

The government should reconsider its proposed measure of child poverty and move with the tide of expert opinion

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6/20/2013

*The government has proposed a new measure of child poverty which would combine information on eight aspects of a child's life into one measure, moving away from the income-based approach. However, as the government's consultation made clear, there is little support for a single, multi-dimensional, measure of child poverty that is conceptually flawed and would obscure rather than illuminate. **Mike Brewer** explores the reactions to the proposal and presents his own recommendations on how the government should move forward.*



On 13 June 2013, the Department for Work and Pensions published the annual [Households Below Average Income](#) (HBAI) report, which contains its latest estimate of the income distribution in the UK, and of the number of people living in households with a low income. This has renewed attention on the best way to measure poverty. To many, the best single measure of poverty is the sort published in the HBAI document, which counts a person as being poor if he or she lives in a household whose income is below 60 per cent of the median income, having adjusted for differences in household size and composition (below, I call this the “income-based relative measure”; it is a “relative” measure because whether someone is considered poor depends not just on their own income but also on the average income in society).

The government disagrees, and, in late 2012, [it set out](#) its preferred way to measure child poverty in the UK, a so-called “multi-dimensional measure”, which would classify a child as being in poverty if he or she were disadvantaged in a number of different domains or dimensions. The government's objection to the income-based relative measure is two-fold. First, it says that a “focus on income [does not] reflect the reality faced by our most disadvantaged individuals and families”, and that “it cannot be right that experiences so vital to childhood, like seeing a parent go out to work or growing up in a stable family, are not reflected in our understanding of child poverty” (from the [Foreword](#) to the consultation).

Second, it does not like the relative aspect of the commonly-used income-based measure: when 2012's HBAI figures showed that the number of children deemed poor on a income-based relative measure had fallen even though their household income had not risen, the government argued that “the children who were moved out of poverty were no better off, nor saw any meaningful improvement in their lives.” There is also a concern, which I share, that having high-profile targets for child poverty defined solely in terms of income or resources encourages politicians to focus on helping children through raising the incomes of their parents, rather than through services which improve the quality of children's lives.

The government's proposed measure would use information on eight aspects of a child's life: income and material deprivation, parental worklessness, whether the family had unmanageable debt, housing quality, the qualifications and skills of the parents, the quality of local schools, stability in family circumstances, and parental health. For each child, information on all 8 dimensions would then be combined, in some way, to determine whether the child was in poverty. In practice, this would need to be done with a data-set that measures all eight dimensions (and so would probably have to use “Understanding Society” which, as a longitudinal study with annual data collection, would also allow the measure of the persistence of the different dimensions).

The consultation closed in February 2013, and the government's response should be interesting, given that, based on those responses in the public domain, there is little support for a single, multi-dimensional, measure of child poverty. Some do agree with the government's proposals: for example, [Policy Exchange](#) and the [Centre for Social Justice](#) both share the government's assessment of the disadvantages of the income-based relative measure, and both support a multi-dimensional, single-index, measure (although both make suggestions for additional or

alternative dimensions in the measure). On the other side, we find many children's organisations and most (but not all) academics. For example, the [Child Poverty Action Group](#), who have long supported the use of an income-based relative measure of poverty, is "not convinced of the value of a single composite measure of poverty as proposed in the consultation document." Academics at LSE's [Centre for the Analysis of Social Exclusion](#) "have fundamental concerns about the multidimensional measure of child poverty that is being proposed". Jonathan Bradshaw, part of the Poverty and Social Exclusion [project](#), [claimed](#) that: "the conceptual basis of these proposed dimensions is so confused it is very difficult to know what [the proposed multi-dimensional measure of poverty] would achieve or indeed how it could be used," and concluded that the "consultation document is of very poor quality. It surely cannot have been written by a civil servant?" Even the government's own Social Mobility and Child Poverty Commission [has doubts](#): it says that "a multidimensional approach has considerable potential to provide a richer picture. But to endure[,] such a measure needs to be coherent and understandable," and it recommends the government give up its attempt to find a single measure of poverty.

There seem to be two objections to the government's proposal. First, there is a concern that combining eight indicators into one would obscure, rather than illuminate. As CPAG put it: "as this single figure moves over time, it will only be through decomposing the indicator that we will be able to understand which dimensions are driving changes. So, while tracking the multiple ways which poverty impacts of people's lives is indeed essential, in our view the case for aggregating these into a single number is weak." But the more important criticism, made by many respondents, is that combining the measures would be conceptually flawed, because some dimensions reflect the causes of poverty, some measure the consequences of a low income, and others are outcomes of interest in their own right.

How should the government now proceed, if it wants to move with the tide of expert opinion? Well, it can be comforted that there is widespread agreement that poverty is a multi-dimensional phenomenon, and that there is a large desire to see it publish more information on the outcomes and circumstances of disadvantaged children. My personal recommendation is much in line with those of the bodies I cite above: I think the government should be clearer on what it understands "poverty" to be, that it make small but important changes to the income-based measure of poverty so that it better reflects the financial resources available to households, and that it, or the Social Mobility and Child Poverty Commission, regularly publishes information on a wide range of outcomes and circumstances of all children, with a focus on socio-economic differences, so that we can all monitor whether childhood inequalities are growing or shrinking.

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