

This is the first PSE UK project bulletin which is being distributed to our network of key interested parties in Northern Ireland. It provides an update on the project's progress with a particular focus on the work of the team based at Queen's and the issues we are grappling with. We welcome any feedback, advice and engagement with the research.

The primary purpose of the PSE project is to advance knowledge of the theory and practice of poverty and social exclusion measurement. This is obviously an important research project in a time of recession and cuts in public expenditure. The ways in which we define and measure living standards, especially those of the worst off, are crucial for informing political debate and policy decisions across a wide range of issues from taxation to social protection, from early years interventions to education and training, and from housing to carbon footprints.

We are concerned with three primary research questions;

1. What are the best methods for measuring poverty, deprivation, social exclusion and standards of living?
2. How are the different dimensions of poverty and social exclusion related?
3. How has the nature and extent of poverty and social exclusion changed over the past decade?

The idea is to build on the work carried out at the turn of the century in Britain and in 2002/03 in Northern Ireland. We will conduct two surveys:

1. An opinion survey during Spring 2011 which will ask a representative sample of the UK public about its views on the 'necessities of life which everybody should be able to afford'
2. A main poverty survey in Autumn 2011 which will be a follow-up survey to the Family Resources Survey

NISRA's Central Survey Unit will carry out the surveys.

The Northern Ireland main survey will be slightly different in that we will ask a short series of questions about direct experience of the conflict (as we did in 2002/03).

The first survey builds on focus groups held in November and December, and will be carried out in February.

## Well-being indicators

Poverty, inequality, exclusion, social capital, living standards, vulnerability... the concepts keep rolling. Following the work of the Commission on the Measurement of Economic Performance and Social Progress, established by President Sarkozy, there has been growing international discussion of the measurement of well-being. The Commission was chaired by Joseph Stiglitz and advised by Amartya Sen, and their reports have attracted wide attention both for their conceptual clarity and highly informed review of national and international accounting.

The Commission argues for a shift in emphasis from measuring economic production to measuring people's well-being and its sustainability. Countries and people may be rich, but not especially healthy or happy. The most controversial aspect of this thinking concerns subjective well-being and proposals to measure, for example, how people feel about their quality of life and/or happiness.

The Office of National Statistics will introduce questions on subjective well-being in Great Britain, using the integrated household survey, from April 2011. EU-SILC is developing questions on subjective well-being for 2013.

The PSE survey provides an opportunity to pilot a question (or two) on subjective well-being in Northern Ireland and to generate debate on the issue. We welcome any thoughts on the matter.

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## Peter Townsend Memorial Conference – Measuring Poverty: The State of the Art

Saturday 22 and Sunday 23 January 2011

Merchant Venturers Building, Woodland Road, Bristol,  
BS8 1UB

To coincide with the first meeting of the project's International Advisory Board, we are holding a conference looking at how poverty is measured around the world. Australia, Brazil, Finland, Japan and Taiwan are among the countries represented.

For free tickets send an e-mail to:  
[townsend-memorial@bristol.ac.uk](mailto:townsend-memorial@bristol.ac.uk)

Further details can be found on the PSE website:  
[www.poverty.ac.uk](http://www.poverty.ac.uk)

## Deprivation indicators

1. Two pairs of strong shoes
2. A warm waterproof overcoat
3. Buy new (not second-hand) clothes
4. Eat a meal with meat, chicken, fish (or vegetarian equivalent) every second day
5. Have a roast joint or its equivalent once a week
6. Had to go without heating during the last year through lack of money
7. Keep the home adequately warm
8. Buy presents for family or friends at least once a year
9. Replace any worn out furniture
10. Have family or friends for a drink or meal once a month
11. Have a morning, afternoon or evening out in the last fortnight for entertainment

Source: Central Statistics Office (2010) *Survey on Income and Living Conditions 2009*.  
<http://www.cso.ie/eusild/>

## North/South Poverty Measurement

Preliminary discussions have been held in Dublin with a view to laying the groundwork for measuring aspects of poverty on a North/South basis. Hosted by the Social Inclusion Division of the Department of Community, Equality and Gaeltacht Affairs, the PSE Northern Ireland project team met with representatives of the Central Statistics Office to discuss similarities and differences in poverty measurement between Ireland and the UK.

The CSO prepares measures of poverty for two purposes. The first is to inform discussions around progress on the politically agreed national targets for 'consistent' and 'at-risk-of' poverty, and rates of 'enforced deprivation'. The second is to provide measures for EU comparison (EU-SILC).

Data is gathered on a week-by-week basis using a dedicated household survey focused on income and living conditions. The latest report, covering 2009, was published in November 2010.

The 'at-risk-of-poverty' measure is based on the proportion of households falling below a defined level of median

income, usually 60%. It is entirely income based but income itself can be counted in different ways, presenting challenges to comparison across jurisdictions. Household income also has to be 'equivalised' so that we can compare the living standards of households of different sizes and composition. Equivalisation scales vary considerably, particularly on the weighting for the costs of children. The CSO uses both a national scale and the scale used for EU comparisons which is a 'modified OECD' scale.

Consistent poverty is based on households which are both at risk of poverty and lack two or more deprivation items. The deprivation must be 'enforced' rather than 'chosen', that is households lack the item because they cannot afford it.

The 2009 report shows that average net disposable income declined by more than 6% from 2008.

For the latest indicators on Northern Ireland see *Lifetime Opportunities Monitoring Framework (October 2010)*  
<http://bit.ly/ia5Yt3>

## Work in progress ...

### Spending Review and Draft Budget

The PSE Northern Ireland project team is preparing a submission on the Executive's Draft Budget and the impact of the Treasury's withdrawal of current and capital funding following the Spending Review. The submission will focus on the impact on living standards, especially on the incomes of the worst off. Poverty is set to increase substantially. Even though the recession is officially over, Northern Ireland's unemployment has increased over the past year. The Spending Review will ensure that unemployment continues to rise. Northern Ireland's share of benefit cuts suggests that over a £billion will be removed from the incomes of households with no work for whatever reason by 2014/15. We will also highlight the distributional affects using the Institute of Fiscal Studies Report on Northern Ireland.

<http://www.ifs.org.uk/publications/5368>

### Child Poverty Strategy consultation

OFMDFM are engaged in a 'pre-consultation' on Northern Ireland's draft Child Poverty Strategy. This is a requirement of the Child Poverty Act 2010 and the PSE Northern Ireland team will be commenting on the strategy and the thinking behind it. One of the early decisions of the Coalition Government was to ask Frank Field to carry out a review of Poverty and Life Chances. Clearly, the Field Review will have an influence on the future direction of policy in a context of public sector retrenchment. His final report, *The Foundation Years: preventing poor children becoming poor adults*, argues for a new approach to meeting targets for reducing and abolishing child poverty. A focus on income transfers is no longer sustainable, argues Field, and the emphasis must now be on improving 'life chances' through targeted early years' interventions. Our focus will be on indicators and targets, including the proposed new 'Life Chances Indicators', as well as mechanisms for policy review.

Field Review: <http://povertyreview.independent.gov.uk/>