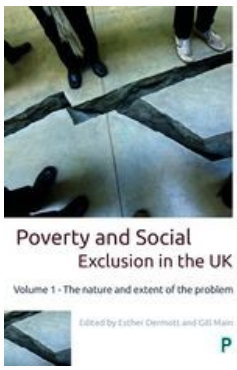

Poverty and Social Exclusion in the UK: Vol 1: The Nature and Extent of the Problem

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CHAPTER

One Measuring poverty in the UK

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Abstract

All politicians from all political parties in the UK agree that poverty is 'bad' things which should be reduced/eradicated.There is political unanimity about this, however, there is also often passionate contestation about the causes and solutions to poverty and, in particular, who is to blame for poverty. This chapter both describes the Poverty and Social Exclusion project' methodological approach and draws on over 200 years of poverty research to reach the following conclusions: 1) Poverty is not behaviour – most poverty has a structural cause; 2) Poverty is not a disease – you cannot catch poverty from your parents nor transmit it to your friends, relatives or children; 3) The underclass is a persistent myth – which has never existed; 4) Redistribution is the only solution to child poverty – only adults can provide the resources that children need. Failure to learn these lessons from research invariably results in ineffective and inefficient anti-poverty policies such as the £1 billion Troubled Families programme.

Keywords: Poverty, Deprivation, Child Poverty, Multidimensional Poverty, Social Exclusion, Survey Methodology, PSE

Subject: Social Stratification, Inequality, and Mobility

> 'While our population during the last century increased three and a half times, the wealth of the community increased over six times. But one factor in our national life remained with us all through the century, and is with us still, and that is that at the bottom of the social scale there is a mass of poverty and misery equal in magnitude to that which obtained 100 years ago. I submit that the true test of progress is not the accumulation of wealth in the hands of a few, but the elevation of a people as a whole.'
>
> (Keir Hardie, Labour Party leader, House of Commons, 23 April 1901)

> 'The word poor is one the government actually disputes.' (Mr Hickey, DHSS Assistant Secretary for Policy on Family Benefits and Low Income, Evidence to House of Commons Social Security Select

> Committee, 15 September 1989)
>
> ‘Where is the fairness, we ask, for the shift-worker, leaving home in the dark hours of the early morning, who looks up at the closed blinds of their next door neighbour sleeping off a life on benefits? When we say we’re all in this together, we speak for that worker. We speak for all those who want to work hard and get on.’
>
> (George Osborne, Chancellor, 8 October 2012)

> ‘That means fighting against the burning injustice that if you’re born poor you will die on average nine years earlier than others. If you’re black, you’re treated more harshly by the criminal justice system than if you’re white. If you’re a white working class boy, you’re less likely than anybody else in Britain to go to university. If you’re at a state school, you’re less likely to reach the top professions than if you’re educated privately. If you’re a woman, you will earn less than a man. If
p. 18 you suffer from mental health problems, ↳ there’s not enough help to hand. If you’re young, you’ll find it harder than ever before to own your own home. … The Government I lead will be driven, not by the interests of the privileged few, but by yours.’
>
> (Theresa May’s first speech as Prime Minister, 13 July 2016)

Introduction: the political context

Poverty in the UK is a strange phenomenon, as the quotes above demonstrate. It is something that all politicians agree upon yet it is also highly politically contested. All politicians from all parties agree that poverty in general, and child poverty in particular, are ‘bad’ things which should be reduced/eradicated. There is political unanimity about this in the UK – no politician, as far as I am aware, has ever said that the UK should have or needs more poverty. The aspects of poverty that are the subject of often passionate contestation are the causes of and solutions to poverty and, in particular, who is to blame for poverty.

The 21st century has witnessed rapid and dramatic changes in UK government policy towards poverty. In 1999, Tony Blair committed the Labour government to the eradication of child poverty within a generation[1] (that is, by 2020) and this goal was actively pursued, to a greater or lesser extent, for the first ten years of the century, culminating in the passage through Parliament of the Child Poverty Act 2010.[2] The Child Poverty Act received cross-party support and wrote the goal of eradicating child poverty into legislation – along with specific and time-limited targets, four measures of child poverty[3] and independent monitoring by a Child Poverty Commission.[4]

The fact that most Conservative MPs voted for the Child Poverty Act shows how much their rhetoric concerning poverty changed during their 13 years in opposition. During the 1970s, 1980s and the early 1990s, successive Conservative governments denied that poverty existed in the UK. For example, in the 1970s, a widely publicised argument by Keith Joseph (who was Secretary of State for Education in Margaret Thatcher’s first government) claimed that ‘A family is poor if it does not have enough to eat. … By any absolute standard there is very little poverty in Britain today’ [Joseph and Sumption, 1979, pp 27–8]). Similarly, in 1989, John Moore (then Secretary of State for Social Security) proclaimed ‘The end of the line for poverty’ and argued that absolute poverty had been eradicated, relative poverty did not exist and claims that there were many poor people in the UK were ‘bizarre’ and ‘absurd’. Furthermore, people who criticised the government’s policies were:

> p. 19 ‘not concerned with the actual living standards of real people but with pursuing the political goal of equality. … We reject their claims about poverty in the UK, and we do so knowing that their motive is not compassion for the less well-off, it is an attempt to discredit our real economic

> achievement in protecting and improving the living standards of our people. Their purpose in calling "poverty" what is in reality simply inequality, is so they can call western material capitalism a failure.'
>
> (Moore, 1989)

During the 1980s and most of the 1990s, with the exception of Boddy et al (1995), no report published by the government included the word 'poverty'. The Conservative government's policy appeared to be that poverty eradication could be achieved by removing the word 'poverty' from the dictionaries – they contested the very existence of the word 'poverty' (see quote from Mr Hickey above). Unsurprisingly, this policy failed and was in part responsible for Conservatives getting a reputation as the 'nasty party'.[5]

Modernisers in the Tory party, particularly Ian Duncan Smith, saw the past rhetoric about poverty as a problem for the electability of a Conservative government. One response was to discreetly send Baron Chilver (who had been the Vice Chancellor of Cranfield University) to various university departments with a poverty research reputation to see if they would be willing to help the party solve the Tories 'poverty problem'. In the end, this job fell to the Centre for Social Justice (CSJ), a think tank founded by Ian Duncan Smith in 2004. In 2007, the CSJ produced a report entitled *Breakthrough Britain*,[6] which purported to have identified the five primary 'causes of poverty/barriers families face' as: (1) family breakdown; (2) economic dependency and worklessness; (3) educational failure; (4) drug and alcohol addiction; and (5) serious personal debt. A follow-up project, *Breakthrough Britain II*, produced individual reports on these five topics in 2013 and 2014. No other researchers in the UK or elsewhere have ever identified these five factors as the main causes of poverty nor does there appear to be any scientific basis for the CSJ's claims that these *are* the primary causes of poverty.

None of the reports included credible scientific evidence that would support the CSJ's claims about these being the main causes of poverty. For example, the 'addiction' reports include no evidence that addiction is a major cause of poverty. Addiction is, of course, a bad thing and a problem that needs to be tackled but problem drinking and gambling may be just as likely to affect the 'rich' as the 'poor'. ↳ 'Problem drinking' has repeatedly been found to have a clear social gradient in analyses of the UK GHS/GLS/CHS[7] data, that is, the richer the household, the more alcohol they consume on average.[8] The *Breakthrough Britain* reports outline social policies which emphasise tackling 'welfare dependency and addiction' (linked together) and thereby falsely located drug addiction as a 'problem' of the disreputable poor (MacGregor, 2013).

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The *Breakthrough Britain* report was based on the results from a consultation process: 'Over the past 18 months, there have been more than 3,000 hours of public hearings and over 2,000 organisations have made submissions to the working groups' – and were used to produce policy recommendations for the Conservative Party (Duncan Smith, 2007). Although this may sound impressive, it appears to be pseudo-research rather than real research, that is, there is no evidence of a rigorous sampling frame or of any analytical methodology. The reports have been largely ignored by the academic community but have been very influential on the approaches to anti-poverty policy taken by the recent Coalition and Conservative governments – with ministers frequently stating that the pathways to poverty are family breakdown, educational failure, worklessness and dependency, addiction and serious personal debt. Their aim has been 'to move the poverty debate away from a simple fixation with a single "poverty line"'.[9]

In particular, there have been repeated and, so far, unsuccessful, attempts since 2010 to sideline or abolish the four official Child Poverty Act measures, which all include low-income elements. After the May 2010 general election, the new Coalition government lost no time in trying to change the child poverty measures its MPs had voted for a few months previously. It also named the independent policy monitor (established by the Child Poverty Act) the Social Mobility and Child Poverty Commission (instead of the Child Poverty Commission).

In June 2010, the Coalition government launched an Independent Review on Poverty and Life Chances: Consulting on a New Approach (Field, 2010), with the Labour MP Frank Field as chair. The first aim of this review was to 'examine the case for reforms to poverty measures, in particular for the inclusion of non-financial elements'. In 2012, the Coalition government then issued a consultation on *Measuring child poverty* (DWP, 2012).

Both these consultation documents were of extremely low quality. They were 'conceptually completely inept and confused' and failed 'to recognise the fundamental distinction between measures of poverty and the characteristics of poor children and the associations and the consequences of poverty' (Bradshaw, 2013, p 2). The Review on ↳ Poverty and Life Chances seemed to represent an attempt to revive the discredited cultural deficit theories of the 1960s. For example, the report included statements that were pejorative, anecdotal and unsupported by any evidence:

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> I no longer believe that the poverty endured by all too many children can simply be measured by their parents' lack of income. Something more fundamental than the scarcity of money is adversely dominating the lives of these children. Since 1969 I have witnessed a growing indifference from some parents to meeting the most basic needs of children, and particularly younger children, those who are least able to fend for themselves. I have also observed how the home life of a minority but, worryingly, a growing minority of children, fails to express an unconditional commitment to the successful nurturing of children. ... Even if the money were available to lift all children out of income poverty in the short term, it is far from clear that this move would in itself close the achievement gap.
>
> (Field, 2010, p 16)

Cultural deficit theory is a prejudiced 1960s idea that underachievement among poor/working-class students was a result of deficiencies with the students, their families and communities (Gordon, 2012). The cultural deficit models argued that, since working-class/poor parents failed to embrace the educational values of the dominant middle/upper classes and continued to transmit to their children values which inhibited educational achievement/mobility, then the parents/working-class culture are to blame if low educational attainment continues into succeeding generations. This idea is derived from a misrepresentation of Oscar Lewis's (1964, 1968) work in Mexico, Puerto Rico and New York on the adaptation of the migrant 'rural' poor with 'traditional' ways to their 'marginal' status. In fact, Lewis argued that poverty was primarily a result of structural causes not cultural or behavioural causes. Thus, the Independent Review on Poverty and Life Chances recommended measures largely ignoring the structural reasons for the persistence of poverty and educational underachievement, for example inadequate school funding in poor areas, social class segregation in the education system, low-quality teaching, exclusions, schools' failure to prevent bullying, teacher prejudice/bias/lack of respect and so on (Gordon, 2012). Similarly, the *Measuring child poverty* consultation report (DWP, 2012) failed to acknowledge most of the research on measuring child poverty and ↳ even quoted a crude online poll from MoneySuperMarket.com – completed by self-selecting respondents who were highly unlikely to be representative of the UK population – as evidence for the need to change the way poverty is measured (Bradshaw, 2013).

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The Coalition government's aim of developing poverty measures which did not include financial indicators received virtually no support. The Prime Minister's Office asked Demos if they could develop a multidimensional poverty measure which did not include low income or expenditure but Demos researchers argued that such a measure would lack credibility (Matt Barnes, pers. comm., 2013). In 2014, Alan Milburn (Chair of the Social Mobility and Child Poverty Commission) concluded that: 'The government's draft child poverty strategy is a missed opportunity. The farce of ministers proving unable to agree on how to measure poverty after rubbishing existing measures is particularly lamentable.'[10]

On being elected in May 2015, one of the first announcements of the new Conservative government was their intention to amend/repeal the Child Poverty Act to become the Life Chances Act. The four Child Poverty Act 2010 income-based targets would be abolished and replaced with two new measures of children living in workless households in England and the educational attainment of children in England at the end of Key Stage 4. This plan was announced in a government press release with the Orwellian title of 'Government to strengthen child poverty measure'.[11] These 'new' measures had been included in the previous Labour government's *Opportunity for All* annual child poverty reports, as part of a large suite of 24 indicators (DWP, 2005). However, by themselves, they are clearly a partial and inadequate measure of child poverty.

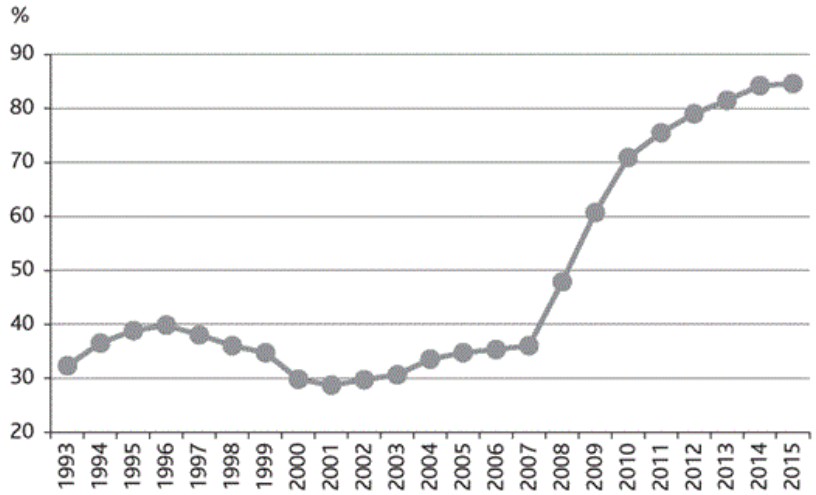
Despite having just won a general election, the new Conservative government failed to persuade the governments of Scotland, Northern Ireland and Wales to abandon the Child Poverty Act targets and child poverty measures, and also failed to persuade the UK Parliament. At the Report Stage on 25 January 2016, the government suffered a defeat on an amendment tabled by the Bishop of Durham which required the Secretary of State to continue to report annually the number of children living in poverty under each of the four existing poverty measures specified in the Child Poverty Act 2010. The amendment was agreed by 290 votes to 198 (Kennedy et al, 2016). The evidence given to the Public Bill Committee[12] was extraordinary in that it was overwhelmingly hostile to the government's proposals, for example, both the Institute of
p. 23 Economic Affairs (IEA) and the Child Poverty Action Group (CPAG) were united in their condemnation ↳ of the proposed new child poverty measures. So both the four Child Poverty Act 2010 measures and the two new Life Chances measures are currently published by the UK government but it is far from clear what will happen in the future to the way poverty is 'officially' measured in the UK.

Austerity: the policy context

Governments do not usually spend so much time, effort and political capital on technical issues such as poverty measurement. The reason was that the Coalition government's response to the financial crisis was to implement austerity policies with substantial cuts to the public sector and welfare benefits. The blame for the mounting public debt was put on the imagined profligacy of previous Labour governments rather than on the huge losses made by UK banks which then required a government-funded bailout.

In reality, public sector debt was relatively low (by historical standards) prior to the 2008 financial crash (see Figure 1.1). According to Blyth (2013, p 47): 'What happened was that banks promised growth, delivered losses, passed the costs onto the state and then the state got the blame for generating the crisis in the first place, which of course, must be paid for by expenditure cuts.'

Figure 1.1:



UK public sector debt as a % of GDP: 1993–2015[13]

Source: ONS Public Sector Finances time series dataset (PUSF)

The cuts to benefits and services were targeted at poor and disabled people whom government ministers and much of the media sterotyped

p. 24 as 'workshy', 'scroungers', 'lazy wasters' 'burdens', and even as 'stupid' and 'parasites' (Briant et al, 2011; Baumberg et al, 2012; Taylor Gooby, 2013). Both the Chancellor, George Osborne and the Prime Minister, David Cameron, repeatedly talked about 'welfare scroungers', 'skivers' and benefit receipt as a 'life choice' (see Walker, 2014) and this is consistent with the 'broken Britain' rhetoric popularised by Ian Duncan Smith (then Minister for the Department for Work and Pensions) and the CSJ (Mooney, 2011).

Jones (2011) has documented the increased negative stereotyping of the working class in general and the poor in particular as 'Thick. Violent. Criminal. Scum of the earth' in the media and in politics. The past five years have witnessed a rise in 'poverty porn', with numerous *Jeremy Kyle*, *Benefits Street* and *Gypsies on Benefits and Proud*-style programmes on television, which particularly highlight '"the skiver", a figure of social disgust who has re-animated ideas of welfare dependency and deception' (Jensen, 2014).

Levitas (2005) argued that political debates about social exclusion and poverty in the UK could be grouped into three overlapping and competing discourses; Redistributionist Discourse (RED), Moral Underclass Discourse (MUD) and Social Integrationist Discourse (SID). The prime concern of RED is poverty and it draws upon the work of Townsend (1954, 1962, 1979), who argued that, when income and resources fall below a certain level, people are excluded from the normal activities of their society. The solution for RED is redistribution of income in the form of higher, non-means tested benefits, a minimum wage, financial recognition for unpaid work and so on.

By contrast, the prime concern of MUD is with the moral and behavioural delinquency of the excluded. The underclass is perceived as culturally distinct from the mainstream and is associated with idle, criminal young men and single mothers dependent on welfare (see also Macnicol [1987] 2009; Bagguley and Mann, 1992; Mann, 1994). Welfare dependency on the state is problematic but the economic dependency of women and children on men is not – as women and marriage have a 'civilising' impact on men.

Finally, SID is primarily concerned with inclusion through paid work and is a predominant discourse of the European Union. It focuses on unemployment and economic inactivity, and social integration is pursued through inclusion in paid work. It ignores unpaid work (largely done by women).

Thus, if RED is about no money, MUD about no morals and SID about no work, the political rhetoric and
p. 25 policy options adopted ↳ by the Coalition and Conservative governments have clearly focused squarely on MUD and SID, rather than RED.

The Coalition government cut government spending, with the sharpest cuts falling in the poorest areas, affecting some of the poorest groups of people (Edwards, 2012; Reed and Portes, 2014; Innes and Tetlow, 2015). For example, the Campaign for a Fair Society estimated that '2% of the population – the people with the greatest needs – will bear the burden of 25% of all the cuts'[14] (Duffy, 2014). The most deprived local authorities saw cuts of more than £220 per head compared with under £40 per head for the least deprived (Hastings et al, 2015). Real wages and incomes fell and about 1 million people[15] had to use food banks, often as a result of welfare cuts, delays in receiving benefits and increased use of benefit sanctions (Lambie-Mumford and Dowler, 2014; Perry et al, 2014). The Coalition government's policies resulted in income changes that 'were regressive' and that 'the bottom half lost (with the poorest groups losing most as a proportion of their incomes) and the top half gained' (De Agostini et al, 2014). The Institute for Fiscal Studies estimated that real incomes in 2014/15 were, on average, about 2% lower than in 2009/10 (Cribb et al, 2015).

Standing on the shoulders of giants

Given the highly politicised debates about the measurement of, causes of and solutions to poverty, high-quality social science research is of considerable importance, otherwise ineffective and inefficient policies based upon false premises may be pursued and considerable public monies will be wasted. Fortunately, there has been over 400 years of research into British poverty and UK social scientists are arguably the world leaders in this field.

Every decade or so since the late 1960s, UK social scientists have attempted to carry out an independent poverty survey to test out new ideas and incorporate current state-of-the-art methods into UK poverty research. Thus, the 1968–9 Poverty in the UK survey (Townsend, 1979), the 1983 Poor Britain and 1990 Breadline Britain surveys (Mack and Lansley, 1985; Gordon and Pantazis, 1997) and the 1999 Poverty and Social Exclusion survey (PSE-GB 1999; see Gordon et al, 2000; Pantazis et al, 2006) and its 2002 counterpart in Northern Ireland (Hillyard et al, 2003), introduced new methods, ideas and techniques about poverty measurement and helped to keep UK academic research at the forefront of poverty measurement
p. 26 methodology. It is important for social science to build upon the results ↳ of the 400 years of research into British poverty. The lessons from this research can be summarised as follows:

- *Poverty is not a behaviour* – since the work of Booth (1902–03), Rowntree (1901) and their Victorian and Edwardian contemporaries (for example Webb and Webb, 1909a, 1909b), repeated studies have shown that the primary cause of poverty is not the 'bad' behaviour of the poor. Poverty in the UK is primarily caused by structural factors such as low wages, a lack of jobs, the lack of state provision to adequately compensate those engaged in unpaid work – particularly caring work – and so on. Despite intensive research by often highly partisan researchers, as far as I am aware, there are no credible scientific studies which show that any significant group of people are poor as a result of indolent, feckless, skiving or criminal behaviour.

- *Poverty is not a disease* – it is not like syphilis – a curse across the generations – you cannot catch poverty from your parents nor pass it onto your friends, relatives or children. Research has shown that poor adults and children in the UK do not have a 'culture of poverty' and tend to have similar aspirations to the rest of the population (Lupton, 2003). The UK welfare state is reasonably effective and there is virtually no one who is born into poverty, grows up living in poverty and remains poor for their entire lives. There are also virtually no families where members have not been in any paid

employment over two or more generations. For example, Shildrick et al (2012, p 3) found that, 'Despite dogged searching in localities with high rates of worklessness across decades we were unable to locate any families in which there were three generations in which no-one had ever worked.' Poor children are, of course, more likely than their richer peers, to become poor adults, but this is largely due to structural reasons rather than any 'cycle of poverty' or 'transmission' of poverty (Townsend, 1974; Schoon et al, 2012).

- *The underclass is a persistent myth* – the fruitless search for the underclass is the *Hunting of the Snark* of UK social science research. Over one hundred years of searching has failed to discover any significant group which could be identified as an underclass. The terms used for this group have changed over time, from the Victorian *residuum*, the 'unemployables' of the Edwardian era, the Social Problem
p. 27 Groups of the 1930s Depression era, the Problem ↳ Families of the 1940s, through the culture of poverty and cycle of deprivation of the 1960s and 1970s, the underclass of the 1980s and 1990s to the Troubled Families of the present day (Blacker, 1937, 1952; Welshman, 2013). More research monies and effort have probably been wasted searching for the underclass than in any other area of UK social science research. For example, the Transmitted Deprivation Programme of the 1970s lasted over 10 years, commissioned 23 empirical studies and cost over £5 million at 2016 prices. The Pauper Pedigree Project of the Eugenics Society lasted over 20 years (1910–33), the Social Survey of Merseyside Study lasted five years and the Problem Families Project started in 1947 and eventually petered out in the 1950s (see Lidbetter, 1933; Caradog Jones, 1934; Brown and Madge, 1982; Mazumdar, 1992). Neither these studies, nor any other British study, have ever found anything but a small number of individuals whose poverty could be ascribed to fecklessness or a 'culture/genetics of poverty/dependency' (Gordon and Pantazis, 1997).

- *Redistribution is the only solution to child poverty* – the economics are very simple and are entirely concerned with redistribution: where sufficient resources are redistributed from adults to children there is no child poverty; where insufficient resources are redistributed from adults to children, child poverty is inevitable (Gordon, 2004). Children cannot and should not do paid work to generate the resources they need to escape from poverty. This is the job of adults. Numerous laws since the Factory Act 1833 have restricted and prevented child labour in the UK. Children should be spending their time playing and learning not working at paid labour (Gordon and Nandy, 2016).

The extent of poverty in the UK

The PSE-UK 2012 project conducted an in-depth investigation into the extent and nature of poverty in the UK using a broad range of measures. The project had three primary aims:

- to improve the measurement of poverty, deprivation, social exclusion and standard of living;
- to assess change in the nature and extent of poverty and social exclusion over the past ten years;
- to conduct policy-relevant analyses of outcomes and causal relationships from a comparative perspective.

p. 28 The chapters in this book focus on the nature and extent of poverty in the UK among different social groups and the policies that are needed to reduce and eradicate it. The remainder of this chapter will focus on the first aim – the development of new measures of poverty, deprivation, exclusion and standards of living. Rigorous qualitative and quantitative methods were used in developing and analysing the survey questionnaire. The methods used included:

- systematic literature reviews

- focus groups
- expert review
- cognitive interviews
- survey pilots
- behaviour coding

Details of this survey development process can be found in the methods development working papers available on the PSE website.[16] As far as possible, comparability was maintained in the PSE-UK 2012 surveys with UK and EU official poverty measures.

The theoretical basis for the PSE-UK 2012 measurement of poverty was Townsend's (1979) theory of relative deprivation.

> Poverty can be defined objectively and applied consistently only in terms of the concept of relative deprivation. [...] Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs or activities.
>
> (Townsend, 1979, p 31)

Townsend defined 'poverty' as a lack of command of sufficient resources over time and 'deprivation' is an outcome of poverty. For Townsend, deprivation is also a relative phenomenon which encompasses both a lack of necessary material goods and social activities:

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> Deprivation takes many different forms in every known society. People can be said to be deprived if they lack the types of diet, clothing, housing, household facilities and ↳ fuel and environmental, educational, working and social conditions, activities and facilities which are customary, or at least widely encouraged and approved, in the societies to which they belong.
>
> (Townsend, 1987, p 126)

The theory of relative deprivation is a scientific concept in that it can be used to measure poverty in all societies during all periods of history, that is, it is a sociological concept of poverty which is universally applicable (Gordon and Pantazis, 1997; Townsend and Gordon, 2002). It is based on the idea that there are fundamental human needs that all people everywhere require, for example, the need for food, clothing, shelter and so on. In addition, in all societies people have social obligations as parents, children, siblings, friends and so on which they must fulfil. For example, there is a need to give presents on certain occasions and to attend ceremonies marking major life stages (for example birth, marriage, death, coming of age and so on). The way these necessary material and social needs are met varies across both time and place but the underlying categories of material and social needs remain fundamental. Therefore, poverty can be defined as the non-fulfilment of these universal needs due to a lack of resources – rather than for some other reason, such as discrimination. Thus, deprivation can be the result of causes other than poverty (for example, exclusion due to gender, religious, class, caste or ethnic prejudice) but multiple deprivation is often the result of poverty.

The 50 years of research which followed the development of the Poverty in the UK survey in the early 1960s has resulted in the development of a measurement framework and methodology for producing multidimensional deprivation indices which are suitable, valid, reliable and additive, and which can be combined with measures of low income/resources to produce robust multidimensional poverty measures (Gordon, 2000; Pantazis et al, 2006; Fahmy et al, 2011; Guio et al, 2012; Guio et al, 2016).

Multidimensional poverty measures which combine low income and deprivation, such as the UK's combined Low Income and Deprivation measure required by the Child Poverty Act 2010, the Consistent Poverty measure used by the Irish government or CONEVAL's[17] multidimensional poverty measure used in Mexico, produce robust estimates of poverty by combining both the cause (low resources) and effect (deprivation) of poverty into a theory-based single measure.

Some economists (Brewer and O'Dea, 2012) have argued that it would be better to measure poverty using
p. 30 consumption rather than a combined low-income and deprivation measure as low levels of ↳ consumption might provide a better estimate of permanent income, that is, consumption is 'considered a better proxy than income for lifetime resources and for current living standards' (Browne et al, 2013).

This is a fantasy. There has never been a consumption survey and there probably never will be. What national statistical offices measure is expenditure (as a part of the Household Income and Expenditure Surveys – HIES) but expenditure is not consumption. Nor is it feasible to use household expenditure data to produce estimates of individual or household consumption without introducing significant measurement errors. For example, even using food expenditure diaries to estimate food consumption requires literally hundreds of 'heroic' assumptions such as how much food wastage occurs for each food item (for example people rarely eat the bones of a chicken or the outer leaves of a cabbage) and how much food is consumed outside the household (Deeming, 2011). In addition, most expenditure surveys only ask households to keep a detailed expenditure diary over a two-week period and this is highly unlikely to be representative of the household's expenditure over an entire year, for example expenditures during the two weeks before Christmas are likely to differ from expenditures during the first two weeks in August. There is no internationally agreed statistical definition of consumption, no agreed method to measure consumption nor a single example of where consumption has been successfully measured. Consumption remains a theoretical concept not a practical measurement option for estimating poverty.

Deprivation measurement framework

Many deprivation indices unfortunately consist of a collection of items the authors think are 'bad', grouped into seemingly arbitrary domains and added together using unsubstantiated weights (Gordon, 1995). There is no good reason why anyone should accept that such indices are good or useful measures. A methodology is required that allows the testing and selection of an optimum set of deprivation indicators which form a consistent theory-based measure of deprivation. To ensure a robust selection of deprivation items it is important to consider four aspects:

- The *suitability* of each deprivation item. The PSE-UK 2012 checked that there was a majority (50% or more) of respondents in a random Omnibus survey who agreed that a deprivation item was a 'necessity
p. 31 of life that everybody should be able to afford'. Twenty-five adult ↳ and household items and 24 children's items in the PSE-UK 2012 Omnibus survey passed this test and were used for further analyses (27 items failed this suitability test and were therefore dropped). These deprivation items are considered to represent 'the living conditions and amenities which are customary, or at least widely encouraged or approved, in the societies to which they belong' (Townsend, 1979, p 31). Here, 'suitability' is understood as a measure of face validity among the UK population.

- The *validity* of individual items. We ensure that each item exhibits statistically significant relative risk ratios with independent variables known a priori to be correlated with poverty – specifically, two measures of ill health after controlling for age and gender (health in last 12 months was 'very bad' or 'bad' and long term illness was 'yes') and three subjective poverty measures (genuinely poor now 'all the time', income 'a lot below' the poverty line, standard of living rating 'well below' or 'below' average).

- The *reliability* of the deprivation scale. The reliability of the scale as a whole was assessed using Classical Test Theory (CTT).[18] These analyses were complemented by Item Response Theory (IRT) models[19] that provided additional information on the reliability of *each* individual item in the scale.

- The *additivity* of items. We test that someone with a deprivation indicator score of '2' is suffering from more severe deprivation than someone with a score of '1', that is, that the deprivation index components add up. Additivity is measured for the deprivation items that successfully passed the suitability, validity and reliability tests.

Forty-four household, adult and child deprivation items successfully passed these four tests and were thus considered to be suitable, valid, reliable and additive candidates for being aggregated into a multidimensional deprivation index (see http://www.poverty.ac.uk/pse-research/attitudes-adult-necessities-uk-2012 and http://www.poverty.ac.uk/pse-research/attitudes-child-necessities-uk-2012 – 32 items failed one or more of the tests). Previous studies have produced flawed measures of deprivation and poverty, that is, they treated children and adults as properties of their households and assumed, if the household is 'poor/deprived', then all household members are also 'poor/deprived'. They have also
p. 32 produced separate ↳ deprivation/poverty measures for adults and children with limited intellectual justification for doing this.

The PSE-UK 2012 survey has allowed the construction (for the first time) of a deprivation index for all people (aged 0 to 80+) which includes age appropriate indicators which are also reliable, valid, additive and have broad popular support (50% or more of the UK population). All previous deprivation indices measured difference in living standards between households. The new PSE-UK 2012 deprivation index measures differences both *between* and *within* households. It is thus a better and more accurate measure of deprivation, which can be used to produce a more accurate measure of poverty (when combined with household income).[20] Thus the chapters in this book report results about the nature and distribution of poverty using a 'state-of-the-art' methodologically advanced measure of poverty.

Notes

1 See: www.bristol.ac.uk/poverty/downloads/background/Tony%20Blair%20Child%20Poverty%20Speech.doc

2 See: www.legislation.gov.uk/ukpga/2010/9/contents

3 Relative poverty – less than 10% of children in families below 60% of median income before housing costs; absolute poverty – less than 5% of children in families below 60% median income in 2010/11, adjusted for RPI inflation; combined low-income and material deprivation – less than 5% of children in families below 70% median income and unable to afford key goods and services; persistent poverty – less than 7% of children in relative poverty for at least three out of the last four years.

4 See: www.gov.uk/government/organisations/social-mobility-and-child-poverty-commission

5 "Yes, we've made progress, but let's not kid ourselves. … Our base is too narrow and so, occasionally, are our sympathies. You know what some people call us: the nasty party" (Theresa May, then Chair of the Tory Party, 8 October 2002, speech to the Conservative Party Conference).

6 See: www.centreforsocialjustice.org.uk/policy/breakthrough-britain

7 The General Lifestyle Survey (GLF or sometimes referred to as the GLS), formerly known as the General Household Survey (GHS), ran from 19712012 in Britain. In Northern Ireland, the Continuous Household Survey (CHS) has collected similar information to the GHS since 1983.

p. 33 8 ↳ Women in households where the HRP [Household Reference Person] was in a 'large employer and higher managerial' occupation were nearly twice as likely as those in households where the HRP was in an occupation in the 'routine' group to have drunk more than three units of alcohol on any one day (39% compared with 20%). They were also twice as likely to have drunk heavily (more than 6 units of alcohol) on at least one day in the previous week (16% compared with 8%). A similar but less pronounced pattern was seen for men. (ONS, 2013)

9 See: www.centreforsocialjustice.org.uk/policy/breakthrough-britain

10 See: www.gov.uk/government/news/commission-publishes-response-to-the-draft-child-poverty-strategy

11 See: www.gov.uk/government/news/government-to-strengthen-child-poverty-measure

12 See: http://services.parliament.uk/bills/2015-16/welfarereformandwork/committees/houseofcommonspublicbillcommitteeonthewelfarereformandworkbill201516.html

13 Figure from: www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/timeseries/hf6x/pusf

14 See: www.centreforwelfarereform.org/library/by-date/campaigning-for-a-fair-society.html

15 The exact number of people using food banks in the UK is difficult to estimate as there are no national statistics collected (Lambie-Mumford et al, 2014).

16 See: see http://www.poverty.ac.uk/pse-research/pse-uk/methods-development

17 CONEVAL (El Consejo Nacional de Evaluación de la Política de Desarrollo Social) is the National Council for the Evaluation of Social Development Policy, which is a parastatal with authority to measure multidimensional poverty in Mexico (see http://www.coneval.org.mx/).

18 Classical Test Theory dates back to the pioneering work of Spearman and others at the turn of the century and distinguishes between the observed score (measurement) on any test or index and the 'true' score. Since all attempts at measurement will inevitably result in the occurrence of some random errors, the observed score is comprised of two
p. 34 components – the true score and random error: O = T + RE, where: O = Observed score; ↳ T = True score; RE = Random error. In CTT reliability is defined as the ratio of the 'true' score variance to the observed score variance.

19 CTT can be used to measure the average reliability of a test/index, by contrast Item Response Theory (IRT) models can be used to measure the reliability of each individual component of a deprivation index. Thus, IRT models can provide important additional information about reliability but they also require more assumptions to be made about the data.

20 The full technical details of this advanced multidimensional poverty measure will be published elsewhere. The steps required to construct this index are explained briefly in Gordon (2017a, 2017b).

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