

Warning coronavirus could widen rich-poor gap

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Covid-19 risks widening the poverty gap between the richest and poorest people in Edinburgh, according to a new report. The Edinburgh Poverty Commission (EPC) said the coronavirus pandemic had threatened the livelihood of many workers. One member predicted a 13,000 rise in unemployment.

According to its report, there are an estimated 80,000 people living in poverty in Edinburgh and lockdown threatens to increase those numbers.

EPC chairman Dr Jim McCormick said: “Edinburgh is the most unequal part of Scotland and the crisis has magnified a lot of that.

“However, it is not just on the Scottish and UK governments and city council, it is absolutely on employers and housing suppliers to build something better for the city than we had before.”

The commission heard from more than 1,000 people, some of them now out of work and claiming benefits for the first time.

The wealth divide in Edinburgh was already stark, with data showing New Town residents can expect to live up to 21 years longer than those in Niddrie. Scottish Welfare Fund applications have been more than three times higher than average in Edinburgh since lockdown began, with 1,200 applications weekly. Applications for Universal Credit in the city have also increased eight times more than average.

Some respondents said instead of furloughing workers through the UK Government’s job retention scheme,

employers had assumed it was easier to lay people off and rehire them when business picked back up.

Report co-author Zoe Ferguson said: “For some businesses they just don’t have the resilience to cope with short-term cash flow issues and they’ll go under before support from the Government will kick in. “Sadly, we’ve also heard of lots of cases where employers are feeling that the easier option is just to lay people off and re-recruit. That’s the group unions have been working tirelessly to persuade them. This is impacting mostly low-paid workers. People have said they feel disposable.”

Nearly half of all respondents who worked in sectors that have now been shut down were on zero-hour contracts.

Community Renewal, which runs one of the city’s employability programmes, has had referrals rise from 20-30 per month to 120 in the first month since the lockdown began.

Mrs Ferguson said: “What we’ve been hearing across the city is fear and a real trauma. Some people are experiencing unemployment for the first time.

“A lot of people who have never claimed benefits have no idea where to go for help. “We’ve heard just how terrifying that experience is for them.” She added:

“We’re looking at probably around 13,000 extra unemployed around on top of what we would expect.”

Mrs Ferguson said some positivity has come from the pandemic as the attitude to poverty and low-paid workers has changed from a sense people “just didn’t care” to increasing respect and compassion.