



Summary of Oxfam response to UK government *Measuring Child Poverty* consultation February, 2013

General comments

This is a summary of Oxfam's response to the government's consultation on measuring child poverty.

Oxfam welcomes the opportunity to respond to this consultation.¹ Our response draws on over fifteen years working with some of the poorest communities in the UK and over seventy years working to overcome poverty around the world. In both contexts we approach our work in a similar way – supporting communities, learning from them about what is going wrong and also being inspired by them in our vision for change.

Our response draws on our analysis that the causes of poverty and also the means to address poverty lie in several arenas, namely with individuals and communities themselves as they build sustainable livelihoods, but also in the wider society and economy that shapes individuals' and communities' opportunities to do so.

Oxfam is clear that **income and relative poverty must remain at the core of any measurement of poverty** in the UK. Our suggestions below are offered by way of augmenting our understanding of the causes, experience and solutions to poverty.

We are therefore pleased to see the promise that the basic income measure of poverty will be retained:

Income – or rather the lack of a decent income – is and will always be at the heart of what it means to be poor. This Government understands that... There can be no

¹ NB Oxfam does not explicitly work on 'child poverty'. Our response is offered in relation to poverty in general – child poverty of course is a reflection of poverty experienced in a family.

doubt that income is a key part of our understanding of child poverty and who it affects. It is not, however, the only part²

For Oxfam, one of the most important outcomes of developing a multidimensional measure of poverty – that retains **income at its heart** – is that doing so is more likely to secure the action of a range of Government departments (and other actors) in helping to deliver the solutions to poverty in the UK.

Poverty is created by a complex web of root causes. In the UK, economic changes are arguably the single factor most responsible for the rise in poverty during the last few decades.³ This has led to increasingly large geographical differences in life expectancy, employment and so on. Moreover, given the nature of the economic sectors that have prospered, it has led to increasingly fragile work for millions of people. These processes impact individuals, yet individuals have virtually no control over them – these structural changes shape people's life chances, yet they mean people have little chance to shape their own lives.

This is not to deny people's own agency – the Sustainable Livelihoods Approach recognises that people in poverty are active and rational drivers of their own lives. Every day people make choices, prioritise and undertake various courses of actions which can impact their opportunity to build a life out of poverty. But these choices are made within various settings that impose parameters on the course of action taken – these parameters include the local community, the local labour market, the wider economy and our society that pressures people to act in certain ways.

Recognising societal pressures, Oxfam welcomes the consultation's discussion of the *experience* of poverty. Our work in the UK shows that living in poverty in a rich, unequal country is profoundly painful – it undermines people's confidence, their ability to participate in society, and their stress levels which can lead to long term physical and mental ill health. This in turn has deleterious impacts on people's ability to find work, to build their skills, sustain social relationships and so on. This is why, at its core, poverty in a developed economy is largely about relative incomes.

It is crucial to recognise that in the UK, causes of poverty lie in economic structures, responses to those structures (including by political decision makers), and the extent to which individuals can exercise their agency to build their livelihoods. *Experiences are the*

² Consultation page 3 and 14

³ See, for example, Resolution Foundation, 2012, *Gaining from Growth: the Final Report of the Commission on Living Standards*, London

symptoms. Unless this is recognised we will remain concerned that confusing experience with causes risks placing undue blame on individuals for their poverty.

For example, an emphasis on ‘worklessness’ as an alleged cause of child poverty implies that being out of work is the fault of the parents. In Oxfam’s experience most people desperately want to work⁴ – in too many communities there are few suitable jobs available. People have applied over and over again and received multiple rejections. Or people are unable to work due to disability that employers will not accommodate, or there is insufficient transport, or there is insufficient affordable and suitable childcare. Or people have caring responsibilities that employers cannot accommodate. To label people as ‘workless’ in a way that neglects the wider labour market contexts and other necessary infrastructure that facilitates work is in danger of stigmatising individuals and shifting attention away from wider conditions that hinder people’s ability to move out of poverty.

Dimensions we should consider for inclusion in a multidimensional measure of child poverty

Oxfam’s understanding of poverty is encapsulated in the words of one of our programme partners:

*It is the infrastructure - both physical and social - which make up the constituent parts of a community which is at ease with itself and on a par with opportunities which are afforded to...[other] communities...Other than working for one of the multinational fish farming companies, the MOD, or the local council, there are no job opportunities let alone a career path, woe betide you if you have the temerity to challenge your employer on terms and conditions. **Life is one of survival.** There are multiple social problems related to isolation and lack of opportunity; sadly, incidents of suicide are all too common...most teenagers bolt from the island as soon as they are able...*

poverty is not as simple as a lack of money and physical goods. – Don, member of Oxfam partner organisation, South Uist

This perspective is framed by the Sustainable Livelihoods Approach⁵ which highlights that to prosper, to be resilient, to build a life out of poverty, families (and individuals) require five types of assets – financial assets, environmental assets, physical assets, human assets and social assets.⁶

⁴ <http://policy-practice.oxfam.org.uk/publications/when-work-wont-pay-in-work-poverty-in-the-uk-197010>

⁵ <http://www.church-poverty.org.uk/what-we-do/whatwedo/thriveteesside/sustainablelivelihoods>

⁶ Financial assets include income from work, pensions, other income support and stocks of wealth. Environmental assets include local green space, air quality, parks, and clean streets. Physical assets include

In Scotland Oxfam has built a measure of Scotland's prosperity (the Oxfam Humankind Index⁷) based on these assets – we conducted a consultation with Scottish people to understand what sort of assets they needed to live well in their communities; what sort of human assets; what sort of financial assets; what sort of social assets; and so on. In doing so, we engaged with almost 3000 people, making a particular effort to reach out to seldom-heard communities and creating time and space for deliberation, discussion and debate. This generated a set of priorities which were weighted to reflect the relative importance of each factor of prosperity relative to the others. For example, the satisfaction derived from work is one of the top priorities, not work *per se*. Security and sufficiency of income are important to people, not enormous amounts of money. The quality of our environment, the strength friendships and the safety of those we care about are also key factors. And above all are health and housing.

The Humankind Index is about assets that people need to build sustainable livelihoods – it is not a measure of minimum standards, and certainly not a measure of poverty. It does, however, offer useful additional contextual factors which should be incorporated into any multifaceted conception of poverty (again, we reiterate our position that this should retain income and relative poverty at its heart). In order to deepen and improve the domains proposed in the consultation document, this table below sets out the additional information the Oxfam Humankind Index provides respective components:

Table 1	
Government consultation	Additional information from Humankind Index
Lives in a workless household	<ul style="list-style-type: none"> • Security of work, suitability of work, satisfying, worthwhile work • Having satisfying work to do (whether paid or unpaid)
Lives in a family with problem debt	<ul style="list-style-type: none"> • Having a secure source of money • Having enough money to pay the bills and buy what you need
Lives in poor housing or a	<ul style="list-style-type: none"> • Affordable/ decent home and having a safe and

infrastructure, houses, tools and equipment. Human assets include skills, education and health. Social assets are people's networks of friends, family and contacts.

⁷ www.oxfam.org.uk/humankindindex

troubled area	<p>secure home (top priority)</p> <ul style="list-style-type: none"> • Living in a neighbourhood where you can enjoy going outside and having a clean and healthy environment • Feeling that you and those you care about are safe • Having the facilities you need available locally
Lives in an unstable family environment	<ul style="list-style-type: none"> • Having good relationships with family and friends
Attends a failing school	<ul style="list-style-type: none"> • Getting enough skills and education to live a good life
Has parents without the skills they need to get on	<ul style="list-style-type: none"> • Getting enough skills and education to live a good life
Has parents who are in poor health	<ul style="list-style-type: none"> • Being physically and mentally healthy (top priority) • Feeling good

In addition, in Table 2 below, we highlight areas of life that people identify as necessary to live well in their community, but which do not feature in the Government's proposed domains for its measure of child poverty:

Table 2	
Not captured by Government consultation	Access to arts/ culture/ hobbies/ leisure activities
	Being part of a community
	Having good transport to get to where you need to go
	Being able to access high-quality services
	Human rights/freedom from discrimination / acceptance /respect

	Access to green/ wild spaces + open spaces/ play areas
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Across all the factors presented in Tables 1 and 2, people’s ability to access and attain these components can be undermined by imbalances of power, inequalities, the nature of the economy and political decisions. Poverty is about power and politics.⁸ In order to rebalance the distribution of power and the outcomes of political processes, the rights of people experiencing poverty need to be maintained – the right to a sustainable livelihood, the right to live in dignity, to participate in society, to have a decent home, live healthy lives and access good education. People’s access to these rights can be undermined by poverty.

We are concerned that at present there is insufficient attention to these issues in the consultation document – for example, at the most basic level of discourse analysis, the word ‘power’ only features twice (once referring to when the coalition Government came to power, and later in relation to ‘powerful determinants’). The word ‘participation’ only appears once in relation to education. Yet people’s ability to participate in decisions that impact them is a crucial consideration in addressing poverty. Much of Oxfam’s work involves supporting our partner organisations and the people they support to have a voice in policies relevant to their lives.

Moreover, the word ‘shame’ does not appear in the consultation document – yet Oxfam knows that the experience of living in poverty in the UK can be one where shame is a profound emotion undermining mental health. It also spurs people to take action to avoid feeling shame such as not partaking in social activities, seeking to mask one’s poverty through material possessions and so on.⁹ The word ‘dignity’ does not appear at all in the consultation document.

Finally, Oxfam is disappointed that the word ‘community’ is absent from the document, yet it is in communities that child poverty is experienced and solved. Children are not poor in a vacuum – they are members of families experiencing poverty and require the engagement of the wider community, including friends, service providers and employers, to move out of poverty. Sustainable livelihoods are built in communities and we urge the Government to look to this wider terrain, not just apparent characteristics of the family, in making its assessment of the causes and solutions to poverty.

⁸ <http://www.guardian.co.uk/global-development/2013/jan/16/barbara-stocking-oxfam-ideals>

⁹ <http://www.oisp.ox.ac.uk/res/poverty-and-social-exclusion/shame-social-exclusion-and-the-effectiveness-of-anti-poverty-programmes-a-study-in-seven-countries.html>

How should we measure income as a dimension in a future multidimensional measure of child poverty?

Oxfam recognises that income impacts many other factors – invariably it is a means to more important ends. There is a need to understand how a lack of income constrains what we are really interested in (examples of which are demonstrated in Tables 1 and 2). For example, the UK is a monetised society and many opportunities for participation in social activities require expenditure – on entry fees; on presents to reciprocate hospitality; on food for guests; on clothes to ‘fit in’ with social norms; on transport; and increasingly certain gadgets. Without money people cannot afford to partake in many social occasions, which eventually undermines their social assets. So, while money is not the most important objective, it does enable people to attain more important objectives such as development of social assets. In turn, lacking the opportunity for full social participation has flow-on impacts on other important areas of life such as health and job prospects.

The gap between the current official poverty line and what British people have deemed necessary for an acceptable standard of living is evident in the work of the Joseph Rowntree Foundation to develop a Minimum Income Standard.¹⁰ They found that one person must earn £16,400 a year (or £8.38 an hour) to achieve a minimum income standard in the UK – that is, income that provides access to the sort of possessions and activities that members of the public and experts deem the minimum to live with dignity in the UK (the modern equivalent of Adam Smith’s ‘linen shirt’).¹¹ These standards are not excessive, nor do they resist change when circumstances change: in the recession people specified lower budgets for eating out and buying presents.¹²

The impact of economic circumstances and political decisions on poverty is demonstrated by the gap between out-of-work benefits and the minimum income standard.¹³ Whereas pensioners receive 100% of what people think they need; a single adult of working age receives 40% of the weekly minimum income standard; a couple with two children receives 62% of the MIS.¹⁴ The National Minimum Wage (2012) is also well below the rate of the minimum income standard: £6.08 compared with £8.38 an hour.¹⁵ It is political decisions

¹⁰ Centre for Research in Social Policy, 2012 A Minimum Income Standard for the UK in 2012 Joseph Rowntree Foundation July 2012 York

¹¹ A single working age person needs to earn £8.38/ £16,383pa; two adults and two children needs £9.39 if both work full time/£36,728pa (Centre for Research in Social Policy, 2012 A Minimum Income Standard for the UK in 2012 Joseph Rowntree Foundation July 2012 York)

¹² Centre for Research in Social Policy, 2012 A Minimum Income Standard for the UK in 2012 Joseph Rowntree Foundation July 2012 York

¹³ <http://www.minimumincomestandard.org/>

¹⁴ Baucmberg, Ben, Bell, Kate, Gaffney, Declan, 2012, Myth buster: Tall Tales About Welfare Reform, Red Pepper

¹⁵ <http://www.jrf.org.uk/austerity-spotlight-income>

which determine the level of benefits; it is political decisions that set the National Minimum Wage – *not* the choices of people living in poverty.

Amari (name changed) is a single mum with four children, on benefits, living on the breadline. She struggles to afford even the most essential things. "I'm really struggling, even with uniforms, shoes, and day-to-day items like food. Those costs are going up", says Amari. "It just feels like things are getting tighter." She worries that she won't be able to bring up her kids properly. "I want to do things with my kids; but the cost of everything is so high. I don't know what the situation will be like when they are old."

How important is relative and absolute income?

Oxfam strongly recommends against any erosion or effective demotion of the standard measure of relative poverty, as recognised amongst the UK's EU partners. Relative income is a crucial measure of poverty in the UK and must be retained at the core of any new measures proposed by the government.

Lack of sufficient income, particularly in unequal countries such as the UK, matters.

Wellbeing is not about averages (that is, simply dividing the total income by the number of people), but about distribution (as essentially captured by the proportion of *median* income measure). Oxfam is clear that relative income is a key part of the understanding of poverty – it is about having enough to participate in society. Relative poverty must be included in our consideration of poverty and addressing relative poverty must be a priority of Government.

The work Oxfam does in communities around the UK shows us that relative poverty matters because it impacts how people participate in society. Even when subsistence needs are taken care of, how much you have relative to others has a profound psychosocial impact that impacts life expectancy.¹⁶

At the macro-level, many contemporary problems can be attributed to increasing social and individual disconnectedness and the widening gap between rich and poor. Economic inequality has been demonstrated to have multifarious negative impacts across society: it weakens social cohesion, sense of community and trust and reduces community involvement. Inequality produces more crime and violence and is associated with more severe sentencing. Inequality produces worse health, education (including school retention), children's mental health and general wellbeing than in comparable, but more equal

¹⁶ http://www.who.int/social_determinants/strategy/Marmot-Social%20determinants%20of%20health%20inqualities.pdf

societies.¹⁷ Yet, despite this evidence, by 2008, income inequality in the UK had risen to its highest level in 30 years (and has not changed significantly since). By 2009, the poorest 20% of households had 5% of all income.¹⁸

There are also considerable practical policy rationales for measuring relative income – the 60% of median income is relatively well understood (despite the number of people who confuse mean with median income); it is comparable across countries; it is simple; recognisable; and easy to track over time. Finally, and importantly, retaining a measure of relative poverty means that the UK government will take policy action commensurate with its legal commitments, including those covered in the *Child Poverty Act*.

How important is worklessness as a dimension in a future multidimensional measure of child poverty?

Oxfam is concerned that the way ‘worklessness’ is portrayed in the consultation document implies that being out of work is the fault of an individual. There is not sufficient regard to the realities of local labour markets, nor is there sufficient recognition of the lengths people go to in order to find work, often low paid work offering little prospect of progression. As Amartya Sen reminds us, people face a lack of capacity because of social and economic factors largely beyond their control (such as low wages, spells of unemployment, increased food prices). In Oxfam’s experience, these wider processes are drivers of poverty; there is no large cohort of individuals who choose not to work.

Quality of work is also important – as the Oxfam Humankind Index in Scotland shows, people want a suitable job, a job that provides security, a job that provides enough money to participate in society and a job that feels worthwhile and satisfying. Yet the ‘UK has an institutional setup that encourages employers...to seek low-paid, low-skilled routes to business success’ – namely a lack of skills in the bottom half of the labour market, a lack of structure for long term business planning and a lack pressure to pay above minimum.¹⁹ As a consequence, by 2020, the extent of low-paid and low-hour jobs – alongside benefit cuts – is likely to increase poverty among all groups.²⁰ While of course health and hard and soft skills are important, the larger problems in our labour market surround its structure and operation (demand side), not the people who work hard to enter and remain in work (supply side).

¹⁷ See for example, <http://www.whyequalitymatters.co.uk/why-inequality-matters.pdf> (page 4)

¹⁸ <http://www.jrf.org.uk/austerity-spotlight-income>

¹⁹ Resolution Foundation, 2012, *Gaining from Growth: the Final Report of the Commission on Living Standards*, London: page 9

²⁰ <http://www.jrf.org.uk/austerity-spotlight-income>

In fact, despite a popular misconception, there are only a small number of households with members from different generations who have never worked: only 15,000 (0.8%) households in the UK have two or more generations who have never worked (and of these, 35% of the second generation is only just out of education).²¹ In another study, only 1% of sons in families tracked had never worked by the time they were 29.²² In other words, the notion of 'welfare dependency' is false.²³ There is no intergenerational relationship where there is low unemployment.²⁴ Instead, any intergenerational worklessness is more likely to be explained by lack of jobs (rather than a lack of work ethic); or caring commitments (which indicate a strong work ethic); or inability to work due to disability (almost 70% of those on benefits for 5 years or more are were either disabled or carers).²⁵

Kevin (name changed), from Manchester, got a job as a supervisor with a large discount retailer on the run up to Christmas in 2011. But after the Christmas rush, Kevin was laid off. The company offered him a place in another town, 22 miles away, but Kevin couldn't accept it as the cost of transport would have a huge impact on his wages.

Kevin volunteers, and he's tirelessly trying to find a job. he's sent 130 CVs in the last few months, and only got 2 replies. "I've walked up to factories to try to find work. I went down to Kellogg's to see if they had anything. They had just laid off 40 men. Why would he give me a job?"

How important is unmanageable debt as a dimension in a future multidimensional measure of child poverty?

Debt is certainly one of the barriers faced by many of the people Oxfam works with in the UK. Three in every five adults in the poorest income quintile turn to borrowing over a 12 month period.²⁶ Many experience depression because of the burden of debt.²⁷ It is important to acknowledge that debt is not being incurred on frivolous expenditure – it is being incurred by families who are simply seeking to get by on inadequate incomes.²⁸ Many people on low

²¹ Harkness, Susan, Gregg, Paul and Macmillan, Lindsey, (2012) *Poverty: the role of institutions, behaviours and culture* Joseph Rowntree Foundation, York <http://www.jrf.org.uk/publications/poverty-role-institutions-behaviours> page 19

²² Gregg, Paul and MacMillan, Lindsay analysis of Labour Force Survey

²³ Harkness, Susan, Gregg, Paul and Macmillan, Lindsey, (2012) *Poverty: the role of institutions, behaviours and culture* Joseph Rowntree Foundation, York <http://www.jrf.org.uk/publications/poverty-role-institutions-behaviours> page 18

²⁴ Ibid page: 20 and <http://www.jrf.org.uk/sites/files/jrf/worklessness-families-employment-full.pdf>

²⁵ <http://www.tuc.org.uk/social/tuc-20945-f0.pdf>

²⁶ Harkness, 2012 *op cit*. page 36

²⁷ <http://policy-practice.oxfam.org.uk/publications/whose-economy-winners-and-losers-in-the-new-scottish-economy-118965>

²⁸ Out of work benefits short of the Minimum Incomes Standard by 60% for single adults. For those in full time work the average wage needs to be substantially higher than the National Minimum Wage to attain the MIS (Harkness, 2012 *op cit*: page 36).

incomes who struggle to access mainstream credit unfortunately are compelled to turn to the sub-prime market where the long term cost of being in-debt is substantially higher. For many more, the high number of mortgages means that there will be problems when interest rates return to 'normal' levels.²⁹

Moreover, debt is not a recent phenomenon brought on by the recession. Even in recent 'boom' years leading to 2008, incomes were faltering for many working households. Despite growth in GDP, high employment and moderate inflation, UK median incomes flat-lined between 2003-2008 and average disposable incomes fell in all English regions outside London.³⁰ Wages stagnated because the share of national income going to labour fell as profits rose.³¹ Living standards were maintained through people's borrowing.

How important is poor housing as a dimension in a future multidimensional measure of child poverty?

As seen in Table 1, in Oxfam's Humankind Index for Scotland, housing is one of the top priorities that people identified as necessary to live well in their community.

Analysis by ippr North, the Church Action on Poverty and Oxfam concluded that:

*The roof over your head is perhaps one of the most basic building-blocks for any notion of a sustainable livelihood. Housing is perhaps one of the most fundamental assets, sitting at the heart of the Sustainable Livelihoods Approach: it is the core physical asset without which many other assets such as financial or social assets can become less significant. Homelessness is one of the most critical indicators of poverty in the UK, and a person's housing situation can be a key factor in their ability to cope with stresses and shocks or to manage and enhance their capability to maintain a secure livelihood.*³²

A good home is where people build their lives – it needs to be safe, affordable and appropriate for people's needs. It must also be in good condition – Oxfam's work with communities around the UK has revealed an alarming number of families living in damp, cold housing where mould and bacteria flourish. This has a terrible impact on health, particularly for elderly people and young children who develop breathing problems.

²⁹ Resolution Foundation, 2012, Gaining from Growth: the Final Report of the Commission on Living Standards, London: page 19

³⁰ Resolution Foundation, 2012, Gaining from Growth: the Final Report of the Commission on Living Standards, London: page 9

³¹ Resolution Foundation, 2012, Gaining from Growth: the Final Report of the Commission on Living Standards, London: page 9

³² http://www.ippr.org/images/media/files/publication/2011/10/Community-assets-first_Oct2011_8052.pdf

How important is parental skill level as a dimension in a future multidimensional measure of child poverty?

Oxfam will support constructive efforts to ensure men and women experiencing poverty access skills development linked to tangible job opportunities. This provision must take account of the differing needs of men and women in accessing skills provision and subsequently using skills development to secure suitable quality employment.³³

Oxfam recognises the importance of skills – both hard and soft – in terms of participation in work and also in people’s capacity to participate in wider society. Skills have a strong influence on people’s willingness to move for work, their progression in work, their receipt of employer-provided training and, the educational performance of their children.

We also note that supply-side measures are not enough to address poverty and unemployment – employers must be supported and expected to do more in employing people who might be considered ‘further from the labour market’.

How important is family stability as a dimension in a future multidimensional measure of child poverty?

Oxfam is very concerned that this line of inquiry risks confusing cause and symptoms. Of course, the breakdown in a relationship can lead to poverty, but poverty can also lead to a breakdown in a relationship as the stress and challenges of living on a low income become overwhelming.

It is also worth recognising firstly that most single parents are not teenagers, and secondly, in contrast to the perceptions of those with more pathways and opportunities open to them, teenage parenthood may seem to be a rational response to inadequate alternative opportunities for some young women (nor does it in itself lead to worse outcomes for parents and children).³⁴ It is poverty (often due to the difficulty single parents have in finding suitable quality work) which should be our concern here.

Again, contrary to popular opinion, in Oxfam’s experience lone mothers have strong commitment to sustaining work (and their children are also very supportive of their work efforts).³⁵ Only 8% of those on out-of-work benefits have three or more children³⁶ and the majority of children in poverty are in households with two or fewer children.³⁷ Family

³³ <http://policy-practice.oxfam.org.uk/our-work/poverty-in-the-uk/genderworks>

³⁴ Harkness, 2012 *op cit.* page 9

³⁵ Harkness, 2012 *op cit.* page 22

³⁶ Save the Children Challenging 12 Myths and Stereotypes 2012

³⁷ Save the Children Challenging 12 Myths and Stereotypes 2012

structure in and of itself is not the issue – opportunities, support structure and quality of accessible jobs are.

How should we recognise parental drug and alcohol dependence and mental health conditions in a multidimensional measure of child poverty?

Firstly, Oxfam wants to highlight that problematic drug users represent only 0.89% of the population, and 3.8% of adults dependent on alcohol: in other words, less than 4.7% of population.³⁸ Of course this is too high – addiction is a painful condition with deleterious impact on the individual, their family and friends – but the problem of addiction is not common among those in poverty. What is stark is the socio-economic gradient in alcohol-related deaths and hospital admissions.³⁹

Secondly, Oxfam believes that understanding the context of addictions is vital. As Adam Smith recognised, humans are driven by a desire to seek and be worthy of the admiration of others: ‘Nature, when she formed man for society, endowed him with an original desire to please, and an original aversion to offend his brethren. She taught him to feel pleasure in their favourable, and pain in their unfavourable regard’.⁴⁰ Today, this is just as true and the pain just as real when people are stigmatised for their poverty, blamed for circumstances beyond their control, and implicitly told that they are not good enough and not as successful as others further up the socio-economic hierarchy.

As seen above, we know that invariably the lower you are in the social hierarchy, the less control you can exercise over your life and the fewer opportunities you have for social participation.

In addition to the stigma of experiencing poverty and the limited pathways and opportunities for those lower down our socio-economic hierarchy is the sense of hopelessness in one’s situation. Being poor but having a way out of poverty is radically different as a way of life to being poor and seeing no prospect of escaping poverty. This is of profound importance for people’s sense of a future – to plan for, and to live for.

The cumulative impact of constricted life chances and stigma is poorer health.⁴¹ For example, a recent report from Audit Scotland showed that experiences of anxiety are twice

³⁸ Harkness, 2012 *op cit.* page 32

³⁹ Harkness, 2012 *op cit.* page 34

⁴⁰ Brooks, David 2011 *The Social Animal: A Story of How Success Happens*, Random House, @273

⁴¹ Marmot, Michael 2004 *The Status Syndrome* Holt, Henry & Company, Inc: page 241

as high in deprived communities compared to the rest of Scotland.⁴² Similarly, the prevalence of mental illness which is twice as common in the lowest income quintile compared to the highest.⁴³ There is an inequality threshold for a negative impact on health put at a gini coefficient of 0.3 – the UK's is 0.33 (Denmark's is 0.25).⁴⁴

Epidemiologists show that prolonged periods of stress lead to lower immune systems, increased blood sugar, accumulation of body fat more easily and damaged health.⁴⁵ It can also lead to counter-productive strategies – comfort eating, violence and so on. Recent evidence shows that income inequality impacts mortality rates five years after the peak of inequality – peaking at seven years and fades after twelve.⁴⁶

What is important in considering how to measure and address poverty is that it is the circumstances in which people live and work that impact illness and length of life.⁴⁷ There is a health gradient because of what someone's position in the hierarchy means – their ability to access resources.⁴⁸ Resources that enable people to have control over their lives, predict how their days and weeks will transpire, the degree of support they can access and the presence of outlets in difficult times.⁴⁹ A holistic measure of child poverty that reveals areas for change and issues for policy makers to act upon must incorporate these factors – people's wider circumstances, their opportunities for building sustainable livelihoods, the level of inequality, how people feel, the impact of stigma and people's sense of hope for their future.

What criteria should be used to evaluate a new measure against?

Oxfam's experience around the world and in the UK is that poverty is a gendered issue – men and women experience poverty in different ways, they are able to access pathways out of poverty in different ways and are impacted by policies in different ways. It is crucial that poverty measurement and anti-poverty policies recognise this. It is also crucial that wider policies that do not explicitly seek to address poverty consider the impact on men and women. In the first instance, **disaggregating statistics by gender** is vital if we are to

⁴² http://policy-practice.oxfam.org.uk/~media/Files/policy_and_practice/poverty_in_uk/HKI/HKI%20local%20authority%20appendix.ashx

⁴³ McManus S, Meltzer H, Brugha T, Bebbington P, Jenkins R. (2009). *Adult psychiatric morbidity in England, 2007. Results of a household survey*. Leeds: NHS Information Centre.

⁴⁴ Harvard in New Scientist July 2012

⁴⁵ See, for example, Brooks, David 2011 *The Social Animal: A Story of How Success Happens*, Random House: page 146; New Scientist July 2012; and <http://www.whyyinequalitymatters.co.uk/why-inequality-matters.pdf> (page 24)

⁴⁶ 76 studies reviewed for The Equality Trust 2012 *Do People Die from Income Inequality of a Decade Ago?* Equality Trust Research Update No. 6

⁴⁷ Marmot, Michael 2004 *The Status Syndrome* Holt, Henry & Company, Inc: page 14

⁴⁸ Marmot, Michael 2004 *The Status Syndrome* Holt, Henry & Company, Inc: page 92

⁴⁹ Marmot, Michael 2004 *The Status Syndrome* Holt, Henry & Company, Inc: page 112

understand the differing experiences of men and women and to plan and deliver appropriate and successful policies accordingly.

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