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JOHN VEIT-WILSON'S PAPERS
ON CONCEPTS, DEFINITIONS AND MEASURES OF POVERTY,
ON INCOME ADEQUACY AND ON MINIMUM INCOME STANDARDS.**

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POVERTY

People are said to be in poverty when they live below a standard which their society recognises as a reasonable minimum. Poverty is a contested concept, and there is no agreement on how to define the word more precisely. Perceptions, contexts, meanings and usages differ between societies and observers, and change over time. The word is used indiscriminately for the concepts, definitions, signs or experiences of the condition, expressed by some as the characteristics of other people suffering it ('the poor') and by poor people in terms of their experience. It is used for disparate measurement methods as well as for their findings. It is often identified in the condition of lacking resources, necessities or opportunities for participation, or suffering damage to human dignity or being socially excluded, as well as their deleterious concomitants and consequences. Many incompatible discourses are separately but simultaneously used in discussing its forms, scale, causes, consequences and cures, within and between industrialised societies and developing nations, often with little attempt to integrate the approaches.

Perceptions of poverty.

Perceptions precede conceptualisation. The accumulated knowledge about poverty by those who suffer and those who study it is immense but fragmented. Most of the political, philanthropic and academic literature on poverty has been written by those who do not experience it to illustrate their perspective; those who suffer poverty may offer different meanings. The political agenda for social or economic management determines which aspects of poverty are prioritised, often contrary to the aspects which those experiencing poverty or researching it see as the most salient. The absence of agreement on poverty concepts, measures or policies reflects structural conflicts in all countries and globally. As those who experience deprivation achieve greater political power, their perspectives may influence the concepts, measures and outcomes more. The lack of power to influence public images and perceptions of poverty is among the meanings of the term.

Public perceptions are distorted by partial knowledge, manipulated imagery and political expediency. When poverty is perceived as not simply a personal trouble but a social problem, proposed solutions have included behavioural change not only by those suffering poverty but by those who hold power over the tangible and intangible resources needed to prevent it, as well as economic, political and social structural change. Social policy responses to poverty demand careful delimitation of what is problematic within politically feasible parameters, but such analyses and solutions are both strongly contested. Differing perspectives on the experience are implicitly embedded in the concepts used.

Concepts of poverty.

The concepts of poverty which underlie the various usages refer to some people, individually or collectively, experiencing conditions of life or social relations which fall below some kind of minimum level needed in order to experience being, and to be treated as, an autonomous person with full capacity to participate in society. Poverty is commonly conceived as those deprivations or unequal relations caused by lack of material resources, but Amartya Sen's conceptualisation used the term capability to focus on the activities needed for participation rather than the passive resources alone. Some loose usages do not distinguish the reasons why people fail to attain minimum living standards, and include other causes of social exclusion, provoking disagreement over boundaries and overlap between the politically expedient uses of the terms poverty or exclusion.

The concept of poverty may not carry the same connotations in different languages and cultures. In English there are many ambiguities. Concepts of the condition are often confused with the essence of the characteristics of those suffering from it, or with definitions derived from measurement techniques. In The International Glossary of Poverty Paul Spicker identified eleven clusters of meanings in late twentieth century literature, three of which referred to material conditions (inadequate level of living, unmet need, multiple deprivation), three to economic position (lack of resources, inequality of resources, class) and four to social position (lack of entitlements, lack of security, dependency and exclusion). All can be found, though not all congruently, in the seven discourses identified by John Veit-Wilson in use in the 1990s among government policy-makers in ten countries. Each discourse packaged the poverty concept with its manifestations and appropriate measures in a paradigmatic analysis and vocabulary effecting closure on other competing discourses. Three were asocially abstracted, expressing poverty in terms of a legal status, a theoretical economic model, or a statistical position on an income distribution. Four discourses were humanistic, referring to persons and behaviours. Of these, one was structural: the consequence of an unequal distribution of power over resources through time created the need to ensure that no one's level of living fell below the standards acceptable to society in general. The other three covered poverty as a set of deviant behaviours, as life-experiences too divergent from the acceptable average, and as social exclusion.

The accounts given by those experiencing enforced poverty often conceptualise it in psychological terms, feelings of powerlessness and violation of human integrity and dignity, which are also found in other conditions besides poverty. There is much disagreement around the wide variety of terms used to illustrate these abstractions, and they must also be distinguished from voluntarily adopted material poverty, e.g. for religious reasons. In the 1960s W. G. Runciman described as 'relative deprivation' people's tendency to evaluate their situation by comparison with others and over time. Later research suggested that the greater the degree of social inequality, the greater the symptoms and expressions of physical and social malaise, which suggests connections between social inequalities and poverty. The concepts of human suffering or social problems imply imperatives to action, but policy option choices vary widely according to the perspectives chosen. Some poverties are functional to maintaining the comforts of the non-poor and therefore poverty abolition is not necessarily a universal goal.

Identifiers

The signs by which the existence of poverty is identified are often confused with definitions or measures. Traditionally they included a visibly deprived lifestyle and feelings of exclusion and degradation. Potential identifiers include income loss risk situations and other causes in marketised societies such as having disposable resources below levels needed to avoid poverty. The condition of lack of resources and its consequences may also be indicated by signs including nutritional and health deficiencies, lack of socially-defined necessities and participatory experiences, inadequate housing and other environmental deficiencies.

Identifiers are not identical with social indicators (statistical markers for measuring change) though some identifiers are used as indicators. The UN's Copenhagen Declaration of 1995 described what it saw as poverty, and 'absolute' poverty within it, in terms of identifiers, though it is often called a definition.

Definitions.

Poverty definitions are precise formulations to distinguish it from non-poverty, encapsulating the concept in terms of its explanatory paradigm and its historical and cultural context. They therefore vary as widely as the concepts and incorporate the perspectives of those who express them. Common to most definitions is an idea of lack of resources as the cause or the condition of inability to meet minimum standards. Similar conditions and consequences may derive from other causes, but they are rarely then defined as poverty.

Definitions can be normative (also known as prescriptive or stipulative) or empirical. Normative definitions prescribe adequacy criteria for the population. Empirical definitions derive their criteria from the population surveyed. Not all relative definitions are empirically based: income inequality definitions imply normative standards.

Lifestyle and status. Until the twentieth century, if the non-poor defined poverty at all, it was normatively as the conditions in which much of the urban and rural working population ('the poor') lived, or as poor people's dependency status as paupers. The social problem was expressed as poverty's extreme and visible manifestations: squalid living conditions, disreputable and criminal behaviour, precarious social and economic marginality, and threats to social order from an 'underclass'.

'Absolute' definitions. Attempts in industrial societies to discover income levels for economic efficiency led to normative definitions of poverty as being incomes insufficient to meet what were believed to be absolutely minimal physiological subsistence needs (e.g. Seebohm Rowntree's 'primary poverty' level, designed to reveal income inadequacy). Subsequent demands for social protection policies led to definitions of poverty as incomes for a bare minimum of typical working class expenditures (e.g. the 'Living Wage' or Rowntree's 'Human Needs of Labour' standard). Rowntree's 'secondary poverty' was not defined in income terms: it was a description of people living in identifiably poverty-stricken conditions but with incomes above the 'primary poverty' level.

Relative definitions. Sociologists such as Peter Townsend pointed out that all conceivable definitions of poverty, including those described as absolute, were relative to the current normative standards of a society and could be defined only in terms of contextually relevant resources insufficient to meet empirical evidence of conventional minimum standards of participatory life.

Income inequality. Normative econometric or statistical inequality definitions of poverty as incomes below a percentile on the income distribution scales are also called relative, but this is purely in terms of the statistical criterion, not the minimum adequacy standards. Such definitions imply that poverty exists only as a minority experience; they fail to allow for sociological research findings that under conditions of rapid social change and economic decline a majority of a population can experience poverty according to its own definition. A simple version defines poverty as the condition of those with, for instance, the lowest fifth or tenth of incomes. As such a proportion inevitably exists in any distribution, this 'poverty' cannot be abolished. Another common version defines poverty as the condition of those with incomes below a percentage of mean or median income. Such 'poverty' could be abolished if incomes were made more equal so that no-one fell below the chosen percentile.

Exclusion. Under ideologically driven influences in the 1970s, definitions of poverty were developed which express it as a lack of tangible and intangible resources which excludes people from the minimum acceptable way of life in their society, or from other forms of social participation. The process can be circular, since social exclusion may deprive people of necessary resources. Market exclusion implies lack of money to enter it, but this is valid only for marketed necessities. Not all those in poverty are socially excluded, nor are all those identified as socially excluded to be found among the poor.

Measures and poverty lines.

No one measure can capture all aspects of poverty. The variety of identifiers and definitions generate their related measures, each embodying the values and perspectives of those who construct them. All embody some notion of deficit but the measures in use are rarely explicit about their standards of minimal adequacy. As Veit-Wilson emphasised, every claim of adequacy must be tested against the four questions – adequate for what, for how long, for whom, and from whose perspective – each of which elicits different answers from different, often unvoiced, premises. Similarly, the variety of purposes for which poverty measurements are needed generate diverse instruments, often inappropriate for other uses. What is measurable (for example income inequality) sometimes becomes defined as poverty, without acknowledgement of the limitations of that measure.

Measures may be direct (relating to criteria of minimally adequate levels of living or social relationships) or indirect (using the incomes and other resources needed as proxies for the minimum level of living). They may be based on normative standards or may be derived empirically from the populations surveyed or affected. Measures commonly relate to individuals or households. Since surveys generally study households, measures of individuals in income poverty adjust household data for the size and composition of the household, in terms of the age and sex of its members. Children's income needs are related to those of adults by using equivalence scales.

Poverty lines are those direct or proxy measures which produce an income threshold or cut-off which can be used for quantitative measurement of individual or household incomes. Qualitative measures of the experience of poverty are direct but often neglected because they are difficult to use statistically, though they can be used to identify people in poverty.

Budget or 'shopping basket' measures calculate the total cost of all the purchasable components of any specified standard of living over a given period of time. The total cash cost, adjusted for tax and other relevant deductions, is then used as an income proxy for the minimally adequate or other living standard. The components may be chosen normatively or based on empirical evidence of customary living patterns to reflect the chosen standard directly.

Budget measures were the oldest systematic attempts to construct a poverty measure. Developed in the late nineteenth century, they were first used normatively to calculate the cost of what was assumed to be minimum subsistence, but subsequently augmented versions were widely used to count the numbers living in poverty and to provide rationalisations for minimum wage and social assistance rates. By the end of the twentieth century, budget standards based on empirical evidence of actual patterns of expenditure at various levels, and on consensual agreement on their components, were developed as criteria of income adequacy.

A hybrid variant of the budget method is based on Ernst Engel's observation that as incomes rise the proportion spent on food decreases. The cost of a minimum dietary is calculated and multiplied by the same proportion as food expenditure in the average household's outgoings, on the assumption that this relationship is meaningful. The US 'Orshansky' poverty line, used both for counting and as a guide to income maintenance scales, was based in 1965 on a sparse version of this proxy approach, but was subsequently updated only in step with inflation rather than changes in either the minimum dietary or the average food share of expenditure.

Deprivation indicator measures survey samples of the population to discover what on average they see as the necessities and experiences which no one should be without. Further survey questions establish which households lack the items, whether this is by choice or (if they are marketed) enforced by insufficient income, and their income levels. In this direct approach, a poverty line can then be derived statistically from the point on the income scale where there is a clear correlation between low income and multiple deprivations.

Public opinion or attitudinal measures are indirect. Some surveys of public attitudes since the 1930s have included questions on the minimum incomes respondents believe their households need. The questions themselves, their assumptions and the statistical methods used to process them vary widely and have been refined since they were first used, but questions remain over the accuracy of such subjective estimates, and over the value of international comparisons where the costs of marketed necessities (such as health services or child care) vary greatly between countries.

Statistical measures: three approaches derive so-called poverty measures from national income statistics. They cannot be described as either direct or indirect since they do not relate to any real

standard of living. One measures the proportion of the population with the lowest fifth or tenth of all incomes. Another measures the proportion with incomes below a percentage of the mean or median income. Many international poverty statistics in industrialised countries are now based on the latter approach, where the threshold is typically set at 60 per cent of the equivalised median household income, before or after housing costs are deducted. The third approach, used by the World Bank to estimate the number of people in poverty in some countries, uses measures such as the Gross National Product per head together with other indicators, or an assumed average income of a small number of US dollars a day. Such macro-measures do not reflect the non-marketed aspects of poverty affecting individuals, particularly in countries where needs are satisfied outside the market and through relationships, though they can be supplemented by qualitative studies to illustrate the meaning of poverty from the perspective of those who suffer it.

'Official poverty lines' is a name for measures used by governments. Some, such as governmental minimum income standards, are based on ideas of actual living standards. Others are mere asocial statistical constructs of arbitrary low incomes, or are based simply on the social assistance benefit rates, neither of which may relate to any evidence of minimal income needs.

Purposes for poverty measures.

Different measures suit different purposes, for instance to identify who is poor, to count them, to calculate what is needed, and to establish eligibility for assistance. The measures which best illustrate what customary living patterns are and who fails to achieve them because of poverty are those based on deprivation indicators. Government requirements for guides to realistic income maintenance scales are helped by budget measures for varied standards of living. Rowntree's 'primary poverty' measure was intended to illustrate minimum subsistence and to show that failure to achieve it was caused by inadequate incomes and not profligacy.

Poverty dynamics.

The aetiology of what are perceived as social evils is complex and poverty is commonly an aspect of them, but not all perspectives treat it as the prime issue for action. Social science discourse seeks to identify discrete causes, conditions and consequences of poverty, where in reality the consequence of one deleterious condition may be the cause of others. Surveys show that many more people experience poverty during their lifetimes than are poor at a point in time. In socially-mobile societies, cross-sectional counts underestimate the numbers of those who can speak about poverty from personal experience. Definitions and measures which neglect this perspective on poverty may thus be incomplete as reflections of the lived reality and suffering poverty inflicts.

See also: income inequality; Minimum Income Standards.

Further reading.

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