are not collected ... and not likely to be collected.** Although it is possible to collect robust information on many more aspects of poverty and deprivation than are available at present, the cost and difficulties of collecting some data make it improbable that these will be collected regularly in a way that would inform understanding of rural poverty and deprivation. Most significantly, the cost involved in collecting robust information on household income implies that the UK Government's headline measures of income poverty will not be available at a smaller scale than a broad urban-rural breakdown for Scotland.
- 3. Data are not collected ... but may be in the future.** At present, the statistical evidence of material deprivation across Scotland is limited. Alternative means of describing levels and experiences of material deprivation should be followed until such times as systematic evidence becomes available, e.g. if incorporated in future rounds of the Scottish Household Survey.
- 4. Need for complementary testimony.** If the objective of studying poverty and deprivation is to effect change, then it must be realised that statistical evidence alone is often insufficient to change 'hearts and minds'. There is a suspicion of statistics and an argument based on numbers alone is unlikely to convey the

⁴³ Perring E (2006) Deprivation and Social Exclusion in Shetland. Lerwick: Shetland Islands Council. Visit: <http://www.shb.scot.nhs.uk/healthcare/shetlandwide/publichealth/documents/Deprivation.doc>

importance of what is being discussed, i.e. the impoverished conditions in which people live. Qualitative testimony which brings such statistics to life is a powerful ally in the drive to garner public support for anti-poverty interventions.

5. Interpretation of misleading data. Qualitative testimony is also more than a mere tool to canvass public support. Qualitative testimony can be of critical importance in interpreting raw numbers that are open to misinterpretation. For example, people experiencing deprivation often smoke, leaving open the (harsh, but understandable) interpretation of some that this is an indication that 'low' incomes may not be inadequate incomes (given that such 'luxuries' can be bought on a low income). However, qualitative testimony may demonstrate that what appears to be a luxury, may be more of a coping mechanism that assists people to bear life on a low income.

Similarly, the higher than average levels of car ownership in rural Scotland are open to the misinterpretation that levels of poverty must be lower in rural Scotland (as more households can afford more cars). In contrast, it is more widely understood in rural Scotland that owning a car is a necessity and not a luxury or indication of comfort. If anything, not owning a car (through inability to pay) may be an indicator of *severe* poverty in rural Scotland. Qualitative testimony can demonstrate the impact of not being able to run a private vehicle; access to most employment, public services, social opportunities and learning and leisure activities opportunities are severely restricted. Weekly bus services may be available, but it is difficult to get fresh food items and carry home a weekly shop. Many people rely on others for transport; for some, this may be humiliating and it most certainly hinders independence.

The way ahead

Affirming a position and raising the status of qualitative data collection and analysis in the appraisal of rural poverty in Scotland could imply a range of activities.

1. Routine reflections on local service delivery. There is clearly scope for utilising qualitative research at a 'local' level to advise on the users' experience of, and future direction of, local service delivery. Of course, this already features as an element of many project and programme evaluations. Qualitative work could contribute much more widely than it already does to enhance our understanding of rural poverty and deprivation in Scotland.

2. Making more of what we have already got. Service-specific tools could be used more widely to make more general comment on the condition and experience of poverty and deprivation in rural areas. Existing processes are already in place, which could be used to collect information on individuals and households, e.g. the needs assessments and planning models of Single Shared Assessments. Assuming local authorities have a robust and streamlined Single Shared Assessment process, the additional actions required to enable these to contribute to a broader understanding of rural poverty and deprivation (as well as needs assessment) would be to:

- ensure the questions or prompts are capable of information collection as well as for assessment;
- ensure all individuals in need, in an area, were assessed using the same tool and process (this may not yet be the case, so work would be required with agencies using different assessment processes);
- ensure geographical identifiers were included, so that results could be summarised for micro-areas;
- ensure training of the front-line staff using the tool to collect information; and
- provide central support to the process, from an information collection point-of-view, and to collate, analyse and report on the findings.

The possibilities of this approach are outlined in Figure 5.

Figure 5: Shetland Islands' Council's *With You, For You* Case Study

With You, For You is Shetland's Single Shared Assessment, to be used with any adult in Shetland who requires the support of more than one service.

A short form is used by the key worker, to provide information on the person and identify their current situation. A series of prompts are used by the key worker to find out the issues being faced by an individual / household. This is then used to establish goals and who will assist the person to achieve these. It is a person-centered approach.

There is scope, within this approach, to use the information provided about the current situation of an individual, for the purposes of measuring people's experiences.

More information on the prompts and form can be found at:

<http://www.shetland.gov.uk/socialwork-health/4u.asp>

Single Shared Assessment is not without its limitations as a means to inform understanding of rural poverty and deprivation. First and foremost, it would be important that the additional demands of collecting information did not compromise the primary objective of ascertaining need. The supplementary labour demands of processing such data should also not be underestimated. Furthermore, using the Single Shared Assessment does mean that data is only collected from those people already in touch with a service.

3. Bespoke commentary - the supplementary model of 'qualitative research'. The demands of qualitative research might mean that it is more practicable for it to perform a supplementary role in enhancing understanding of poverty and deprivation in rural Scotland. CPPs, with their local reach, might be a useful means to access people who are in an appropriate position to provide supplementary commentary and insight to statistical evidence. The challenges of

being a ‘gatekeeper to those experiencing poverty and deprivation’ should not be underestimated, but it may fulfil a useful supporting role in providing rounded information to better inform and effect change.

4. National qualitative panel. The ‘gold’ standard for qualitative research would be to develop a nationwide panel that tracked the experiences of people experiencing poverty and deprivation in rural Scotland through time. The challenges of such an undertaking are not to be underestimated,⁴⁴ although it would provide a powerful ally to statistical evidence and would ensure a rounded understanding of the nature - and the changing nature - of rural poverty and deprivation in Scotland.

⁴⁴ Holland, J., Thomson, R. and Henderson, S. (2006) *Qualitative longitudinal research: a discussion paper*. London: Families and Social Capital Research Group, London South Bank University. <http://www1.lsbu.ac.uk/families/workingpapers/familieswp21.pdf>

4. Conclusion: What needs to happen now

This document conveys the thoughts of people working in rural areas of Scotland on sources and methods for measuring and understanding rural poverty, deprivation and income inequality.

The importance of indicators of social disadvantage lies in what they can tell us about the nature of poverty, disadvantage, income inequality and deprivation in rural Scotland. Indicators are essential and valuable in providing comparisons between groups, places and over time, so that resources can be allocated appropriately and the impact of this resource allocation can be evaluated. However, in order for indicators to yield information that will help in this regard, it is vital that they are appropriate to the areas and populations to which they are applied.

To date, a considerable number of sources of quantitative data have been used to measure rural disadvantage, most notably the Scottish Index of Multiple Deprivation (SIMD). Traditionally, these sources have been most effective in measuring urban conditions, as that is the familiar ‘face’ of poverty and deprivation in Scotland. However, rural disadvantage exhibits considerable differences, both in its causes and experiences, and necessitates a different approach.

Therefore, a number of suggestions for future consideration, discussion, and, if feasible, action are made. These are not mutually exclusive:

General

- For **CPPs with assistance from Scottish Government, Improvement Service**. Although it is important that local data collection is designed to meet local needs, there may be merit in considering whether there is an opportunity for collecting similar data (e.g. through citizen surveys) across rural Scotland, to assist in the development of national rural intelligence.
- For **Scottish Government, CPPs**. The value of qualitative data needs to be fully recognised, particularly as CPPs develop their understanding of rural poverty.
- For **Scottish Government, CPPs**. Certain groups of individuals are known to be more vulnerable to disadvantage and social exclusion in rural areas, and specific consideration should be made to ensure that we have adequate data to advise of the needs of young people, older people, and those with low or no qualifications.

Scottish Index of Multiple Deprivation

- For the **SIMD Development Team**. Consider revising domain weightings, particularly when better housing data are available when Census 2011 data are released.
- For **Scottish Government**. Although the Scottish Government is very clear about the strengths and limitations of the SIMD, not all organisations have this understanding. Therefore there are still occasions when SIMD is not used appropriately. The advice

function of the SIMD Unit is critical to the success of its use in Scotland beyond Government.

Scottish Rural Poverty, Deprivation and Income Inequality Multi-Indicator Framework

- For **Scottish Government, CPPs, CoSLA, Improvement Service**. There is a need for an open-ended discussion of what information is needed on rural disadvantage in Scotland. The starting point for any future developments on improving indicators should be ‘what information is needed’, rather than ‘what information is available’.
- For **Scottish Government, CPPs, CoSLA, Improvement Service**. Discussions to improve the range and quality of the information at our disposal should lead to the specification of an agreed framework of indicators that would adequately describe poverty, deprivation and income inequality in Scotland, i.e. a Rural Poverty, Deprivation and Income Inequality Multi-Indicator Framework.

Biennial Report on Rural Poverty, Deprivation and Income Inequality in Scotland

- For **Scottish Government, CPPs, CoSLA**. A comprehensive report on poverty, deprivation and income inequality in rural Scotland should be published every two years.

About the Report

The aim has been to produce a collectively authored report that is coherent and cogent. The participative model that has been followed 'breaks the mould' for report writing. The report is the result of one year's work of an Action Learning Set that was formed from members of the Community Regeneration and Tackling Poverty Learning Network and the Tackling Poverty Rural Network (a sub-group of COSLA's 'Tackling Poverty' Officers' Group). The report was discussed and developed at four meetings. However, the bulk of the work was undertaken 'at a distance' with the Network's 'Community of Practice' forum being used as a means to engage the wider community of interest.

The Authors

Presented in alphabetical order, the following have contributed to the report:

Coryn Barclay (Fife Council), Chris Carr (Argyll and Bute Council), Alison Clark (Highland Council), Jeannie Holles (Argyll and Bute Council), John H. McKendrick (Glasgow Caledonian University), Emma Perring (Shetland Islands Council), Laura Stien (formerly of Moray Council).

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About the Learning Network

The Community Regeneration and Tackling Poverty Learning Network is a cross-Government initiative that supports Community Planning Partnerships and their partners to improve the way communities are regenerated and poverty is tackled throughout Scotland. The network gives practical help to organisations and individuals working at a local level. The network was initiated by the Scottish Centre for Regeneration.

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About the Tackling Poverty Rural Network

Membership:

The 'Tackling Poverty Rural Network' (TPRN) has a locus as a sub-group of the COSLA 'Tackling Poverty Officers Group' (TPOG). It draws its membership from agencies from across Scotland, including Local Authorities, CHPs, Health Boards, the Citizens Advice Bureau, universities and the Poverty Alliance.

Remit:

The remit for the Network is:

- Lobbying to raise the 'rural' profile with the Government
- Progress thinking about the identification and measurement of deprivation in rural areas
- Support, information-sharing, and exchange of good practice in tackling deprivation and inequalities in rural areas

Contacts:

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