

Measuring poverty

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Millennium Development Goals

1A: Extreme poverty

Target

Halve, between 1990 and 2015, the proportion of people whose income is less than \$1.25 a day

Progress

- The target was met five years ahead of the 2015 deadline.
- More than 1 billion people have been lifted out of extreme poverty since 1990.
- At the global level more than 800 million people are still living in extreme poverty.

What's wrong with the World Bank's \$1 a day measure?

- Arbitrary
- Inadequate
- Downplays the extent of extreme poverty
- Ignores services and social support
- Problematic over time
- Not all income captured
- Inconsistent between poor countries
- Not relevant to mid and high income countries

Sustainable Development Goals

1: No poverty

Target

1.2

By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Indicators

1.2.1

Proportion of population living below the national poverty line, by sex and age

1.2.2

Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Relative deprivation

“Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types 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 society to which they belong.”

Townsend, 1979.

The European Union's definition of poverty

“The poor” are those “persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State in which they live”

EEC, On specific Community action to combat poverty (Council Decision of 19 December, 1984)

Setting a minimum acceptable way of life

Measures need to:

- Go beyond income to look at deprivation
- Reflect the experiences of the poor
- Reflect the society to which they are applied
- Have appropriate age-related standards
- Provide a clear justification for why these indicators have been chosen
- Are applicable to low, middle and high income countries
- Enable some level of international comparisons

The concept of socially-perceived necessities

Defines a minimum acceptable way of life by identifying the 'necessities' of life. These are identified by public opinion and not by, on the one hand, the views of experts or, on the other hand, the norms of behaviour per se.

Those who have no choice but to fall below this minimum level can be said to be 'in poverty'.

The necessities question

In largescale surveys participants are asked for a wide range of items and activities to distinguish between:

items which you think are necessary – which all adults should be able to afford and which they should not have to do without and items which may be desirable but are not necessary.

Breadline Britain survey, 1983

Which dimensions are covered?

- Social and family life
- Diet
- Clothing
- Medical access
- Accommodation & housing standards
- Educational access
- Household items
- Financial items
- Items for children

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UK necessities survey 2012

Heating	96
Damp-free home	94
Two meals daily	91
Family visits	90
Repair electrics	86
Fruit and veg daily	83
Washing machine	82
Dental treatment	82
Celebrations	80
Family occasions	79
Warm coat	79
Phone	77
Meat or fish	76
Curtains or blinds	71
Hobby	70
Household insurance	70
Home decorated	69

Visiting friends or family in hospital or other institutions (adult)

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UK necessities survey 2012

Special outfit	38
Roast joint weekly	36
Hair done	35
Go out fortnightly	34
Place of worship	30
Travel to visit	27
Meal out monthly	25
Holidays abroad	18
Drink fortnightly	17
Cinema etc monthly	15
Dishwasher	10

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An enforced lack of socially-perceived necessities

For each item, participants are then asked to distinguish between:

Have

Don't have but don't want

Don't have and can't afford

Breadline Britain, 1983

The consensual approach

For a representative set of items

Is it necessary/essential?

No

Yes

<50% think it a necessity

>50% think it a necessity

The necessities/essentials of life

Have

Don't have, can't afford

Don't have, don't want

NOT DEPRIVED

DEPRIVED

NOT DEPRIVED

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South Africa necessities survey, 2006

Item	% of All saying essential
* Mains electricity in the house	92
* Someone to look after you if you are very ill	91
* A house that is strong enough to stand up to the weather e.g. rain, winds etc.	90
* Clothing sufficient to keep you warm and dry	89
* A place of worship (church/mosque/synagogue) in the local area	87
* A fridge	86
* Street lighting	85
* Ability to pay or contribute to funerals/funeral insurance/burial society	82
* Separate bedrooms for adults and children	82
* Having an adult from the household at home at all times when children under ten from the household are at home	81
* Having police on the streets in the local area	80
* Tarred roads close to the house	80
* Paid employment for people of working age	79
* For parents or other carers to be able to buy complete school uniform for children without hardship	79
* A flush toilet in the house	78

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South Africa necessities survey, 2006

Washing machine	44
A lock-up garage for vehicles	43
A small amount of money to spend on yourself not on your family each week	42
Having enough money to give presents on special occasions such as birthdays, weddings, funerals	41
For parents or other carers to be able to afford toys for children to play with	39
A burglar alarm system for the house	38
A holiday away from home for one week a year, not visiting relatives	37
A family take-away or bring-home meal once a month	34
An armed response service for the house	28
A DVD player	27
A computer in the home	26
Satellite Television/DSTV	19

Consensual method surveys across the world

Europe:

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Rep, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden, UK

Africa:

Benin, South Africa, Uganda

Asia:

Bangladesh, Hong Kong, Japan, South Korea

Oceania:

Australia, Tonga, Solomon Islands, New Zealand

Items to reflect Necessities of Life – Solomon Islands example

Clothing - Children

- New properly fitting, shoes
- Some new, not second-hand clothes

Clothing -Adults

- Two pairs of properly fitting shoes, including a pair of all-weather shoes
- Clothes to wear for social or family occasions such as parties or special church occasions
- Replace worn-out clothes by some new (not second-hand) ones

Items for school age children

- All school uniform and equipment required (Books, pens)
- To participate in school trips and school events that costs money
- A suitable place to study or do homework
- Enough beds and bedding for every child in the household

Social activities - Children

- Celebrations on special occasions such as birthdays, Christmas or religious festival

Social activities - Adults

- To get together with friends/family for a drink/meal at least monthly
- Presents for friends or family once a year
- Enough money to be able to visit friends and family in hospital or other institutions

List of items/activities is merely indicative, and can be adapted to the particular contexts of each country



Is there a consensus?

In all the countries that have conducted surveys using the consensual method a very high degree of consensus has been found between all groups, including:

- Gender
- Age
- Marital status
- Population group
- Health
- Employment status and Occupation
- Education level
- Number of dependent children
- Food insecurity
- Housing tenure
- Income level
- Place of residence (urban and rural)

Measuring poverty – the consensual approach

A consensus: South Africa

By population group

Percentage thinking item Essential for:

All people

Item	All % Saying Essential (n=2904)	Black African % Saying Essential (n=1834)	Coloured % Saying Essential (n=480)	Indian/Asian % Saying Essential (n=279)	White % Saying Essential (n=310)
*Mains electricity in the house	92	90	96	97	99
Someone to look after you if you are very ill	91	92	89	94	87
*A house that is strong enough to stand up to the weather e.g. rain, winds etc.	90	88	97	99	99
*Clothing sufficient to keep you warm and dry	89	87	96	99	96
A place of worship (church/mosque/synagogue) in the local area	87	87	86	93	87
A fridge	86	85	84	96	93
*Street lighting	85	83	91	98	95
*Ability to pay or contribute to funerals/funeral insurance/burial society	82	84	75	80	75
*Separate bedrooms for adults and children	82	79	85	96	91

Is there a common view of necessities: Europe

Percentage thinking item 'absolutely necessary': Adult and household items

Eurobarometer 2007 results

Click on column headings to sort	All	OS15	NS12	BE	BG	CZ	DK	D-E	DE	D-W	EE	EL	ES	FR	IE	IT	CY	LT	LV	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR
Medical Care when needed	77	77	78	76	82	79	85	87	83	82	81	92	73	72	63	68	92	60	75	80	85	81	78	84	75	81	77	85	77	80	87	78	82
Buying medicine when needed	74	74	76	75	81	76	78	83	80	79	75	91	72	70	64	70	91	58	73	82	83	78	68	80	72	82	79	87	69	77	82	71	77
An indoor flushing toilet for sole use of the household	69	70	66	67	58	70	48	69	69	69	66	87	64	71	69	69	90	42	62	78	75	73	69	77	65	74	65	82	69	59	60	75	75
No leaking roof, damp walls, floors, foundation	68	68	67	69	74	64	61	80	74	73	78	81	56	69	68	62	74	55	71	68	54	68	62	75	65	69	76	75	70	75	78	72	71
Bed + bedding for everyone	68	67	70	65	80	72	64	82	75	73	74	86	53	69	62	64	85	56	70	81	80	83	58	68	65	79	71	71	73	69	78	66	72
A place to live with hot, running water	67	67	65	62	51	64	49	63	66	67	52	86	59	74	62	64	82	41	55	71	73	62	59	80	62	74	74	81	68	60	65	71	72
Buying medical equipment when needed	66	66	66	64	73	66	73	75	70	68	69	83	68	66	60	57	81	49	67	77	72	72	59	77	62	74	70	79	65	67	79	63	70
A warm winter coat	65	63	71	61	84	63	64	69	68	67	73	88	60	66	64	56	67	46	61	79	77	32	45	71	68	71	80	63	76	73	71	58	70
A place to live with its own bath or shower	63	63	63	57	58	65	35	59	59	59	58	87	62	63	65	66	90	42	59	72	72	66	49	75	61	71	66	80	66	50	53	69	71
To be able to keep one's home adequately warm	62	62	61	61	64	50	55	73	68	67	64	83	53	64	62	58	70	45	68	70	78	39	54	81	61	59	58	75	59	69	55	64	68
Regular medical and dental checkups	62	62	65	55	70	63	68	72	67	66	63	81	61	59	58	57	79	46	64	68	68	66	43	72	63	73	69	78	65	56	61	62	68
Refrigerator	58	56	66	50	75	62	54	65	64	63	60	87	58	55	54	48	89	50	60	75	69	84	35	72	62	78	71	77	72	61	70	43	70
2 pairs of shoes suitable to the climate	58	55	68	49	79	59	60	66	63	62	64	88	55	58	61	49	79	46	67	74	71	43	35	67	65	67	77	63	73	58	70	44	68
A place to live where one doesn't risk being forced to leave	57	55	64	55	66	50	38	50	47	47	75	71	61	59	62	57	68	44	60	63	73	55	39	63	59	61	79	61	54	63	42	58	67

Is there a common view of necessities: a range of countries

Percentage thinking item necessary/essential: Child items

Items for children	Tonga	Solomon Islands	Uganda	UK	South Africa	Japan
Three meals a day	99%	99%	96%	93%	91%	89%
One meal with meat, fish or vegetarian equivalent daily	99%	95%		90%		
Fresh fruit or vegetables once a day				95%		79%
Enough beds and bedding for every child in the household ³	98%	99%	81%		62%	
Own room for children over 10 of different sexes			77%	74%	40%	23%
A suitable place to study or do homework ⁴	97%	97%	55%	89%	49%	23%
New properly fitting shoes ¹	97%	92%	79%	93%	80%	42%
Some new not second-hand clothes	95%	93%	69%	65%	67%	23%
All school uniform and equipment required ⁵	97%	98%	88%		88%	
Participate in school trips and school events that costs money	95%	89%	68%	55%	45%	61%
Celebration on special occasions ²	96%	93%		91%	30%	44%
Outdoor leisure equipment ⁶	77%	80%		58%	36%	26%

¹ Uganda - Two pairs of shoes; South Africa - shoes for different activities; ² South Africa - a birthday party; ³ Uganda – Beds; ⁴ Uganda - Desk and chair for homework; ⁵ Uganda & South Africa - All fees and uniform; ⁶ e.g. football/rugby ball, skates, bicycle (Tonga & Solomon Islands)

An enforced lack of necessities: Tonga, Uganda, UK

Items for children	Tonga	Uganda	UK
	Percentage who can't afford item		
Three meals a day	8%	48%	1%
One meal with meat, fish or vegetarian equivalent daily	8%		3%
Enough beds for every child in the household	11%	75%	
Own room for children over 10 of different sexes		60%	11%
A suitable place to study or do homework ²	10%	76%	5%
New properly fitting shoes ¹	12%	71%	4%
Some new not second-hand clothes	15%	63%	4%
All school uniform and equipment required ³	6%	56%	
Participate in school trips and school events that costs money	11%	64%	8%
Celebration on special occasions	17%	70%	1%

¹ Uganda - Two pairs of shoes, ² Uganda - Desk and chair for homework, ³ Uganda - All fees and uniform

Constructing a deprivation index

The items in a deprivation index need to be:

- Suitable – appropriate to what is considered essential in that society
- Valid – show a significant association with other variables known to correlate with poverty
- Reliable – produces stable and consistent results
- Additive – those lacking 2 deprivations are worse off than those lacking one etc.

Measuring poverty

As income and resources fall, levels of deprivation rise.

The consensual method examines income/resources against those who cannot afford necessities to find the line that best distinguishes the 'poor' from the 'non-poor'.



Reasons to use the consensual method....

- Examines deprivation and resources ✓
- Reflects the experiences of the poor ✓
- Reflects the society to which they are applied ✓
- Has age-related standards for adults and children ✓
- Has a clear democratic justification for standards used ✓
- Has been tested in low, middle and high income countries ✓
- Provides some level of international comparisons ✓

More reasons to use the consensual method

- Has statistically valid and reliable indicators of deprivation ✓
- Allows for socio-economic and geographical analysis of deprivation by gender, age etc ✓
- Allows for an examination of the multi-dimensional nature of poverty ✓
- Reflects internationally accepted definitions of poverty ✓
- Meets the expectations of the SDG indicators ✓