

POLICY REVIEW

Measuring child poverty: the government's consultation

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The government's commitments

In March 1999 the Prime Minister pledged “... to end child poverty ... {as} ... a 20-year mission ...” (Blair, 1999, p 17) and a consultation paper on how to measure its achievements was published in April 2002 (DWP, 2002a). This article reviews the consultation process in context, to see how far the contents of the paper and the procedure of consultation might help the government's objective of a politically credible count of children in poor families to be achieved.

The government had already stated that it aimed to tackle child poverty in its Green Paper on welfare reform (DSS, 1998). However, that paper embodied no clear picture of what it meant by poverty, or how it should be measured or abolished, offering instead only a wide-ranging list of social evils, exclusions and deprivations. To monitor progress in improving welfare, it proposed to measure trends in many of these social evils, but it set only two specific achievement goals. One was the “guarantee of a decent income in retirement for all”, implying that the government recognised that pensions sufficient to ensure decency could be measured and should be supplied. The other was the introduction of a better welfare model, but neither appear explicitly in the latest report (DWP, 2002b). The questions implied by the government's current consultation are far more wide-ranging. They require clear distinctions between political and scientific issues, and between the causes and the conditions of the social evils of poverty, deprivation and exclusion, as well as consideration of their implications for income maintenance and other policies.

The Treasury has also made its own pledges to halve child poverty within 10 years and reduce it by a quarter by 2004. In its Public Service Agreement, child poverty was defined as children living in ‘low-income’ households, those with equivalised income below 60% of the median (the Household Below Average Income {HBAI} method), although whether this was before or after housing costs was not clarified (Brewer et al, 2002, p 2). The government has since used variants of the HBAI low-income definition for politically expedient comparisons, for example the number of children ‘removed’ from poverty in 2002 by comparison with the number

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in poverty using income levels in 1996/97, in some cases updated by price changes. It calls this its 'absolute' definition. Its 'relative' definition counts the numbers currently poor by HBAI methods (DWP, 2002a, p 29). These uses are confusing because they are not the customary meanings, contentious though these are.

HBAI continues to pose problems for government as a proxy measure for poverty because it does not correspond with the public perception that poverty is a matter of inadequate not unequal income (Hills, 2001). Indeed, while the income inequalities are growing, the Prime Minister repeatedly said in a BBC interview (*Newsnight*, 4 June 2001) that the real issue was not inequality but incomes sufficient to give the poor the chance to escape poverty. The government does not reveal what this household income level is, and (publicly at least) calls it incalculable (Malcolm Wicks MP, Minister, BBC, *Inside Money*, 5 July 2002). The consultation paper commends the US government's use of a 'headline measure' of poverty, and seeks a similar measure for the UK, while at the same time rejecting the budget methods used in the US to calculate this minimum necessary household income (Baroness Hollis, Minister, House of Lords *Hansard*, 28 November 2001, col 324).

Facing the dilemma of how to measure poverty without an income adequacy component, the consultation paper instead focuses on other much broader aspects of deprivation. In its annual reports on welfare reform and elsewhere the government states that "Low income is at the core of poverty, but is not the sole characteristic. People's quality of life is central to the problem" (DWP, 2002b, p 5). This again raises crucial problems. The word 'poverty' is ambiguous because it is commonly used to refer both to lack of resources, the cause, as well as to the deprived conditions which follow. The aim of this measurement is not academic but political – as the paper says, "if policies are working there should be an improvement in the indicator" (DWP, 2002a, p 19). Policies must therefore attack the causes of child poverty and not simply its manifestations. Low income is a principal cause, but the manifestation is not a cash sum but a deprived quality of life. Both causes and conditions are remediable, but need clear analysis to distinguish the different issues they raise and policies they demand.

The six questions

There are, of course, many opinions on what these broad diffuse notions of the condition of poverty could embrace, and the government rightly judged it would have to consult widely in order to gain credibility and public assent for its measurements of this unspecific kind of poverty. The paper was followed by several meetings around the UK to discuss its contents. It is structured around six questions:

1. Those aspects of child poverty which should be captured in a long-term measure. This is posed in the context of a passage describing various social evils, adverse characteristics of family life and educational attainment which the government reports on annually (DWP, 2002b). Many of these are not usually taken as synonymous with poverty, because they reflect situations which may not correlate with lack of resources at all, or only weakly.

2. A set of criteria for measurement approaches, indicators and statistics is outlined and agreement invited. The work of Atkinson and his colleagues on social indicators (2002) is quoted as a model, but that offered the European Union diagnostic tools

for trend comparisons rather than the goal achievement measure the Department for Work and Pensions seeks. The paper's five aims for a good measurement approach deserve attention:

- cover the different dimensions of child poverty;
- be readily summarised “so that overall progress can be identified and explained”;
- “be based on child outcomes rather than processes” (although the examples used surprisingly do not refer to child poverty at all but to measuring the government's current adult employment policies which may have no effect on child poverty rates);
- be unambiguous (“if policies are working there should be an improvement in the indicator”); and
- be relevant over time.

This list suggests some confusion about what is poverty and what are ephemeral policies, and further points similarly conflate scientific and political criteria which – as the paper then admits – may be incompatible or unachievable (for instance disaggregated data about small areas). Having quoted the US National Research Council report (Citro and Michael, 1995) which had already examined all these questions very systematically, the Department for Work and Pensions could have added one of its three key criteria to the list – that the indicators are not only publicly acceptable and statistically defensible but also operationally feasible.

3 and 4. The third question points to the government's overriding concern about the public presentation of a complex issue – what is the best summary or headline measure of poverty – while the fourth asks for reactions to four options for such a headline measure, each a composite of various disparate elements:

- to take five statistics, of income inequality, no paid work, educational attainment, health inequality and housing standards, and use them as multi-dimensional headline indicators;
- to combine the five to a single composite child poverty index;
- to combine a measure of income inequality with a set of key deprivation indicators and call it ‘consistent poverty’ (a similar measure had already been considered by the Irish government's Social Welfare Benchmarking and Indexation Group (Ireland, 2001) which reported (p 70) difficulties in interpreting it, and with undercounting the numbers of those who experience poverty);
- to combine the previous option with statistics of what it idiosyncratically calls absolute and relative measures of income inequality.

5 and 6. The two final questions ask if the options chosen by respondents are consistent with their responses to questions 1 and 2, and for views on the geographical coverage of the four options.

The Department for Work and Pensions had already held discussions on this topic with teams of experts in 2000, and it is puzzling that the subsequent consultation paper offers such limited choices between causes and conditions, and between resource inputs and behavioural outcomes, when these are also open to criticism for confusion between scientific aims and methods and legitimate political objectives. There is of course a case for measuring outcomes, but only provided that they relate to what the population as a whole see as the indicators of poverty and a deprived level of living, and that they are capable of identifying the difference

between the output condition and the related causes and input resources. But any one of the indicators in the paper may be either, depending on what point in the chain of cause and effect one examines. For instance, poor health and poor educational attainment may affect employment capacity and result in low income, but parents' poor employment and low earnings may affect their and their children's health and ability to take part in society and achieve educational targets. Naturally they should all be dealt with – but which are 'poverty'?

Further, neither income inequality nor indicators of worklessness or low school attainment are *in themselves* signs of poverty – the highest aspiration perhaps is to be a workless household on a high income, and even rich kids can fail exams. When presented with a statistic of income inequality, the journalist in the street always asks the question, 'Yes, but what does that mean in pounds per week for the average family?'. Until the government faces the issue of how to establish what resource inputs are needed to avoid poverty (remembering Beveridge's statement that "freedom to spend is part of essential freedom", W.H. Beveridge, letter to B.S. Rowntree, 18 August 1942), it will not satisfy the public credibility requirement of its poverty measure, nor will it include a key resource in its portfolio of necessary policies to be monitored.

The consultation process

Procedurally, the consultation is addressed to a wide range of public bodies and individuals who have informed views on inadequate family life and its causes. Children were rightly to be included in the consultation, not so much on the technicalities but on what poverty means to them and what they see as the dimensions of an unsatisfactory quality of life. As well as the publication of the paper, there were to be both consultative 'workshops' of around a hundred participants in each, from a wide range of backgrounds and interests, as well as more intensive small-scale seminars; but at the time of writing (October 2002) this may still be in progress. Observation in one workshop suggested that some participants had very little idea of what poverty measurement might be about, however valid their own life or organisational experience might be to them, while others seemed frustrated by the low technical level of debate and apparent closure on politically inexpedient topics.

Conclusions

The government must be commended for being prepared to consult widely about measuring child poverty, but its procedures might have been more productive if it had built on what the experts had told it in 2000, and then held subsequent separate intensive discussion meetings with each kind of methodological, organisational or experiential expertise. The lack of analytical rigor in the paper may be down to the apparent disagreements within the Department for Work and Pensions, both politicians and officials, about the wisdom of holding a consultation at all, and what it should cover, given the political sensitivity of the adequacy question. Its goals thus seem incompatible. Its search for a valid measure sounds scientific, but its objectives are naturally political, something most methodologists cannot address. It wants to count children in poverty but rejects the ordinary meaning of the word as commonly understood, preferring a broader and more oblique definition. It

wants a variety of proxies for poor quality of life, but preferably not those which point to measurable lack of household purchasing power.

At the same time, the government has been raising the lower family incomes by tax credits but without revealing its targets. It is inconceivable that it has not thought through what minimum income it aims to achieve in this way. That is just as much a part of the question of defining and measuring child poverty on which it should have been consulting. If the consultation results in focusing solely on identifying and measuring behavioural outcomes, the government may still have no idea of what the essential resource inputs are, over which it could exercise some policy control to affect outcomes. If it analyses the causal chains first and consults on how to measure resources as well as outcomes, it will have a better chance of seeing how to achieve its honourable objectives.

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