

Poverty Research and Policy

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'Tackling Poverty in East Lothian' Seminar

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The Policy Context

- New Coalition Government in UK
- Prospect of severe cuts in public spending
- Existing commitments on Child Poverty and Equalities Legislation (?)
- Devolution – growing divergence
 - different discourses

Child Poverty Act 2010

Places in legislation the commitment to eradicate child poverty by 2020, this means that UK Secretary of State will have a duty to meet the following child poverty targets:

- **Relative poverty:** Less than 10% of children living in relative low income poverty by 2020.
- **Material Deprivation:** Less than 5% of children living in combined material deprivation and low income.
- **Absolute low income:** Reduce the proportion of children who live in absolute low income to less than 5%.
- **Persistent Poverty:** percentage of children living in relative poverty for three out of four years (target level to be set by the end of 2014 as data are currently unavailable)

Requires the UK Secretary of State to publish a UK child poverty strategy, which must be revised every three years.

The Policy Climate

- Not a simple re-run of 1979
- Poverty is on the agenda & can't ignore
- A lot of debate about fairness of cuts
- Legacy of evidence-based policy approach
 - threatened by cuts in research and data
- More awareness of international comparisons
- Welfare reform



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Townsend Centre
for International
Poverty Research



SECOND UNITED NATIONS DECADE FOR THE
eradication of poverty
(2008 – 2017)

Poverty and Social Exclusion in the United Kingdom

Professor David Gordon

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2010

European Year
for Combating

Poverty and

Social Exclusion

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Poverty and Social Exclusion in the United Kingdom: The 2011 Survey

The largest ever research project on *Poverty and Social Exclusion in the United Kingdom* started on 1st April 2010. The ESRC (Economic and Social Research Council) has funded this 42 month, £4.3 million pound investigation designed to advance the 'state of the art' of poverty and social exclusion measurement.

The research team is one of the most experienced in poverty measurement methodology ever assembled in the UK. It is a major collaboration between researchers at Heriot-Watt University, the National Centre for Social Research, Northern Ireland Statistics and Research Agency, Open University, Queen's University Belfast, University of Bristol, University of Glasgow and the University of York.

Background

Every decade 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.

- 1968-69 *Poverty in the UK* survey (Peter Townsend and colleagues),
- 1983 *Poor Britain* survey (Joanna Mack, Stewart Lansley)
- 1990 *Breadline Britain* survey (Joanna Mack, Stewart Lansley)
- 1999 *Poverty and Social Exclusion Survey* (Jonathan Bradshaw and colleagues) and its 2002 counterpart in Northern Ireland (Paddy Hillyard and colleagues)
- 2011 *Poverty and Social Exclusion in the UK*

Objectives

1. To improve the measurement of poverty, deprivation, social exclusion and standard of living.
2. To measure the change in the nature and extent of poverty and social exclusion over the past ten years.
3. To produce policy-relevant results about the causes and outcomes of poverty and social exclusion.

Objectives

1. To improve the measurement of poverty, deprivation, social exclusion and standard of living.
 - To develop new combined income/deprivation poverty measures for adult groups
 - To facilitate the re-basing of the data on necessities that is incorporated into the measurement of child poverty in the UK (i.e. the combined low income and material deprivation child poverty measure)
 - To construct a standard of living index for the UK
 - To test the reliability and validity of the material deprivation module currently being incorporated into European Union Survey of Income and Living Conditions (EU-SILC) and the Laeken indicators

Objectives

2 To measure the change in the nature and extent of poverty and social exclusion over the past ten years.

- To collect and analyse new cross-sectional data on poverty and social exclusion.
- To provide an independent check on progress in reducing child poverty in 2011
- To collect and analyse qualitative evidence on how low living standards and social exclusion shape the lifestyles of families, households and individuals
- In Northern Ireland, to assess progress on the extent to which poverty and social exclusion vary across the nine dimensions of equality specified in Section 75 of the Northern Ireland Act 1998, to investigate the legacies of the Troubles on poverty and social exclusion

Objectives

3 To produce policy-relevant results about the causes and outcomes of poverty and social exclusion.

- To provide analyses of poverty and social exclusion relevant to the devolved governments within the UK
- To explore causal relationships between different dimensions of poverty and social exclusion
- To use the new data in conjunction with the FRS and the Work and Pensions Longitudinal Study (WPLS) to undertake longitudinal analysis of patterns of poverty, exclusion, employment and benefit receipt
- To analyse the use of poverty and social exclusion indicators in national and regional anti-poverty strategies, including, comprehensively measuring the living standards of those people identified as poor in current official measures

Survey Data

Omnibus Survey: Necessities of Life – A systematic random achieved sample of adults (16+) of about 1,860 interviews in Britain and 1,400 in Northern Ireland. Interviews will take place in respondents' own homes using Computer-Assisted Interviewing (CAI).

Main Survey: Poverty & Social Exclusion – A follow-up survey to the 2010/11 Family Resources Survey (circa 47,000 households). The main survey in Britain will aim for an achieved sample of 4,000 households and 6,000 individuals – with approximately 1,000 households in the 'ethnic' strata and 1,000 households in Scotland. In Northern Ireland, the achieved sample will be 800 households and 1,250 individuals.

The survey will be divided into a household questionnaire which will be answered by the Household Reference Person (HRP) and an individual questionnaire which will be answered by all adult household members (aged 16 and over).

Qualitative Data

British Impoverishment Survey, a qualitative survey of 72 respondents to explore the 'life stories' of participants experiencing poverty, in order to understand poverty persistence and the significance of key 'life events' in shaping current circumstances and prospects.

Northern Ireland Family Solidarity Survey, a qualitative survey of 100 respondents to explore the role of family in coping with poverty.

In Northern Ireland, the nature of the social divisions were such that there was a high degree of reliance on family. Northern Ireland therefore presents an opportunity to explore the continuing role of family in the transmission of poverty and in coping with it.

The study will have a material focus – examining the extent to which resources are transferred among family members (both nuclear and extended) - and it will also explore family cultures and relationships as factors affecting poverty and social exclusion. This will help to reveal the extent and limits of family solidarity

Dissemination

A major new website – www.poverty.ac.uk

Full results of the 2011 Survey

Comparisons with the earlier surveys in 1983, 1990 and 1999

Development of new graphic visualisation tools enabling access to more complex datasets and richer comparisons between datasets across time

Video clips of what it means to live in poverty for key groups in 2011 (e.g. young, elderly, unemployed, disabled) and comparisons from the two broadcast documentary series accompanying the 1983 and 1990 surveys (*Breadline Britain* and *Breadline Britain in the 1990s*) to illustrate changing circumstances and attitudes

Narrowcast on OpenLearn, i-tunes U and You-tube

Areas of Special Interest (HWU)

- Local public & private services
 - importance, equity and exclusion issues
- Housing related issues
 - needs/standards, affordability, fuel poverty
- Financial inclusion
 - financial services, indebtedness, asset welfare
- Neighbourhood issues (with Glasgow)
 - local environment & ‘public goods’;
 - ‘neighbourhood effects’
 - urban-rural differences



Local Service Issues

- How 'essential', or important, are different services?
- Distribution of benefits (usage) by income, class, deprivation; demographic redistribution thru services
- Role of local private (commercial) services vs public services
- Incidence of service constraints & inadequacies x income, depriv
- Trends over time in usage/benefits/outcomes – implics for universalism – impact of cuts (new JRF project)
- Service exclusion vs other dimensions of exclusion
- *Service innovation, e.g. use of ICTs, internet*
- *Self-exclusion by the most affluent*

Housing Related Issues

- Exploring housing affordability, esp poverty related to housing costs; impact of HB/LHA changes
- Regional differences in housing-related poverty
- Housing insecurity as a source of exclusion
- Socially perceived necessities and housing standards
- Implications of energy costs & climate change responses for fuel poverty
- Homelessness past & present; multiple exclusion

Financial Inclusion Issues

- Use of financial services and relationships with poverty and other deprivations
- Indebtedness and circumstances associated with problem debt
- Ability to save and use of savings to prevent transitional poverty
- Actual and potential uses of housing assets
- Financial education and 'literacy'
- Financial regulation

Neighbourhood Issues

- Incidence of common neighbourhood problems (e.g. poor environment, crime/ASB) by income/deprivation
- Impact of neighbourhood problems on health/wellbeing, quality of life, service use, opportunities/access
- Impacts for different demographic groups
- Association of neighbourhood problems with tenure/income mix
- Neighbourhood social capital, empowerment, participation, cohesion

Local Income Estimates

- Longstanding personal interest e.g. in context of housing affordability
- Identified as key info gap in review of 'Poverty Toolkit'
- SG attempted to fill gap with enhancement of SHS data
- 'Imputing' incomes for other household members based on FRS
- Revealed wide differences in apparent geography of poverty vs. SIMD measures
- Echoes findings of study we did in 1999
- Survey-based measure brings out 'in work poverty' and asset-rich income poor older households

Impacts of Poverty

- Impacts on key outcomes relevant to future
 - key example of educational attainment
 - Scottish performance not good
 - ideas of 'pupil premium'
- Impacts on wider social inclusion
 - example of internet access and use

(Sinclair & Bramley, 2011 forthcoming, *Social Policy & Society*)
- Impacts on public spending – the 'costs of poverty'
 - study for JRF in 2008
 - bottom line cost at least £11.5bn, up to £20.7bn

Table 24 Estimates of the cost of child poverty by service in England and UK in 2006/07 (£ million)

<i>Service</i>	<i>England</i>		<i>UK</i>		<i>Share of</i>	
	<i>£ million</i>		<i>£ million</i>		<i>expenditure %</i>	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
Personal Social Services	2,414	2,414	2,849	2,849	71	71
Acute Healthcare	1,009	1,009	1,211	1,211	2	2
Primary Healthcare	730	730	859	859	5	5
School Education	2,300	2,300	2,888	2,888	10	10
New Social Housing	527	1,166	748	1,654	37	98
Housing Benefit & CTB	0	3,757	0	4,420		32
Decent Homes Invest	0	1,477	0	1,697		31
Police & Criminal Justice	1,060	2,502	1,240	2,927	5	12
Fire & Rescue	724	724	926	926	33	42
Local Environmental	338	675	395	790	11	22
Area Based Programme	405	405	477	478	43	43
Total	9,506	17,159	11,593	20,699		

