SUBMISSION FROM OXFAM SCOTLAND

Oxfam works to overcome poverty and its causes in over 70 countries around the world. Our experience and expertise in development and humanitarian assistance is recognised internationally. Oxfam has been working in Scotland for over 60 years. Oxfam Scotland campaigns and advocates on issues related to aid, climate change, conflict and humanitarian issues. Through our UK Poverty Programme in Scotland we aim to overcome poverty by developing projects with people living in poverty to improve their lives and show how things can change. Oxfam plays a prominent role in civil society, working through staff and over 2,000 volunteers in Scotland, through networks, through partnership with other NGOs, and with political and civic institutions.

Q. The Scottish Government asks for the administration and revenues of the Crown Estate in Scotland to be devolved to the Scottish Parliament. What do you think about the range of proposals regarding the Crown Estate?

Oxfam Scotland welcomes the opportunity to respond to the Committee’s inquiry into the Scotland Bill.

Oxfam Scotland notes the ongoing debate of devolving control over the management and revenues of the Crown Estate in Scotland. This is a significant issue given that the latest property value of The Crown Estate in Scotland in 2010/11 was held at £207.1 million while the gross surplus for the estates in Scotland reached £9.9 million for the year ending 31 March 2011.¹

The fact that the Crown Estate exercises the rights to the seabed within Scotland’s territorial seas out to the 12 nautical mile limit means the Estate’s future revenue streams resulting from Scotland’s offshore renewable energy could be quite considerable. This is placed in sharp focus given that approximately 23% of Europe’s onshore and offshore wind energy² and 25% of Europe’s tidal energy and 10% of Europe’s wave resources are located in Scotland.

Oxfam Scotland note that the UK Treasury will create a Coastal Communities Fund, a new scheme that will provide communities with access to 50 per cent of the revenues from the Crown Estate’s marine activities.³ However we await further details regarding this scheme’s implementation and focus.

Oxfam Scotland would like to state if the control of revenues were transferred to the Scottish Parliament, we would hope that parliament would view this responsibility as an opportunity to act both locally and globally when it comes to utilising the funds.

Oxfam Scotland would call for those revenues which the Crown Estate in Scotland obtained as a result of offshore renewable energy should be focused to support climate adaptation for vulnerable communities here in Scotland but also for poor

¹ [http://www.thecrownestate.co.uk/tce_faqs/scottish_faqs.htm](http://www.thecrownestate.co.uk/tce_faqs/scottish_faqs.htm)
communities in developing countries to ensure they can also adapt to the changing climate.

Funds could be used for example to cope with increased flooding: upgrade national flood early warning systems and raising community awareness; building new homes and schools on raised foundations. The development of more weather resistant crops and also assist communities with income diversification, in which people who traditionally make a living off the land explore less climate-dependent ways to supplement their income.

The rationale behind the climate adaptation focus is Oxfam believes that climate change should be seen as an issue of justice – poor communities living in developing countries are the most affected by climate change, yet have done the least to cause it.

Through our work with local partners we have seen that development progress is increasingly going to be hindered by climate change. So we must see the fight against poverty and the fight against the effects of climate change as interrelated efforts.

Oxfam Scotland works to address the causes and impacts of climate change because it is the poorest and most vulnerable who are most affected – here and overseas.

Through our work in South Uist where the effects of coastal erosion, rising sea levels and more frequent and severe weather events are impacting negatively on the community's ability to make a living through fishing and crofting.

Indeed increased winter rainfall has made the low-lying islands more vulnerable to flooding and residents fear that, unless better drainage systems are installed, South Uist could eventually split, making much of it uninhabitable.

Therefore the South Uist community, with support from Oxfam Scotland, are taking action to adapt to the changing climate. Using fishing nets to anchor sand dunes until marram grass can take hold, islanders are acting to protect their coastal land.

Oxfam Scotland enhances our climate work through livelihood adaptation projects. In South Uist we focus on three areas (1) Traditional Skills Academy where a number of the old traditions will be reintroduced, allowing training opportunities for the communities across the Islands, which will then create employment opportunities.

(2) Skillshare and developing livelihoods. This piece of work is really key to the development of the community in South Uist. In order for them to succeed we must create a community coalition so each group can learn from each others examples of success, i.e. Gal Gael run a very successful boat building and traditional crafts workshop in the middle of Govan, how can this be transferred to South Uist? South Uist run a very successful fishfarm industry, how can this be transferred to Govan?
(3) We work our market access and community gardens which aim to create a community retail outlet selling local produce grown and reared on the Island.

Climate projects such as those Oxfam have highlighted from South Uist could be funded from the revenue gained by the Crown Estate.

As we have mentioned the Crown Estates could have a lucrative revenue stream from Scotland’s climate (i.e. wind, wave and tidal power). Oxfam Scotland believe that if the administration and revenues of the Crown Estate in Scotland were to be devolved to the Scottish Parliament some of these revenues could help fund the proposed Scottish International Climate Fund.

The idea of a Scottish International Climate Fund resulted from Oxfam’s belief that Scotland has the opportunity to use part of its natural ‘climate surplus’ to cut the ‘climate deficit’ that developing countries face. That is why Oxfam Scotland along with other organisations and the wider public campaigned for the creation of the fund. This new fund would have a poverty reduction focus that would support many communities across the world to adapt to the effects of climate change and in doing so, complement Scotland’s world leading climate legislation.

Another issue centres round the administration of the Crown Estate (currently carried out by the Crown Estate Commission) whose role was set out in the Crown Estate Act of 1961. The Act stated that the commission is “to maintain and enhance its value and the return obtained from it, but with due regard to the requirements of good management.”

Again if Crown Estate responsibility were to be devolved to the Scottish Parliament Oxfam Scotland would like to see a broader and deeper benefit for communities approach taken. An approach that has real community inclusion and social responsibilities hardwired into the management ethos rather than any short term profiteering.

Hence, all renewable projects and all other commercial developments should not only be more transparent in provision of information regarding the extent of community benefit they deliver, but there should be more rigorous effort to secure this community benefit.

Oxfam Scotland would be entirely relaxed if the control of the Crown Estate were to be devolved to the Scottish Parliament as long as the principles which we highlighted were supported when Parliament decides how to allocate the revenues generated via the Crown Estate.

What further views do you have on the Bill at this stage and do you have any suggestions which, in your view, would enhance the Bill and should be considered by the UK Government for inclusion?

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4 http://www.legislation.gov.uk/ukpga/Eliz2/9-10/55/contents
Oxfam Scotland believes the Scotland Bill has opened the debate around the issue of what responsibilities and powers should or should not be devolved to Scotland.

As we have stated Oxfam Scotland works with a wide range of local partners across Scotland and one major issue which reoccurs as a constant theme is that of peoples’ concern of welfare changes. Oxfam Scotland believes that a society is ultimately judged by how it treats its weakest and most vulnerable members.

Therefore Oxfam Scotland would like to use our Scotland Bill evidence as an opportunity to set out how Scotland could recalibrate its relationship between Government and its citizens regarding social protection. That is if various welfare (social protection) powers were devolved to the Scottish Parliament.

The welfare state was established on a shared appreciation of the risks faced by all; that most people are at risk of becoming unemployed, suffering ill-health or facing old age without adequate income. Our partners believe that our equalising institutions – ‘social protection’ such as welfare, education and health services – which mitigate extremes of wealth and compensate for unequal distribution of opportunity, are under attack.

It is a fact that there is a difference in the configuration of Scotland’s economy compared to the overall UK economy; this often results in a difference in timing with which Scotland responds to change. One major currently being undertaken by the UK Government is that of their Welfare Reform Bill.

Oxfam Scotland believes social protection is a basic right for all people a right that is realized through public or publicly mandated actions that enable people to deal with risk and vulnerability that provide support in cases of extreme and chronic poverty and enhance the social status and rights of marginalised groups.

Social protection is critical to achieve social inclusion, to strengthen legitimacy of governance and achieve sustainable economic growth with equity.

Therefore if Scotland were to be afforded the responsibility over social protection powers, Oxfam Scotland would call for Scotland to establish a fair welfare state, one which creates a lower level of unemployment and better jobs, as well as better benefits. Many countries socialise the responsibility of preventing citizens from being poor much more successfully than the UK has done. Scotland should learn from them and give greater priority to reducing inequalities.

Currently those in poverty are forced to contribute a bigger share of their lower incomes in taxes, but receive inadequate benefits that make life challenging and stressful for them and their families. Far from helping people into work, these benefits trap people in poverty.

Oxfam Scotland would like Scotland to adopt a fairer taxation so that all can contribute to building up the common wealth of our society. We have further thoughts on this complex issue which we would like to develop as such we would be more
than happy to explore them with the Committee if called to give oral evidence or more detailed written evidence.

In Scotland and in the UK as a whole, unemployment and poverty are linked; thus giving credence to the mantra that ‘loss of employment is the single most significant cause of entry to poverty’. Denmark had as much unemployment as the UK in the 1980s, but nothing like as much poverty, that is because the Danish society was organised differently with a more civilised and decent system of benefits.

Currently the value of basic benefits, of around £65.00 per week is so low that it falls well below the UK government’s own definition of poverty leaving many people struggling to adequately feed and clothe themselves.

Out of 24 European countries, only one (Estonia) has more poverty among the unemployed than the UK. Only seven countries have higher rates of poverty among those in work; and when poverty among all those aged 18-64 years is considered, only six EU countries are worse: yet the UK is one of the richest nations.

In 1970, unemployment benefit was about 20 per cent of the average wage: it is now less than 11 per cent, one of the poorest rates in Europe.

Again if Scotland was to gain control over social protection powers Oxfam Scotland would advocate for a Community Allowance. The Allowance would ensure that people who are on benefits be allowed to do small amounts of community work, without losing their benefits. This would help people gain the confidence and skills to get back into employment. For example, if the Scottish Government implemented a Community Allowance it would free up community organisations to pay local unemployed people to do the bits and pieces of work they and communities desperately need doing, but this would require individuals being allowed by the benefits system to take that work. For every £1 invested in the Community Allowance, £10.20 worth of social value is created\(^5\) - that’s because the work that the benefits system is stopping people from doing is work that has immense community and social value.

Any Scottish Government should build an inequality impact assessment to ensure that tax rises and spending cuts which it deemed necessary to cut any deficit does not lead to an increase in inequality of incomes, assets or access to services, because any measures that fall on the poorest first are only going to deepen poverty.

Other real barriers to employment such as lack of childcare, employer discrimination, below poverty level wages and the lack of jobs need to be tackled effectively by a Scottish Government. As many lone parents are required to engage in stressful work seeking activities despite inadequate childcare provision in some areas. Scotland should guarantee access to a well resourced wide range of employment services to all those who are seeking work, including non claimants.

\(^5\) [http://www.communityallowance.org/about_us/what_is_the_community_allowance](http://www.communityallowance.org/about_us/what_is_the_community_allowance)
Oxfam Scotland note the measures to devolve stamp duty land tax (SDLT) powers while the Scotland Bill also allows for the creation of further devolved taxes.

An issue which Oxfam Scotland has been pursuing is the introduction of tax on the financial sector (which we call a Robin Hood Tax) it would see an average rate of 0.05% on transactions such as bonds, foreign exchange and derivatives. We believe that this tax is the most correct and fair tool we have at our disposal to give fresh and additional funds to tackle poverty, climate change and curb cuts in crucial public services. Oxfam envisages that 50% of the raised funds would tackle global poverty, 25% to tackle climate adaptation and the remaining 25% to tackle domestic issues.

If Scotland doesn’t get the devolved power over the Robin Hood Tax Oxfam urges any Scottish Government to show a point of principle and put pressure on the UK Government to adopt the measure. If the Robin Hood Tax was adopted by the UK Scotland may get a proportion of the income through consequentials given that the UK Government would have additional money to spend on public services in UK.

Oxfam Scotland would welcome the opportunity to discuss any of the issues we raised in more detail and would be happy to give oral evidence to the Committee.

Judith Robertson
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