

## UNICEF UK submission to the consultation on better measurements of child poverty

12 February 2013



30a Great Sutton Street  
London EC1V 0DU  
Telephone 020 7490 2388  
Email [helpdesk@unicef.org.uk](mailto:helpdesk@unicef.org.uk)  
[www.unicef.org.uk](http://www.unicef.org.uk)

### **Summary:**

UNICEF UK welcomes the government's reaffirmed commitment to ending child poverty. We agree that child poverty is multidimensional in nature and that improvements could be made to better monitor it. We agree that income is a key part of understanding child poverty. However, in our view, the way forward is to retain the relative income poverty measure (looking at income and poverty gap) as central and to balance it by better directly measuring material deprivation.

Overall, we recommend that the government continues to improve the child poverty measures but not radically change them. Income poverty and deprivation should remain the main measures.

We agree with the government that the proposed dimensions are important factors for the child's well-being. However, the list is not comprehensive – for example, there is no reference to childcare or disability. In addition, some of those listed may be correlated to the likelihood that a child/family will be living in poverty, but that correlation is not causal and they are not child poverty measures. Others can be part of the multidimensional measure though not as a separate dimension but instead a component of the deprivation index.

### Specific recommendations:

1. Worklessness is important and should be measured as part of the material deprivation measure – not as a separate measure.
2. Debt is important and should be measured as part of the material deprivation measure – not as a separate measure.
3. Poor housing is important and should be taken into account as part of the material deprivation measure – not as a separate measure.
4. Although parental skill level is an important issue, it should not be part of the child poverty measures.
5. Although access to quality education is an important aspect of child well-being, it should not be part of the child poverty measures.
6. Although family stability is an important factor in children's development, it should not be part of the child poverty measures.
7. Parental health – whether physical and/or mental health or disability – will of course affect a child's life and may have an adverse impact but is not a measure of child poverty.

Registered Charity No. 1072612 (England and Wales)  
Registered Charity No. SC043677 (Scotland)  
The United Kingdom Committee for UNICEF  
Company Limited by Guarantee  
Registered in England and Wales No. 3663181

President  
Lord Ashdown GCMG KBE PC

Executive Director  
David Bull

## Introduction

UNICEF, the United Nations Children's Fund, is mandated by the UN General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential. UNICEF is guided by the UN Convention on the Rights of the Child (UNCRC) and strives to establish children's rights as enduring ethical principles and international standards of behaviour towards children. UNICEF UK is a member of the End Child Poverty (ECP) coalition, and endorses its response.

Like the other members of ECP, we do not believe that moving towards a multi-dimensional index of child poverty would be useful. While we believe that it is helpful to measure aspects of poverty other than income (as indeed, the current child poverty measures do), we do not believe that these should be combined into a single index.

The UK National Committee for UNICEF (UNICEF UK) welcomes this opportunity to respond to the government's consultation on child poverty measures. By ratifying the UNCRC in 1991, the UK Government made a commitment to implement the articles of the Convention. Article 27 of the UNCRC says:

- 1. States Parties recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development.*
- 2. The parent(s) or others responsible for the child have the primary responsibility to secure, within their abilities and financial capacities, the conditions of living necessary for the child's development.*
- 3. States Parties, in accordance with national conditions and within their means, shall take appropriate measures to assist parents and others responsible for the child to implement this right and shall in case of need provide material assistance and support programmes, particularly with regard to nutrition, clothing and housing.*

How we measure poverty informs any activities we undertake to tackle child poverty. Effective public policy to eliminate child poverty must begin with a clear understanding of what poverty means and how it can and should be measured.

UNICEF's working definition of child poverty is:

*"Children living in poverty are those who experience deprivation of the material, spiritual and emotional resources needed to survive, develop and thrive, leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society".<sup>1</sup>*

This definition suggests that the poverty children experience with their hands, minds and hearts is interrelated and stresses the multidimensional nature of child poverty. Economic security is only one of the many components to addressing child poverty but is central to any attempt to measure, understand, alleviate and eradicate it. Other aspects of material deprivation like access to basic services, as well as issues related with discrimination and exclusion that affect self-esteem and psychological development, are also essential elements of the definition of child poverty.

Such a definition influences UNICEF's policy recommendations to address child poverty. We adopt measures that account for the different components of child poverty, and advocate for a human

---

<sup>1</sup> "The State of the World's Children 2005 - Childhood under threat", UNICEF, December 2004

rights-based approach to defining child poverty which holds that eliminating child poverty will help realise children's rights.

In 2008 the UN Committee on the Rights of the Child, the monitoring body for the Convention on the Rights of the Child, expressed its concern that "poverty is a very serious problem affecting all part of the United Kingdom, including the Overseas Territories." And, in accordance with article 27 of the Convention, recommended that the UK Government: "*Adopt and adequately implement the legislation aimed at achieving the target of ending child poverty by 2020, including by establishing measurable indicators for their achievement.*"<sup>2</sup>

UNICEF UK wants this consultation to not only enhance the existing child poverty measures contained in the Child Poverty Act but also lead to a redoubled effort by the UK Government to tackle child poverty.

Our replies to the consultation questions below are informed by UNICEF's evidence from its work around the world since 1946. The principal source is the work of the UNICEF Innocenti Research Centre (IRC). One of the main strands of IRC's activities is to monitor and compare the performance of economically advanced countries in securing the rights of their children, with a particular focus on disadvantaged children including those living in poverty. The results are published in The Report Card series from which we will quote extensively.<sup>3</sup>

## POTENTIAL DIMENSIONS

### **1 Are there dimensions, other than those proposed in the consultation document, we should consider for inclusion in a multidimensional measure of child poverty?**

We would suggest three more indicators.

#### *1. Measure depth and duration*

UNICEF believes that it is also important to measure *how far* below the poverty line the poor are being allowed to fall. For this purpose, the median income of those below the poverty line, as a percentage of the poverty line itself, is a useful measure. UNICEF has been measuring the poverty gap<sup>4</sup> – not as a measure on its own but as a component of the monetary poverty measure, alongside relative income poverty.

Ideally, the monitoring of child poverty would include its timing and duration as well as its breadth and depth. The earlier the privation and the longer its duration, the greater the potential impact on the child. This is true both because of the inherent vulnerability of the earliest years of life and because the longer a family stays poor the harder it may become to maintain essential expenditures (as savings and assets run down, for example, or as borrowing and other sources of help reach their limits).

In other words, child poverty should be monitored in three dimensions – asking not only *how many* children fall below national poverty lines but *how far* and for *how long*.

#### 2. Measure deprivation directly

Because of its multidimensional nature child poverty also needs to be monitored by a direct measurement of deprivation. The proportion of children who lack an adequate diet, or a quiet place to do homework, or suitable books and an Internet connection, are the kinds of measures that

---

<sup>2</sup> UN Committee on the Rights of the Child, CRC/C/GBR/CO/4, 20 October 2008

<sup>3</sup> All Report Card publications can be accessed at this link: <http://www.unicef-irc.org/publications/series/16/>

<sup>4</sup> See for instance Figure 7 on page 14 in Report Card 10 presenting the calculation for 35 advanced countries in the form of a 'poverty gap' league table.

allow actual living standards to be monitored in the UK. Measures of this type make sense to the wider public and contribute towards a more rounded understanding of child poverty. And in so doing, it also helps to define and defend the simultaneous use of the relative child poverty rate.

Poor housing and debt, listed in the consultation document as the possible dimensions for inclusion, could be part of the deprivation measure. However, they must be differentiated from other factors that correlate to but are not causes of poverty, such as access to quality education or level of parental skills.

In Report Card 10<sup>5</sup>, UNICEF constructed a unique deprivation index for the OECD, based on data collected through the EU *Statistics on Income and Living Conditions* survey which, in 2009, included a special module on child deprivation as a one-off experiment. The UNICEF index considers a child to be “deprived” if he or she lacks two or more things from a list of 14 basic items. The list includes having three meals a day, two pairs of properly fitting shoes (including all-weather shoes), a quiet place to do homework, and the opportunity to invite friends home occasionally to play or eat. UNICEF UK recommends the UK Government encourages the EU to make its child deprivation module a regular and permanent feature of future EU surveys to enable the continuation of international comparisons and the development of trend information on child deprivation.

### 3. Take into account a subjective well-being dimension

We agree with the assertion in the consultation document that ‘only through a better representation of the reality of children’s lives will we truly know how many children are in poverty in the UK’ and that the measure ‘must reflect what it means to grow up experiencing deep disadvantage’.

Under Article 12 of the UN Convention on the Rights of the Child, governments are required to listen to children and take their views into account. Governments may decide how they should do that, but asking children what they think and feel seems an obvious way of taking their views into account.

UNICEF’s next Report Card<sup>6</sup> is due to be published in the spring and will look at child well-being across six dimensions including subjective well-being and material deprivation to assess children’s overall well-being. The subjective well-being measure asks about the child’s life satisfaction and relationship with their parents and peers, providing a separate subjective scale that complements and in fact confirms the more objective measures from the other dimensions. UNICEF UK would welcome the opportunity to brief those involved in this consultation further on the detail of Report Card 11.

It is also worth bearing in mind that the Office for National Statistics has been asked by the UK Government to incorporate questions on subjective well-being for children in national surveys; it would be good if the work on a better measure of child poverty links to that process.

## **SECTION TWO. DIMENSION 1: INCOME AND MATERIAL DEPRIVATION**

### **2 a) How should we measure income as a dimension in a future multidimensional measure of child poverty?**

UNICEF uses the following approach to assess material well-being:

---

<sup>5</sup> UNICEF (2012) Measuring child poverty: new league tables of child poverty in the world’s rich countries. Report Card 10. UNICEF Innocenti Research Centre.

<sup>6</sup> UNICEF (forthcoming) Report Card 11

Assessing material wellbeing		
	COMPONENTS	INDICATORS
Material wellbeing	Monetary deprivation	<ul style="list-style-type: none"> <li>Child poverty rate (% of children living in households with equivalent incomes below 50% of national median)<sup>7</sup></li> <li>Child poverty gap (distance between national poverty line and average incomes of households below poverty line)</li> </ul>
	Material deprivation	<ul style="list-style-type: none"> <li><i>Index of child deprivation</i> (% of children lacking specific items)</li> <li>Family affluence scale (% of children reporting low family affluence)</li> </ul>

Of the available measures, UNICEF argues that the most important single guide to, and predictor of, a family's socio-economic status remains its level of household income. Relative income poverty therefore occupies a *primus inter pares* position among the indicators of child poverty and inequality.

## 2 b) How important is relative and absolute income?

The individual strengths and weaknesses of both measures were discussed in detail in the UNICEF Report Card 10. In addition it should be noted that there are problems common to both. First, both the child deprivation measure and the relative income measure must confront the question of where and how the threshold should be drawn. Secondly, both the deprivation measure and the relative income league table tell us what proportion of each nation's children fall below the selected thresholds, but they tell us nothing about *how far below*. And yet, Both the child deprivation rate and the relative child poverty rate are useful to policymakers, to social scientists, to the media, and to advocates for child wellbeing. Report Card 10 argues that both are necessary to achieve a rounded view of children's material well-being. It also suggests that the two measures are combined on a national level by focusing on the overlap between them – asking what percentage of a nation's children are both deprived *and* living in relative income poverty. This approach, currently used for example in Austria, Ireland and the United Kingdom, helps to ease some of the worries surrounding the measurement of poverty by means of household incomes.<sup>8</sup>

## 3 How does the ownership of assets such as a house affect our understanding of poverty?

Socio-economic status is about more than income. A family's past savings and a house – all of these enter into the socio-economic equation. These assets represent a form of 'cushion' by which families on low income manage to maintain spending during difficult times. There is therefore almost always a time lag between the onset of a national economic crisis and the full extent of its impact on child poverty. Although it is too soon to see the full picture of what is happening to child poverty in the UK as a result of the economic downturn of the last five years, we can refer to studies from, for example, the Institute for Fiscal Studies<sup>9</sup> which anticipate significant increases in child poverty using both relative and absolute income measures.

<sup>7</sup> The UK and EU use the 60% median measure and that should continue; UNICEF uses the 50% median as The OECD countries are also monitored.

<sup>8</sup> See pages 8-15 [http://www.unicef-irc.org/publications/pdf/rc10\\_eng.pdf](http://www.unicef-irc.org/publications/pdf/rc10_eng.pdf)

<sup>9</sup> Brewer, M, Browne, J and Joyce, R (2011) Child and working age poverty from 1010 to 2020. IFS.

#### **4 How can an income dimension in a multidimensional measure of child poverty avoid the drawbacks associated with a simple income threshold?**

Other measures of deprivation based upon the child's perspective are needed to complete this picture and address the issue of 'poverty' as opposed to 'low income.' Nevertheless, the focus is on the standing of children relative to the typical individual in the country, defined as the person with median income.

Despite all the drawbacks associated with the relative income measure when it comes to the question of how, then, is child poverty best measured, monitored, and compared, the number one principle proposed by UNICEF to all governments is: "*Continue to monitor relative child poverty based on national median incomes*".

Median income is a strong indicator of what is considered normal in contemporary society. It should therefore continue to be used as a basis for identifying those at risk of child poverty and social exclusion.

#### **DIMENSION 2: WORKLESSNESS**

UNICEF UK recommendation:

Worklessness is important and should be measured as part of the material deprivation measure – not as a separate measure.

Various studies have found that growing up in a household without an employed adult is closely associated with deprivation, particularly if the unemployment is persistent. The proportion of children who are growing up in households with no employed adult was therefore chosen as the second component for building a more rounded picture of children's material poverty in UNICEF's seminal review of child well-being, Report Card 7.<sup>10</sup>

Worklessness can also cause long-term disadvantage. A UNICEF working paper looked into the issue of intergenerational child poverty in the UK. One of its findings was that: "*Men whose fathers were unemployed are twice as likely to be unemployed for a year or more between the ages of 23 and 33*".<sup>11</sup>

It is important to emphasise the need for a holistic approach, i.e. not to look at this dimension in isolation. UNICEF research shows that there appears to be little relationship between levels of employment and levels of child poverty. It is the distribution of employment among different kinds of households, the proportion of those in work who are on low-pay, and the level of state benefits for the unemployed and the low-paid that contribute most to differences in child poverty rates between countries.<sup>12</sup>

#### **DIMENSION 3: UNMANAGEABLE DEBT**

UNICEF UK recommendation:

Debt is important and should be measured as part of the material deprivation measure – not as a separate measure.

Income does not always reflect the real level of resources available. A family's economic capacity, its security and spending power, are based not only on household income at a single point in time

---

<sup>10</sup> UNICEF (2007) Child poverty in perspective: an overview of child well-being in rich countries. Report Card 7. UNICEF Innocenti Research Centre.

<sup>11</sup> Pichaud, R and Sutherland, H (2000) How effective is the British Government's attempt to reduce child poverty? Innocenti working paper no.77. UNICEF Innocenti Research Centre.

<sup>12</sup> Report Card 7, page 7

but also on savings and debts, on home ownership and house values, on previous earnings and future expectations, on the help that may be available from other family members, etc.

Clearly debt is an important element of a family's economic capacity. Measuring it as an aspect of material deprivation can improve our knowledge of child poverty. Most countries measure household incomes *before* various costs, e.g. housing. In practice, a family's capacity to meet children's needs is more likely to be dependent on income *after* relevant costs are counted, including serving debt.

Nevertheless it is not certain that debt, even unmanageable debt, could be a reliable, stand-alone, dimension of child poverty, nor can it be claimed that it is a better measure than relative income poverty as it is beset by the same weaknesses.

Data on debt, for instance, may not be reliable and cannot reflect the fluctuations in income experienced by many households (for example as a result of overtime, bonuses, working shorter hours, becoming unemployed, or taking retirement). Also, a debt measure cannot reflect the fact that some families may be much more competent than others in managing debt or in prioritising spending (for example by putting children's needs first). The child of a debt-burdened household, for example, will be counted as poor even if the parents make enormous sacrifices to ensure that the child has the same advantages and opportunities as his or her peers.

In summary, the debt measure may not always be a reliable proxy for the real resources available to the child. It is, at best, an indirect measure, leaving open the possibility that children may be deprived in households that are debt-free and not deprived in households that are burdened by a debt, even if it is unmanageable.

#### **DIMENSION 4: POOR HOUSING**

UNICEF UK recommendation:

Poor housing is important and should be taken into account as part of the material deprivation measure – not as a separate measure.

Unfortunately there are no internationally comparable measures of material deprivation or agreed definitions of what 'the right to an adequate standard of living' means. It is therefore not possible to compare the proportion of children in each country who are materially deprived in the sense that they lack such basics as adequate nutrition, clothing, and housing. But UNICEF does consider housing to be an essential part of child well-being and encourages individual governments to have indicators reflecting this aspect of deprivation at national level.

In UNICEF's 14-item child deprivation index from Report Card 10<sup>13</sup>, housing is included and expressed as 'a quiet place with enough room and light to do homework'. Report Card 7 used the Family Affluence Scale, deployed by the World Health Organisation, where the housing indicator was defined as a question: 'Do you have your own bedroom for yourself?'

#### **DIMENSION 5: PARENTAL SKILL LEVEL**

UNICEF UK recommendation:

Although parental skill level is an important issue, it should not be part of the child poverty measures.

---

<sup>13</sup> UNICEF (2012) Measuring child poverty: new league tables of child poverty in the world's rich countries. Report Card 10. UNICEF Innocenti Research Centre.

The UN Convention on the Rights of the Child recognises that the child *“for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding”*. The Convention therefore affirms that the family should be afforded the protection and assistance necessary to enable it to fully assume its responsibilities within the community.

All children have the need for and the right to parenting. Parenting means providing the ongoing care and support a child needs in order to survive and thrive if children are to develop to their full potential. Parents often do not have the skills, knowledge or resources to raise children to their full potential. The UK Government does provide support to parents in many forms and we would certainly encourage it to increase efforts that will enhance the parent’s ability to parent.

## **DIMENSION 6: ACCESS TO QUALITY EDUCATION**

### UNICEF UK recommendation:

Although access to quality education is an important aspect of child well-being, it should not be part of the child poverty measures.

UNICEF advocates quality education for all children and eliminating disparities of all kinds, but in the framework of child well-being rather than a direct measure of poverty. A completed good quality education is a basic human right and is necessary for enjoying many other rights. It is transformative and empowering, and a means for accessing broad economic, social, political and cultural benefits. As Marie Nemani, UNICEF Australia Young Ambassador, put it:

*“Education gives children the chance to choose things that would otherwise be chosen for them. These choices mean that as children grow older, they will have a new world of opportunities available to them and over generations, this can break the cycle of poverty and be given a chance for a better life.”*

## **DIMENSION 7: FAMILY STABILITY**

### UNICEF UK recommendation:

Although family stability is an important factor in children’s development, it should not be part of the child poverty measures.

The UN Committee on the Rights of the Child states that it is hard to argue for a single notion of the family. Through the influence of economic and social factors, and of the prevailing political, cultural and religious traditions, the family has been shaped in a diversity of ways. Therefore, it would not be acceptable to consider that only some kinds of family or family situations deserve assistance and support from the state and society, nor that children who live in certain conditions or family situations are able to enjoy the right to an adequate standard of living. The essential principle of non-discrimination must be in the forefront of this discussion.

UNICEF believes that the family remains central to achieving children’s rights and to helping children realize their full potential. The family is essential to giving young children the best start in life and to ensure young children are given good health care and proper nutrition, to protect children from violence and exploitation, to promote the participation of children in the lives of their families and communities at the youngest ages. However, trying to equate family structure with family stability is problematic, and trying to use either as a measure of child poverty leads to a false equation. For example, Report Card 7 questions the assumption that large numbers of single-parent families automatically means more child poverty, arguing that there is no automatic link between single parenthood and child poverty. In that international comparison, it found that Sweden, Norway, Finland and Denmark – which occupied the four top places in terms of the material well-being of children in those countries – were also four of the six countries in that dataset with the highest number of children brought up by a single parent.



## **DIMENSION 8: PARENTAL HEALTH**

### UNICEF UK recommendation:

Parental health – whether physical and/or mental health or disability – will of course affect a child's life but is not a measure of child poverty.

## **SECTION 3: CREATING A MULTIDIMENSIONAL MEASURE**

### **25. Are there criteria, other than those listed in Section 3 of the consultation document, that we should evaluate a new measure against?**

The first challenge in attaining the kind of ideal set out in Article 27 of the Convention on the Rights of the Child deals with definition and measurement. Effective public policy to eliminate child poverty must begin with a clear understanding of what poverty means and how it should be measured. UNICEF recommends the following six principles as a guide for best practice:

- Avoid unnecessary complexity
- Measure material deprivation directly
- Draw poverty lines with regard to social norms
- Establish a regular monitoring system.
- Set both a backstop and a target
- Offer leadership and build public support for poverty reduction

### **26. In creating a new measure should any dimension be a gateway?**

The primary focus must be income. Using income as the primary measure offers the best way of gauging the situation of children across countries and over time.

'Income' comprises household income from all sources after taxes and transfers, ie the household's disposable income. Individuals are the unit of analysis, resources are assumed to be shared equally within the household, and the square root of household size is used as the equivalence scale. These assumptions are in accord with international comparative research on income as for example in the Luxembourg Income Study (LIS) used by UNICEF.

The next focus is on the standing of children relative to the typical individual in the country, defined as the person with median income. However, other measures of deprivation based upon the child's subjective perspective are needed to complete this picture and address the issue of 'poverty' as opposed to 'low income'.

### **27. Should the indicators be weighted and, if so, what factors should influence the choice of weighting?**

We do not believe that the indicators should be weighted.

### 32. Any other comments?

(Child) poverty is multidimensional. However, that does not mean that one needs a multidimensional index of child poverty. The more common approach is to collect multiple indicators of the various dimensions of poverty: a good example is the United Nations' Millennium Development Goals, which span multiple dimensions, but without forming a single composite index. At country level, the World Bank's Poverty Assessment and the Poverty Reduction Strategy Papers of individual governments have typically drawn on multiple indicators, without forming a single composite index.<sup>14</sup>

#### For more information please contact:

**Name:** Dragan Nastic  
**Position:** UK Policy and Research Officer, UNICEF UK  
**Phone:** 020 7375 6079  
**Email:** [dragann@unicef.org.uk](mailto:dragann@unicef.org.uk)

**Date:** 11 February 2013  
**Address:** UNICEF House, 30a Great Sutton Street, London EC1V 0DU

---

<sup>14</sup> For a comprehensive critique of the Alkire-Santos index see Martin Ravallion, Development Research Group, World Bank, paper 'On Multidimensional Indices of Poverty' available at: <http://www.cgdev.org/doc/event%20docs/Multidimensional-Indices-of-Poverty.pdf>