CORNERSTONE #4

A set of agreed poverty indicators that will be used to plan, monitor change and assess progress.

What Canadians decide to place in that core set of indicators will depend on the targets and priorities of a national strategy. It will likely be necessary to have multiple measures so that we can track different dimensions of poverty, such as deprivation, social exclusion and inequality.

A) WHY IS THIS CORNERSTONE IMPORTANT FOR CANADA?

An indicator can be defined as something that helps us to understand where we are, where we are going and how far we are from our goal.[1] In an anti-poverty strategy, indicators help us understand the current state of poverty, set targets for reducing and eliminating poverty and show us how close we are to achieving these targets.

Poverty indicators are not developed in isolation. They are tools we use to achieve our vision and goals. Our vision and overarching goals must be set before we can look at which indicators can help us plan, monitor and assess our progress so we know whether we have been successful.

Certainly, for an anti-poverty strategy, one key type of indicator will be direct measures of poverty, which are usually based on income. We may need to start, however, by discussing what we mean by poverty in Canada. Then we can figure out how best to measure it. Given the many dimensions of poverty, we may not be able to find one measure that gives us a perfect picture. We need to remain open to the idea that it may turn out to be more useful to develop or adopt multiple measures of poverty.

To understand why we may need more than one measure of poverty, think about how you could tell whether water is too hot without putting your fingers in and getting burned. You could use several indicators such as steam and bubbles to give you the information you need.[2]

A second type of indicator would be those that do not measure poverty directly, but can still help us evaluate our progress. For example, the government of Newfoundland and Labrador aims to have a better educated population in order to prevent and reduce poverty. Accordingly, two of the indicators in their anti-poverty action plan are the high school graduate rate and the post-secondary participation rate.[3]

We need indicators in order to set measurable targets, create action plans and ensure governments are accountable for results. These are cornerstones of any anti-poverty strategy. We can have a vision for reducing and eliminating poverty in this country, but without targets, plans and accountability, it will not translate into better lives for Canadians.

Who decides? As with all the other cornerstones, consultation with Canadians, especially those living in poverty, is critical. The extensive, and often divisive, debate in Canada over the definition of poverty is often conducted without the input of people living in poverty.

When people living in poverty are consulted, their definition of poverty tends to reflect its multiple, interlocking dimensions. The World Bank's participatory research program, Voices of the Poor, allowed people living in poverty in 23 developing countries to talk about their lives. Their definitions of poverty included traditional views like material well-being such as food and housing. However, they spoke more about assets and less about income than traditional definitions. Dependency, powerlessness, voicelessness and their inability to fully participate in community life were also key elements of their definitions. Using their definition, we would need indicators to track and measure changes in power, voice and participation, together with more traditional measures of poverty such as assets and income.[4] It is unlikely that the first three elements would have been included in a definition of poverty developed without consultation.

B) WHAT ARE SOME EXAMPLES OF INDICATORS BEING USED IN EXISTING ANTI-POVERTY STRATEGIES?

EUROPEAN UNION: Member States have adopted common objectives for their social protection and social inclusion process and have agreed on a set of indicators that are used to assess their progress in reaching these objectives. The indicators include various measures of poverty, employment, education, health, housing and deprivation.[5] Each indicator is related to a key dimension of the broad objectives.

UNITED KINGDOM: The UK initiative to eradicate child poverty in a generation required them to develop and adopt official measures of poverty, something they did not have before. These measures let them to track progress toward their goals of reducing child poverty by one-quarter by 2004 and one-half by 2010.

In 2003, they adopted a new measure of child poverty that consists of three indicators: [6]

- Absolute low income—to measure whether the very poorest families are seeing their incomes rise in real terms;
- Relative low income—to measure whether the poorest families are keeping pace with the growth of incomes in the economy as a whole;
- Material deprivation and low income combined—to provide a wider measure of people's living standards.

Using this measure, poverty is falling when all three indicators are moving in the right direction. The measures were developed in consultation with academics and poverty experts, along with adults, young people and children.[7]

QUEBEC: The *Centre d'étude sur la pauvreté et l'exclusion* is an observation, research and discussion centre that was created under the province's *Act to Combat Poverty and Social Exclusion*. Its main purpose is to provide the

Minister with a series of indicators to be used for measuring poverty and social exclusion, and social and economic disparities, as well as other determinants of poverty.[8]

NEWFOUNDLAND AND LABRADOR: The action plan to reduce poverty in Newfoundland and Labrador has five medium-term goals to guide action. In order to track progress and make changes as necessary, the government states that it is essential that they measure success. They will use a number of shorter-term indicators such as the percentage of Income Support clients with employment earnings, the number of subsidized licensed child care spaces and the high school graduate rate.[9] Each indicator is linked to objectives under their five goals.

Another initiative underway is the creation of community and neighbourhood level market basket measures (MBM). Termed the Newfoundland and Labrador Market Basket Measure (NLMBM) of Low Income, it will look at the cost of goods and services required for an adequate standard of living in individual communities across the province. It will show how many people in each community cannot afford to purchase these goods and services, effectively providing low-income statistics for every community and neighbourhood in Newfoundland and Labrador. The availability of this tool to governments and citizens will promote a deeper understanding of where low income is located and to what degree low income exists, its relation to the social and economic landscape of the province's communities and regions, and how best to develop sustainable anti-poverty solutions. The NLMBM is expected to be publicly released via the System of Community Accounts (www.communityaccounts.ca) during the Fall of 2007.

A lesson from Canada's failed commitment to reduce child poverty: UNICEF's report on child poverty in rich countries noted that an all-party resolution in 1989 committed the government of Canada to "seek to eliminate child poverty by the year 2000". The promise was not kept (as noted in the fact sheet for Cornerstone #1), nor was any official definition of child poverty adopted. UNICEF points out that Canada has a long history of publishing different types of statistics on "low income", but there has been no official recognition of any of these measures.

The report concludes that "Amid these definitional uncertainties [of child poverty], Canada's target year 2000 came and went without agreement on what the target means, or how progress towards it is to be measured, or what policies might be necessary to achieve it." [10]

C) WHAT DID CANADIANS RESPONDING TO THE NCW QUESTIONNAIRE HAVE TO SAY?

- The first of our two questions on indicators asked about the importance of various elements in a national anti-poverty strategy. Although "official measures of poverty" had the lowest ranking of six elements, at 73.6 compared to first place "action plans", which had a rank of 91, it still ranks of medium-high importance.

These results are interesting given that the debate over poverty in Canada often focuses on how to measure poverty. Questionnaire respondents, while believing that indicators are important, ranked things like coordinating efforts between governments and consulting with Canadians as being more important.

- The second question asked about the importance of different types of poverty measures. Respondents ranked measures "based on the actual cost of necessities in your community" as of highest importance.

This indicates that Canadians are both practical and fair. They realize that people should have enough to cover basic necessities while at the same time recognizing that the cost of living varies a great deal across this country.

IN THE WORDS OF RESPONDENTS:

"The poverty line should not be a place that people strive to; it should be the place they start from.

"Having payments made by governments that are below the poverty line per year contributes to poverty. It is very difficult to survive on under $12,000 per year when your amount for housing is less than what you actually pay. Often you have to use your basic needs amount to cover rent and then you are forced to eat poorly, go without a telephone and other necessities to get by."

"Under measures for poverty, we should really be using a 'Market basket measure' TARGET that includes sufficient income for people to ACTIVELY PARTICIPATE in their community. In other words, for someone to be considered over the poverty line there should be sufficient income for basic survival needs, but ALSO for: meeting health and nutrition needs, and at least some funds for such self-development activities as furthering education and training, looking for work, participating in recreation/leisure programs, and transportation to community events. Social assistance rates are currently so low people are trapped in poverty. For example, they do not have enough money to do a proper job search (prepare resumes, have a phone number, take the bus to interviews, dress appropriately)."

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[1] http://hostings.diplomacy.edu/baldi/malta2001/statint/Statistics_Int_Affairs-27.htm

[2] Example based on an image developed by Vivian Labrie of the *Collectif pour un Québec sans Pauvreté*.

[3] *Reducing Poverty: An Action Plan for Newfoundland and Labrador*, 2006, http://www.hrle.gov.nl.ca/hrle/poverty/poverty-reduction-strategy.pdf

[4] Narayan, Deepa with Raj Patel, Kai Schafft, Anne Rademacher and Sarah Koch-Schulte. 2000. *Voices of the Poor: Can Anyone Hear Us?* Published for the World Bank, Oxford University Press.

[5] *National Action Plan for Social Inclusion 2007-2016*. Government of Ireland, 2007, Annex 1, http://www.socialinclusion.ie/nationalactionplan2007.html

[6] *Measuring Child Poverty*, UK, Department for Work and Pensions, 2003, http://www.dwp.gov.uk/ofa/related/final_conclusions.pdf

[7] ibid.

[8] R.S.Q. chapter L-7, *An Act to Combat Poverty and Social Exclusion*, 2002, c. 61, s. 43., http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/L_7/L7_A.html

[9] *Reducing Poverty: An Action Plan for Newfoundland and Labrador*, 2006, http://www.hrle.gov.nl.ca/hrle/poverty/poverty-reduction-strategy.pdf

[10] *Child Poverty in Rich Countries, 2005*. UNICEF. Innocenti Report Card No. 6.

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