

Measuring child poverty: a response to the consultation document



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1. This response to the consultation paper has been prepared by Professor Paul Spicker, writing in a personal capacity. He holds the Grampian Chair of Public Policy in the Robert Gordon University, Aberdeen. Professor Spicker is the author of several books on poverty, including *Poverty and social security* (Routledge, 1993), *Poverty and the welfare state* (Catalyst, 2002) and *The idea of poverty* (Policy Press, 2007). He was also editor, with S Alvarez Leguizamon and D Gordon, of *Poverty: an international glossary* (Zed Books, 2008).

2. Poverty is a complex, multi-dimensional concept. There are hundreds of competing definitions, but the main elements include

- *material deprivation*, including for example physical needs, ill health, bad housing, fuel poverty and patterns of multiple deprivation;
- *economic circumstances*, including economic inequality, occupational status, employment and the structure of opportunities; and
- *social relationships*, including problems of social exclusion, marginality, dependency, powerlessness and the inability to participate in society.¹

3. There are several common pitfalls associated with the identification of poverty. First, poverty is not a stable situation or set of circumstances - the literature refers to a “web of deprivation”, where people move frequently but erratically from one set of problems to another.² Second, poverty does not affect a constant population. Many people – on low income figures, most people in the UK³ – have been poor at some point in their lives, and most of us are vulnerable to poverty in the event of disability, divorce or prolonged unemployment. Third, poverty is also a normative concept.⁴ Identifying people as poor combines the difficult elements of presenting a claim from resources along with the risk of

¹ See P Spicker, S Alvarez Leguizamon, D Gordon (eds) *Poverty: an international glossary*, London: Zed, 2008.

² Coffield F, Sarsby J, 1980, *A cycle of deprivation?*, London: Heinemann; Narayan et al, 2000.

³ Department for Work and Pensions, 2005, *Low income dynamics 1991-2003*, London: DWP http://www.dwp.gov.uk/asd/hbai/low_income/paper_M.pdf

⁴ P Spicker, 2007, *The idea of poverty*, Bristol: Policy Press, ch 11

stigmatisation and social rejection. Inclusions and exclusions are inevitable. It is unlikely that any index of poverty will be accepted without qualification by any of the protagonists in the debates, of any political colour.

4. The approach taken in the consultation document will not produce a valid measure of poverty. The first problem is that multi-dimensional phenomena like poverty are not necessarily susceptible to “measurement”. The convention for some fifty years has been to refer to “indicators” rather than measures. Good indicators should not be expected to mirror the dimensions of a concept - they should point in the right direction, and they should identify trends, so that it is possible to say that things are getting better or worse. That is not the same thing as constructing a measure.⁵ A good measure reflects the nature of the thing it is measuring. In this case, there is not one thing to be measured - the elements of an index are not necessarily commensurate, and totals are likely to be determined by some issues when others go in a different direction. Question 27 of the consultation asks about weighting. That question assumes that the responses can sensibly be added together. It is possible for low income could be given a score and set against parental health; but the total should not be taken to mean that there is one problem rather than two, and a larger score across the index will typically show more problems, rather than greater poverty. Any aggregation depends on establishing a meaningful relationship between all the factors, and the score will at best be a pointer, not a measure.

5. The scheme that has been proposed is based on a selection of factors which have been taken to be associated with poverty. It may be that poor people are more likely than others to suffer from these problems, but saying that people are “more likely” to suffer problems is not the same thing as saying that most, or even that many, will. For example, living in a poor area clearly puts people at a disadvantage; but most poor people do not live in poor areas, and most of the people living in poor areas are not themselves poor.⁶ Associations and correlations do not define the situation of poor people: they only make it possible to identify the probability or risk that people affected by certain problems will be poor.

6. Some of the associations that have been identified in the consultation paper are not good indicators. While failing schools are likely to have more poor pupils than other schools, few poor children go to failing schools.⁷ Poor people tend to have levels of debt that are higher than others do in relation to their incomes,⁸ but bankruptcies and unmanageable debts and bankruptcies tend to reflect the circumstances of people who have previously had a relatively

⁵ P Spicker, 2004, Developing indicators: issues in the use of quantitative data about poverty, *Policy and Politics*, Vol 32(4), 2004, pp. 431-40.

⁶ P Spicker, 2001, Poor areas and the 'ecological fallacy', *Radical Statistics* 76, 2001, pp 38-79.

⁷ See T Macinnes, 2012, <http://www.npi.org.uk/m-blog/view/are-failing-schools-a-poverty-issue/>

⁸ See <http://www.jrf.org.uk/publications/long-term-relationship-between-poverty-and-debt>

high command over resources. A valid index cannot be constructed simply by picking out whatever factors happen to spring to mind. The invitation in question 1 to offer extra dimensions suffers from a related weakness. There are more convincing correlates that might be used (class, disability, gender, and so forth), and more convincing categories of poverty (for example, deprivation of socially recognised necessities) but there is no intrinsic reason to suppose that any index which is built from an arbitrary selection of influences will reflect patterns of poverty. It can only be justified once a decision has been taken about what it is the index is meant to reflect.

7. There are two main approaches to developing a composite index in these terms. The first is to begin with a definition of the issue, to select factors that operationalise the definition, and then to identify and classify indicators in each category to produce an overview of the issues. Indices of this sort have been used in the development of social indicators of exclusion in the European Union,⁹ and the Human Development Index used by the United Nations Development Programme.¹⁰ It is also possible to define the elements of poverty empirically - in the terms of the research literature, “abductively” - by examining and codifying the perceptions and experiences of the poor. The World Bank’s studies, *Voices of the Poor*, examine the experience of poverty through extensive qualitative research in poor countries throughout the world. These include factors relating to deprivation and economic position (precarious livelihoods, insecurity and vulnerability, living in excluded locations, and the problems of physical health); factors relating to social exclusion (limited ability to participate in society, lack of entitlement, and gender relationships); and social and political arrangements (disempowering institutions, weak community organisations, and abuse by those in power).¹¹

8. The consultation document hopes to establish a method of counting the numbers of children who are poor and the severity of their poverty. Beginning with a definition, it is possible to count the numbers of poor people by tallying the numbers of people in each category, and then identifying overlaps between categories. This would provide a way of presenting information, usually capped by a headline figure. It will be possible to say how many problems there are in each domain of the index, because that is where the numbers will be presented, and it will be possible to say that there are some people with two, three, four or more problems. Bradshaw and Finch, who review three tests of poverty - deprivation of necessities, low income and subjective poverty - note that there is “strikingly little overlap” between people categorised as poor by different methods.¹² Unavoidably, the approach will produce several counts - ranging from the people who are affected by at least one category, to

⁹ A B Atkinson, E Marlier (eds) 2010, *Income and living conditions in Europe*, Luxembourg: Eurostat.

¹⁰ United Nations Development Program, <http://hdr.undp.org/en/statistics/hdi/>

¹¹ D Narayan, R Chambers, M Shah, P Petesch, 2000, *Voices of the poor*, World Bank/Oxford University Press.

¹² J Bradshaw, N Finch, 2003, *Overlaps in dimensions of poverty*, *Journal of Social Policy* 32(4) 513-525.

those affected by several. The use of “gateways” would limit the numbers that the government identifies, but the use of such gateways is problematic - using worklessness as a gateway, for example, would assume by definition that no-one could be considered poor if they were in work. It will be open to commentators to choose which count is preferable to make a case, and the index will provide the information to make that possible. It follows that the more widely the index ranges, the higher the numbers of people potentially identified as poor will be.

9. The main alternative is to analyse the relationships within a range of variables. The theoretical basis for doing this depends on the idea that there is an underlying factor that is “poverty”, rather than a shifting, multi-dimensional set of phenomena. Noble and his colleagues explain about the Index of Multiple Deprivation:

“It is hypothesised that an underlying factor exists ... that makes these different states likely to exist together ... This underlying factor cannot be measured directly but can be identified through its effect on individuals ... These variables need to be combined at an ecological level to create an area score. Fundamentally this score should measure, as accurately as possible, the underlying factor.... The premise ... is that the underlying factor is imperfectly measured by each of the variables in the dataset but that the variables that are most highly correlated with the underlying factor will also be highly correlated with the other variables.”¹³

The selection of factors needs to avoid statistics that are weakly associated with poverty (e.g. debt) and multicollinearity (repeated counting of the same things); the weights would be assigned according to the predictive power of the multivariate analysis. It is difficult to be sure what would be included and what would not be, because that depends on the maths, but where factors co-vary, such as worklessness and long-term health problems, the rule against multicollinearity may well mean that one or the other has to be dropped. Conversely, it may be that the index comes to rely on unexpected predictors: when Peter Townsend published his ground-breaking work on *Poverty in the United Kingdom*¹⁴, one of the key indicators of poverty proved to be whether or not children had a birthday party. The inclusion of that item was much misunderstood, and it points to a general problem. One of the criteria in the consultation document is that an index should “be widely accepted by the public as a meaningful representation of child poverty in the UK.”. An index which faithfully identifies the correlates and predictors of poverty is not necessarily going to be one that people would accept as a definition of poverty.

10. This second type of index includes factors according to the strength of the associations and the predictive power of the variables. The method is not designed to deliver a firm count of how many people are poor. (The Index of Multiple Deprivation does not actually count the number of poor areas; it describes the circumstances of those areas which have relatively the

¹³ Social Disadvantage Research Centre, 2003, *Scottish Indices of Deprivation 2003*, Oxford: Social Disadvantage Research Centre, p 53.

¹⁴ P Townsend, 1979, *Poverty in the United Kingdom*, Harmondsworth: Penguin.

greatest concentration of problems.) There is also a practical disadvantage in the procedure: processing associations in these terms produces figures that are specific to time, place and cultural context. An index based on this approach would need constantly to be recalibrated, and that would make it difficult to determine how poverty was changing over time.

11. The consultation document specifies a range of criteria for its proposed measure.

“A multidimensional measure will allow us to draw together our knowledge of what it means to grow up in poverty. It should tell us the total number of children growing up in child poverty in the UK, show us the severity of that poverty, show us how poverty affects different groups of children, be methodologically robust ...”

The proposals in this document would not satisfy those criteria. This will not be a measure. It will not be a way of counting poor children - the factors that have been selected are focused on predictors and associations, rather than the numbers and severity of the circumstances. The process of selecting factors is not methodologically robust - the document has not proposed either a definition of poverty, or an analytical basis for the construction of an index. Question 31 asks about the potential use of an index. The inclusion of apparently arbitrary factors, and the use of correlates in preference to definitional items, means that the scale cannot be used to define or count the numbers of children in poverty.

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