

# **From Rhetoric to Reality: Tackling Poverty and Inequality Through a Just transition in Scotland**

**Satwat Rehman, Chief Executive of One Parent Families Scotland and Co-chair of Scotland's Just Transition Commission**

## **Abstract**

This article examines the intersection of poverty, inequality, and climate policy in Scotland. It argues that the shift to a low carbon economy offers a transformative opportunity to address structural social injustices that have persisted for decades. Drawing on government frameworks, civil society research, and comparative policy examples, the paper contends that Scotland's just transition must embed social equity from the outset. It identifies income security, gender-responsive care infrastructure, participatory democracy, and fiscal justice as essential pillars of an inclusive transformation. The analysis demonstrates that poverty is a consequence of political design rather than individual failure, and that only a whole-economy approach can deliver both environmental and social sustainability.

## **Introduction: The Dual Crises of Inequality and Climate Change**

Scotland today stands at a crossroads defined by two converging crises: enduring social inequality and accelerating climate change. On one hand, a fifth of Scots continue to experience relative poverty after housing costs, with 23% of children growing up in families unable to secure a decent standard of living (Scottish Government, 2025). Over a third of all households experience fuel poverty—a figure rising to over 50% in many rural communities (Just Transition Commission 2022). These conditions persist despite repeated government pledges to reduce poverty and improve social mobility.

At the same time, the climate emergency demands systemic decarbonisation across energy, transport, housing, and industry by 2045. While the necessity of mitigation measures is well

established, less attention has been given to the distributive impacts of climate policy. As recognised in the Scottish Government's just transition framework, decarbonisation risks reproducing structural disadvantages unless social justice is embedded as a foundational goal (Scottish Government 2025).

This article argues that tackling poverty and inequality is not merely a desirable add-on to environmental policy. It is a precondition for its legitimacy and success. Drawing on evidence from civil society organisations, international research, and recent government initiatives, it outlines how Scotland can deliver a Just Transition that is both environmentally sustainable and socially transformative.

### **1. Poverty and Inequality: Engineered by Policy, Not Fate**

The persistence of poverty in Scotland is neither natural nor inevitable. More than 60% of children in poverty live in households with at least one working adult (Scottish Government 2025). This fact exposes the limits of work-centric narratives, which hold that paid employment automatically ensures financial security. In practice, low wages, insecure contracts, and fragmented public services have eroded this pathway.

In the past decade, austerity measures have compounded structural disadvantage. Cuts to local government budgets, social care, housing support, and community services have deepened inequalities of opportunity and outcome. As Rehman and Birt (2025) observe, the result is a society where poverty is both persistent and intensifying in severity, even when headline rates appear static.

The growth of foodbanks, baby banks, and multibanks evidences an economic model that tolerates deep deprivation. This reality challenges policymakers to move beyond incremental

reforms and to confront the systemic drivers of poverty: underinvestment in public infrastructure, regressive taxation, and policies that treat social security as a residual safety net rather than a universal entitlement.

## **2. Gendered Inequality and the Invisibility of Care**

The experience of poverty is profoundly gendered. Single-parent households—92% headed by women—are among those at highest risk (OPFS 2024). These families face intersecting disadvantages: precarious employment, unaffordable childcare, and a welfare system that imposes unrealistic job-seeking expectations without recognising unpaid care responsibilities.

This "triple penalty" reflects an outdated male breadwinner model embedded in social security policy. Universal Credit, for example, assumes that all claimants are equally available for full-time employment. For single mothers, who shoulder the bulk of unpaid domestic labour, these expectations are both punitive and impractical (OPFS 2024).

A feminist political economy perspective shows that care work is foundational to the functioning of markets and society (Folbre 2021). Yet, it remains undervalued in both wages and policy recognition. In Scotland, childcare, social care, and health support services are delivered by a workforce that is overwhelmingly female, disproportionately migrants, and frequently low-paid. Addressing poverty therefore requires not only income transfers but structural revaluation of care as essential infrastructure.

## **3. Childcare is Economic Infrastructure**

Access to high-quality, affordable childcare is among the most effective interventions for reducing child poverty and enabling women's labour market participation. Studies have shown

that universal childcare provision contributes to higher maternal employment rates, improved child developmental outcomes, and reduced reliance on income support (OECD 2018).

The Nordic countries provide instructive examples. Sweden's subsidised childcare model, which guarantees a place for every child and caps fees as a percentage of household income, has been linked to higher employment and lower child poverty rates (Esping-Andersen 2002).

Scotland's current provision, while expanded in recent years, remains insufficient for many families. Proposals from Close the Gap and OPFS advocate for 50 hours per week of free childcare from six months of age, delivered by a fairly paid workforce and supported by public funding (OPFS 2024). Treating childcare as core infrastructure rather than discretionary support aligns with a wellbeing economy and supports gender equity.

#### **4. The Minimum Income Guarantee: Universalising Income Security**

Income insecurity remains a root cause of poverty. The Scottish Government's proposed Minimum Income Guarantee (MIG) aims to create a universal income floor: £11,500 per individual and up to £28,000 for families by 2036 (Scottish Government 2025). Unlike targeted welfare schemes, the MIG is framed as a rights-based entitlement, reflecting the principle that all citizens deserve a dignified standard of living.

International experience suggests that universal income guarantees can support social cohesion and reduce poverty without reducing work incentives (Standing 2017). The MIG represents an opportunity to reconfigure the relationship between citizens and the state, moving beyond means-tested models that often stigmatise recipients and generate barriers to access. In the context of an economic model that encourages growth in levels of in-work poverty, MIG offers

a clear mechanism to address the failure of the labour market to provide economic security for households through employment.

Crucially, the universality of the MIG is what distinguishes it from other income support schemes. Targeted benefits often fail to reach those most in need, while creating administrative complexity and social division. A universal model provides a platform for participation, security, and inclusion.

### **5. Climate Justice in Practice: Embedding Equity in the Green Transition**

Climate mitigation presents both risks and opportunities for social justice. Without deliberate policy intervention, the costs of decarbonisation may fall disproportionately on low-income households and the benefits may accrue inequitably. For example, retrofitting homes for energy efficiency often requires significant upfront investment that is inaccessible to renters or people on lower incomes. Meanwhile, wealthier households are more able to access government subsidies and benefit from energy savings in the long term (Just Transition Commission 2022).

This dynamic has already manifested in other contexts. In France, the 2018 “gilets jaunes” (yellow vests) protests were sparked in part by a fuel tax that disproportionately affected rural and suburban working-class communities. The backlash demonstrated the political fragility of climate measures that lack social legitimacy (Hertog 2019). Political discourse in the UK has over recent years shown an increase in right-wing opposition to “Net Zero” on putatively social and economic grounds, instead of outright climate denialism on geological grounds.

Research by Future Economy Scotland has mapped the country’s extant “carbon inequality”, with a headline finding that “the carbon footprint of the richest 5% of households in Scotland [is] 4.1 times greater than the poorest 5% of households” (Future Economy Scotland 2024)

Scotland can address climate inequality and safeguard the social license for mitigation policies by ensuring climate measures are designed with distributive justice in mind. That could include:

- Public investment in retrofitting social and rental housing;
- Tenant protections from rent increases linked to green improvements;
- Mortgage-linked financing for domestic decarbonisation to provide a sustainable model for property owners to meet the costs of efficiency and green heat systems (NESTA/Changeworks, 2025)
- Energy advice and grant access tailored to low-income households;
- Community-owned / shared ownership on energy generation projects with local reinvestment.
- Showing that wealthy groups responsible for the highest emissions pay a proportionately larger amount of the costs of decarbonisation, for example frequent fliers, and luxury SUV owners.

Environmental policy that fails to consider class, gender, race and geography risks perpetuating the very injustices it seeks to solve. Conversely, climate justice offers a powerful vehicle for inclusive economic transformation.

## **6. Skills, Education, and Green Labour Market Inclusion**

Scotland's transition to net zero is projected to create up to 70,000 new green jobs by 2030, according to estimates by Skills Development Scotland and the Scottish Government (Skills Development Scotland 2021; Scottish Government 2020).

These roles – many of which will require a set of core skills that is familiar from existing industries, such as welders, engineers, electricians, and construction -- span sectors including offshore wind, retrofit construction, sustainable transport, forestry, and circular economy services. However, without coordinated workforce planning and inclusion strategies, the benefits of this transition will not be shared equitably.

The current skills system is fragmented. Further education as a sector has suffered from budget cuts, and existing training pathways often fail to reach excluded groups. Skills Development Scotland has piloted “Just transition Skills Pathfinders,” but there is no nationwide framework for aligning education, labour, and climate objectives (Skills Development Scotland 2024).

To address this, Scotland must develop:

- A national green skills strategy aligned with decarbonisation targets;
- Regional skills partnerships tied to place-based economic needs;
- Targeted support for women, disabled people, and racialised communities;
- Fair work principles embedded with credible oversight, monitoring and evaluation in all public green investment.

Evidence from Germany’s “Energiewende” transition shows that early, inclusive planning is essential to avoid labour market displacement and regional inequality (Bach 2021). Scotland must act now to build a workforce that is not only green, but fair.

## **7. Housing and Transport: Two Structural Drivers of Inequality**

Housing and transport are foundational determinants of poverty and inequality. In Scotland, the poorest households are most likely to live in poorly insulated homes, spend more on energy

bills, and lack access to reliable public transport. These infrastructure gaps constrain economic participation, educational opportunity, and health outcomes.

In consultations with One Parent Families Scotland, single mothers reported that unreliable, infrequent, and unaffordable public transport limited their ability to access jobs, childcare, or training opportunities. For those in rural areas or on the urban periphery, the problem is compounded by low service frequency and poor connectivity (OPFS 2024).

Meanwhile, housing policy is failing to deliver energy-efficient, affordable homes at scale. Renters have little power to demand upgrades, while homeowners on low incomes often lack the capital for retrofitting. As a result, the transition to net-zero housing risks deepening rather than reducing fuel poverty.

To ensure that Scotland's housing and transport policies support a socially just climate transition, several structural reforms are essential. First, funded retrofitting programmes must be implemented for low-income households, particularly in the social and private rental sectors, where tenants have limited capacity to finance or demand energy-efficiency upgrades. As noted by OPFS in its 2024 Just Transition engagement, many single parents reported being unable to make basic home improvements due to cost or lack of control over rented accommodation (One Parent Families Scotland 2024). Second, rent controls or tenant protection mechanisms should accompany green upgrades to prevent displacement or "green gentrification," a phenomenon in which environmental improvements contribute to rising housing costs and tenant exclusion (Just Transition Commission 2022; Bach 2021). Third, the expansion of social and affordable housing must be a strategic priority, especially given the intersection between housing insecurity and fuel poverty. Finally, public transport systems should be reformed to ensure affordability, reliability, and accessibility—particularly for low-income households and carers,

who often depend on public transit to access employment, services, and childcare. OPFS engagement highlighted that the cost and inflexibility of transport were among the most significant barriers faced by low-income single parents (OPFS 2024). Together, these reforms align with the Just Transition's principle of embedding equity into climate resilience and economic infrastructure. Aligning housing and transport policies with poverty reduction and climate adaptation goals is critical to building a fairer, more resilient Scotland.

## **8. Community Participation and Democratic Renewal**

Justice is not delivered from the top down—it must be co-created with those most affected. The 2024 Just Transition Commission's place-based community engagement work revealed strong local innovation in climate adaptation and economic resilience, particularly in areas like North Yell, Dumfries and Galloway, and Grangemouth (Just Transition Commission 2024).

However, communities reported fatigue with consultation processes that failed to yield influence. For participation to be meaningful, it must be accessible, inclusive, and consequential. Key principles include:

- Investing in local capacity and infrastructure to support participation;
- Prioritising engagement with marginalised and minoritised groups;
- Using plain language and culturally relevant communication;
- Creating transparent feedback loops showing how input shapes policy.

Internationally, models like participatory budgeting in Porto Alegre, Brazil, or the Paris Citizens' Climate Convention demonstrate that when communities are trusted with real power, policy outcomes improve in equity and legitimacy.

Scotland's transition offers a chance to revitalise democracy by redistributing not just wealth, but decision-making power. Community leadership must be seen not as a risk to policy, but as a requirement of it.

### **9. Fiscal Justice: Funding Transformation Fairly**

Delivering a fair and green transition requires substantial public investment. While Scotland has limited fiscal autonomy compared to sovereign states, its current powers are underutilised. Council Tax remains regressive, and wealth taxation remains largely unexplored.

Fiscal justice means funding transformation in ways that redistribute wealth and economic opportunity. That includes:

- Replacing Council Tax with a progressive property tax;
- Introducing land value taxes to deter speculation and fund community development;
- Exploring devolved wealth or inheritance tax frameworks;
- Enforcing social conditionality on public procurement and subsidies.

Economic arguments for these measures are grounded in international experience. Norway's sovereign wealth fund, built on oil revenues, is now funding green infrastructure and social services. Germany's energy transition has been co-financed through a mix of public-private partnerships and cross-sector levies. The UK remains a global outlier in taxing wealth at lower effective rates than income.

Reimagining Scotland's fiscal architecture to support social and climate goals is not just economically rational—it is ethically imperative. Following detailed engagement with principal institutional actors in the Scottish investment landscape, the Just Transition Commission concluded that without serious and sustained innovation within both the public

and private sectors to support investment in key mitigation measures that are currently sub-commercial, a market-led approach will fail to deliver either sufficient emissions reductions or social and economic benefits, encouraging a disorderly, slow and deeply unjust transition (Just Transition Commission, 2024)

## **10. Conclusion: From Transition to Transformation**

Scotland's just transition is more than a technical process of reducing emissions. It is a political and moral opportunity to redress long-standing injustices and reshape the social contract for the 21st century.

The evidence is clear: poverty and inequality are not the result of individual failings, but of institutional design. Austerity, underinvestment, and unequal access to public goods have left many Scottish communities vulnerable—not only to economic shocks, but to the risks of climate breakdown.

A fair and inclusive transition must therefore:

- Guarantee income security through policies like the MIG;
- Recognise and value care work as public infrastructure;
- Reform housing and transport systems for equity and sustainability;
- Embed climate justice into workforce planning and skills development;
- Expand participatory governance to democratise power;
- Fund transformation through progressive, transparent taxation.

This is not utopian thinking. These are practical, evidence-based policies already being pursued in parts of Europe and advocated by civil society across Scotland.

The choice is not between growth and fairness, or between environmental and social priorities. The choice is whether we respond to crisis with short-term fixes or build a resilient, dignified, and democratic economy.

Justice must not be bolted on to Scotland's climate agenda—it must be its foundation.

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