

Inequality

The IFS Deaton Review

Challenging Inequalities

Implications of the IFS Deaton Review

An IFS initiative funded by the Nuffield Foundation





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Deaton Review
Scottish Launch

Royal Society of
Edinburgh

@TheIFS

Scotland's inequalities: some facts & figures

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Economic
and Social
Research Council

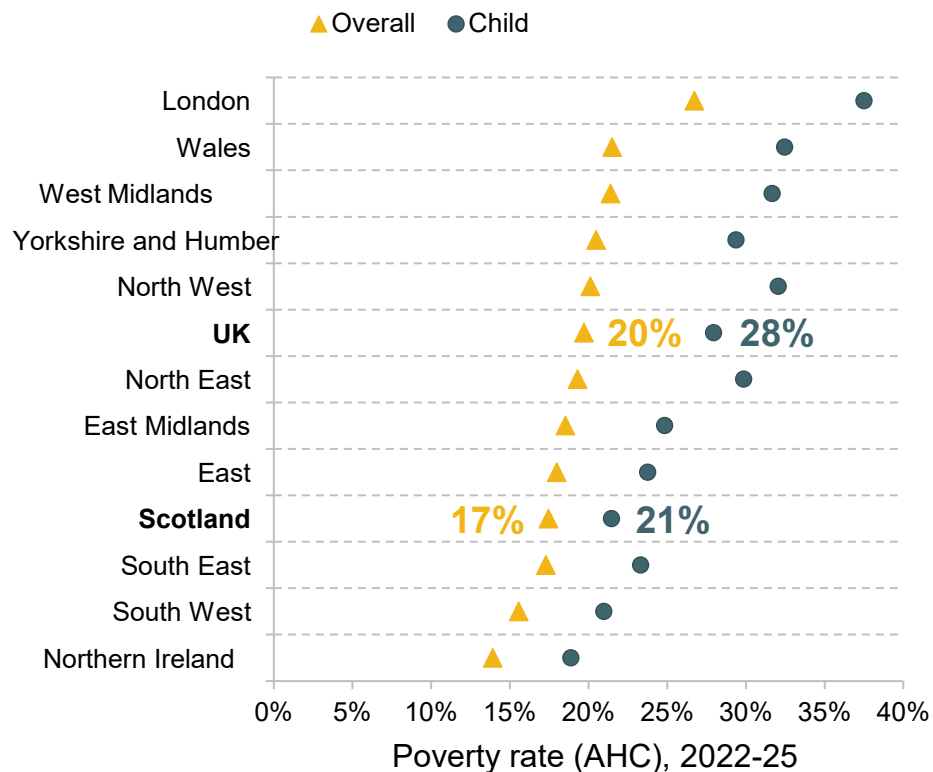


ESRC
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MICROECONOMIC
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PUBLIC POLICY

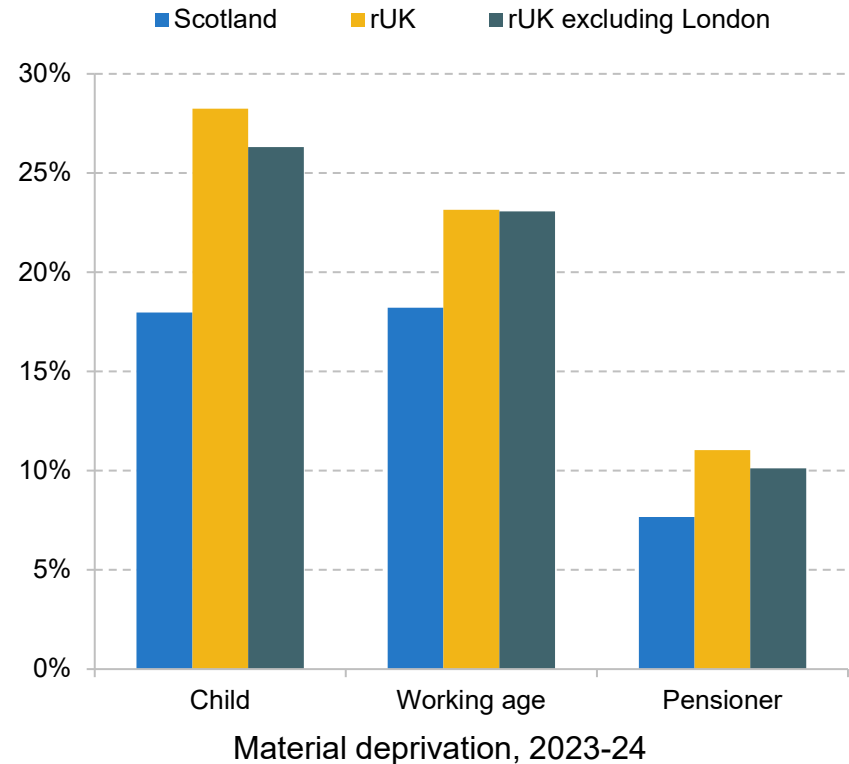
Income inequality

- Income inequality in Scotland is slightly lower than rUK
 - Earnings inequality in working households lower
 - But higher rates of household worklessness
- Scotland like UK as a whole has seen poor productivity and living standards performance. In fact even starker change:
 - Scotland saw significantly stronger growth in productivity, earnings & employment between 2000 and 2015, closing gaps with rUK
 - Since 2015, Scotland has slightly lagged UK
 - Within-Scotland labour market inequalities have reduced somewhat – in part because some traditionally high employment and/or earnings regions have done less well

Poverty and material dep. lower

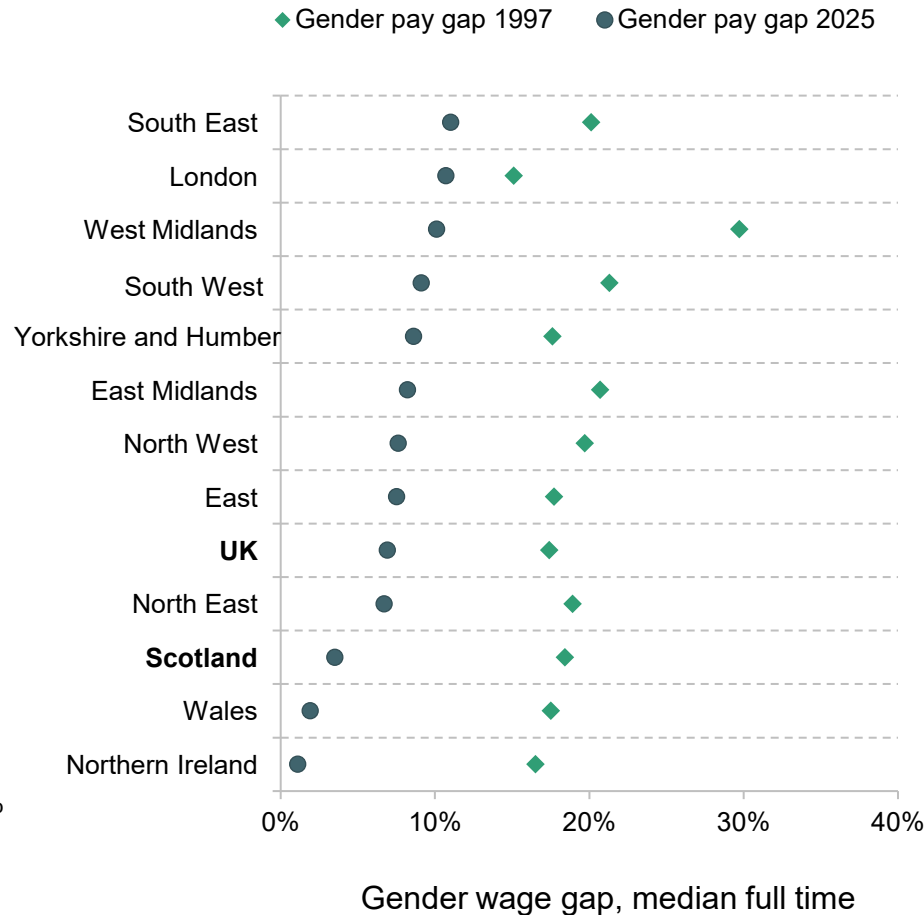
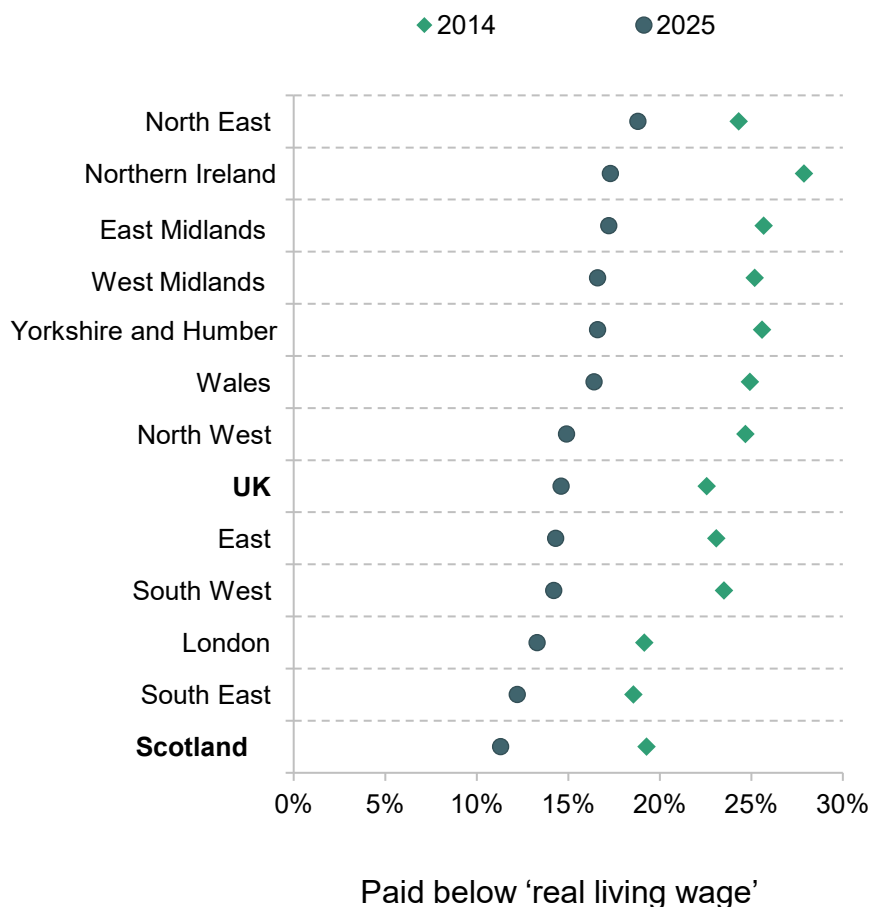


Poverty and material dep. lower



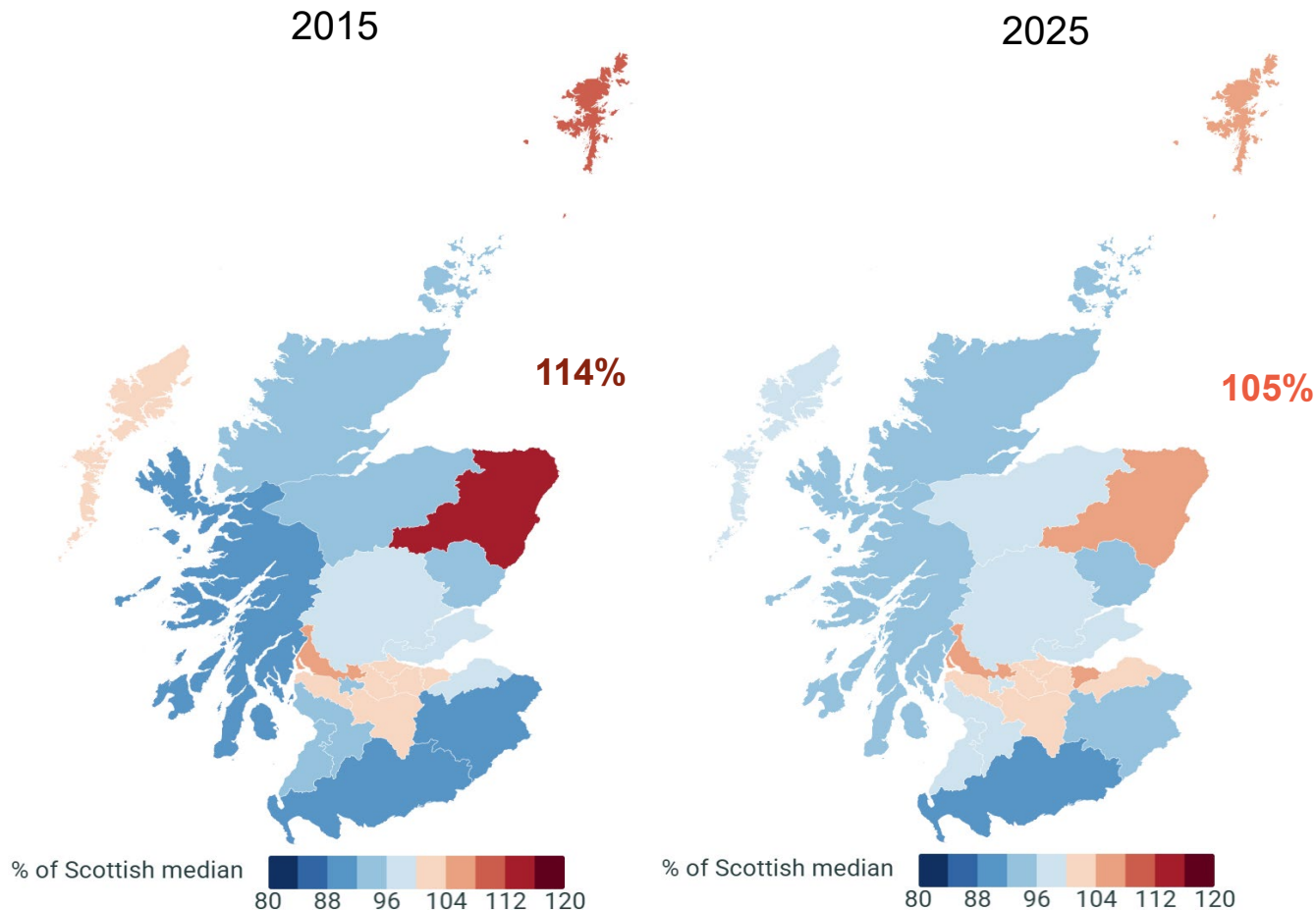
- ↓ poverty: lower housing costs, more generous benefits
- ↑ poverty: higher household worklessness

Role of public sector in pay

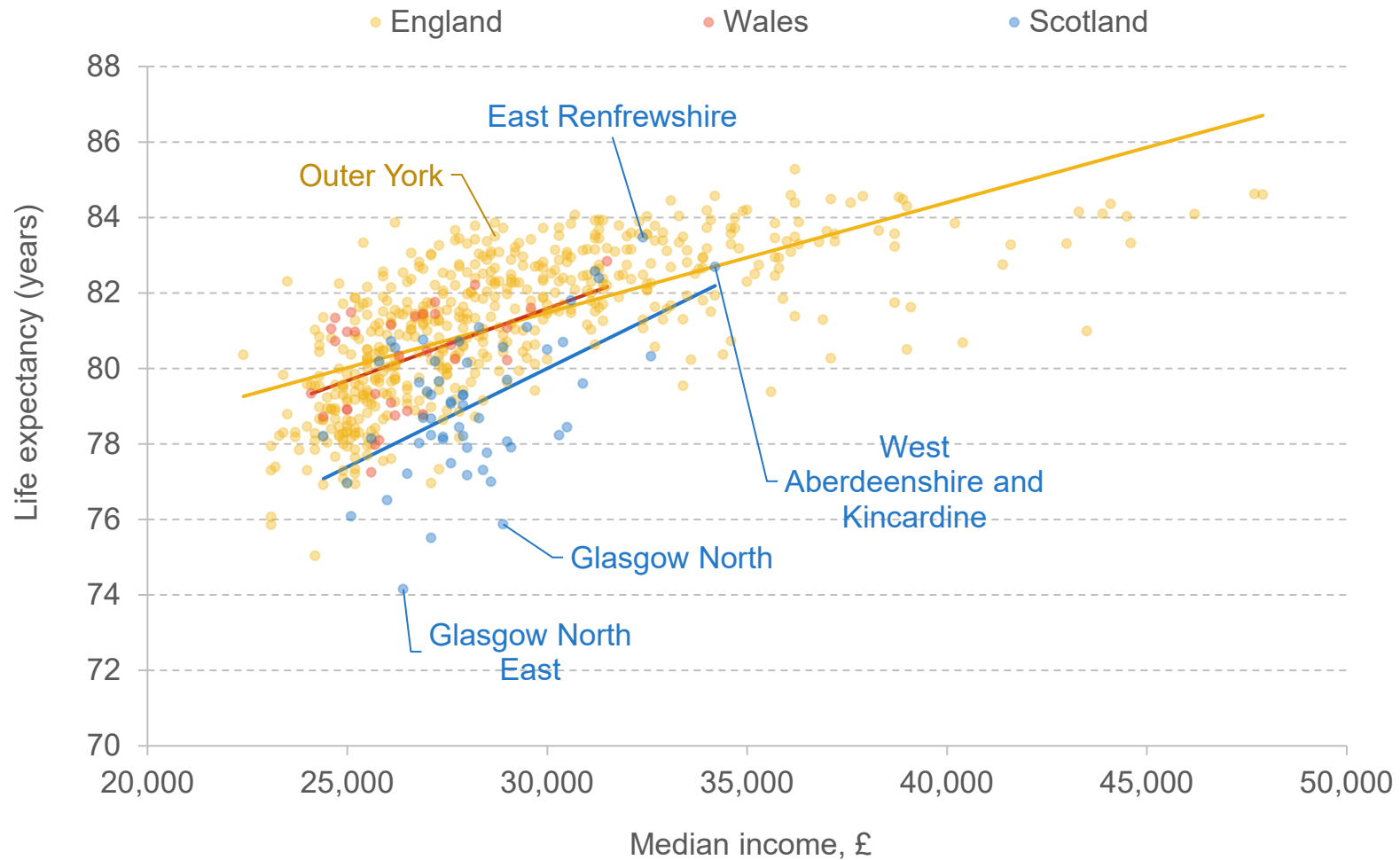


Geographic inequalities – persistent with an exception

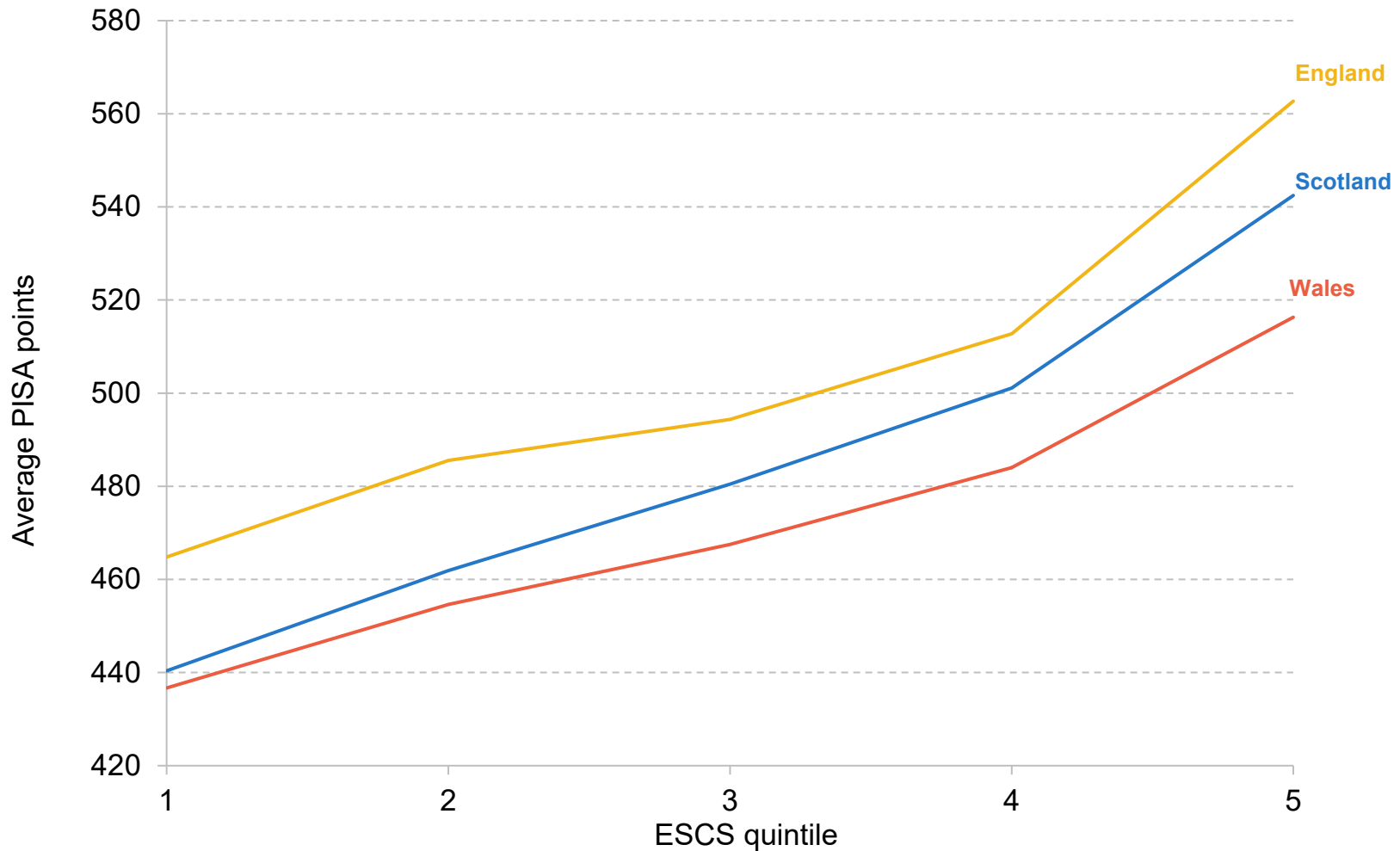
Median monthly earnings per job, % of Scottish median



Long-standing health inequalities



Growing(?) educational inequality



Takeaways

- Scottish Government policy having clear impact on child poverty and deprivation rates
 - Pay policy also reducing earnings inequalities
- But less progress on ambitions on
 - Large, long-standing health inequalities
 - Educational inequalities
- And challenge of large geographic inequalities
 - Health, education, employment & earnings even more strongly clustered at neighbourhood level than England
 - These inequalities are mostly long-standing
 - But N.E Scotland's advantages have shrunk

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