Much is said and written about ‘poverty’ but, far too often, the word is used in a vague and ill-defined way. To avoid confusion, and to appreciate how the term is being used, or misused, we must begin by attempting to understand what the concept of poverty is really about, writes JOHN VEIT-WILSON

‘Discourse’ is a technical term for a bundle of ideas and how they are expressed, often including implications for action as well. They can be divided roughly into the social ones, which refer to human beings, and non-social ones referring to statistical positions, economic theories or legal status. The social ones include poverty as a form of unequal relationships of resources and flows of income required to meet needs. And what, indeed, are the needs of very disparate types of household and how do they relate to pay rates and hours of employment? My aim here is to outline the key concepts and issues to allow these questions to be understood and answered.

Much has been written and said about ‘poverty’, but the word itself is so vague and the experience so diverse and painful that it’s surprising most people don’t try harder to be precise in ways which fit common logic and meaning. Any fool can claim a word means what they want it to mean, like Humpty Dumpty in Alice in Wonderland, but it demands awareness of agreed usages and meanings if there is to be constructive policy discussion. But there are many ways of talking about poverty or even of constructing different ‘poverties’, and people don’t usually bother to explain which one they are using and why. Paul Spicker has identified 12 different clusters of meanings or definitions (Spicker 2007), while I found seven distinct ‘discourses’ being used by policymakers and academics in my minimum income research in 10 countries (Veit-Wilson 1998, pp. 41-50).
(because they are integrated into their place in society) than the poverty of unemployed people ‘outside society’ and applying for ‘welfare benefits’. This is the traditional distinction between citizens and paupers under the Poor Law (a legal status approach – see Marshall 1965). This approach also evokes ideas of the ‘deserving’ and the ‘undeserving’ poor, or the nineteenth-century distinction between the ‘rough’ and ‘respectable’ working class, and links to the focus on individual behaviours. The other, egalitarian, approach, based on Enlightenment ideas of universal liberty and freedoms, questions the hierarchical approach which presupposes the inevitability of a class of poor people (or even its desirability, as a warning), and locates poverty not in individual behaviour but in society’s structures and the differential resources people have in it.

Discourses do not necessarily supersede each other. They coexist and are drawn upon expediently not only to support whatever case someone is proposing but to invalidate their opponents’ case. All these discourses are still publicly and politically used nowadays, as well as by the media. To escape this confusion we must start by understanding what the concept of poverty is really about: deprived lifestyles (behavioural) or lack of resources (structural)? Obviously, there are connections, but answers often leave it unclear if the lack of resources leads to the deprivations or the reverse: which one is the cause? Let’s start with a World Bank economist’s attempt to define this:

‘Poverty’ can be said to exist in a given society when one or more persons do not attain a level of material well-being deemed to constitute a reasonable minimum by the standards of that society. (Ravallion 1992, p. 4; emphasis added)

That emphasises two central issues — there must be a minimum standard which distinguishes poverty from adequacy, and it has to be a socially agreed standard because, otherwise, it’s just a personal opinion. But there’s still one key aspect missing: the resources needed to achieve the standards. Here are two authoritative explanatory statements which make the connection:

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 are at least widely encouraged or approved, in the societies to which they belong. (Townsend 1979, p. 31; emphasis added)

Similarly, the European Commission states:

People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. (EC 2004, p. 8; emphasis added)

In short, the overwhelming evidence of many centuries shows that deprivations are caused by the lack of power over resources and not by free choice. On the contrary, evidence shows that ‘the rich do not choose the lifestyles associated with the lack of necessities'
Lack of resources

Many of the conditions often described as causes of poverty, such as lack of employable skills or paid employment, broken relationships, wasteful behaviours, even addictions, are experienced right across society (even among members of the Royal Family and billionaires). But clearly they do not cause poverty. That explains the confusion between poverty as a visibly deprived level of living, and as insufficient cash to escape it, which can’t be ‘seen’. In other times and societies other resources may be more important, but not here. It also explains why proponents of the individualistic approach are so keen to focus on behaviour as the ‘cause’ of poverty, to mystify opponents and to divert attention from the structural cause, the maldistribution of resources.

The fact that the minimum adequacy standards are inevitably defined by society means that all poverty is inherently relative and cannot be otherwise. All attempts to identify ‘absolute’ poverty reveal it uses abstract words (nutrition, shelter, clothing) which can only be concretely specified in terms of the customs of the society at the time in which they occur, as Adam Smith pointed out in 1776. What foodstuffs are usually eaten, what housing is seen as adequate for the climate, what clothing is customary and decent, are all aspects of relative poverty. ‘Relative poverty’ is not just a matter of statistical income inequalities, as so commonly and inaccurately described. Statements about ‘absolute’ poverty are usually made about other people’s needs, not one’s own.

Complications arise when social science technical discussions of the nature of poverty and how to measure it become confused with political arguments about the income maintenance and social security systems, who they are for and how much they should pay. These are separate subjects, and are only related by claims that income maintenance system benefits are meant to overcome poverty. Social science requires evidence and testing; by contrast, politics is based on ideology (how power should be used and to what ends) and the power to implement ideology’s recommendations. So let’s look first at the social science methods of finding out what the social minimum standards are, who achieves them, and what it costs in the UK nowadays.

We do not start with the official income inequality statistics. For its ‘headline’ figure, the UK government uses the EU normative social indicator of households and their members at risk of poverty – all those living in households with incomes at or below 60 per cent of the national median equivalised household income (Atkinson et al 2002, chapter 5). That is a good constant indicator for comparing the income distributions of different countries and over time, but it is useless for poverty purposes since it does not report if 60 per cent median is enough, too much or too little household income to achieve national minimum adequacy standards. UK evidence suggests that something nearer 80 per cent median would be needed to reflect adequacy in 2013, although it was less in earlier years (JRF/MIS 2013). Social science, by contrast, currently uses two empirically-derived measures, one based on quantitative research and the other on qualitative. The quantitative social survey method derives from pioneering work by Peter Townsend and his colleagues (Townsend 1979) and is carried on by the Poverty and Social Exclusion team centred on Bristol University. The qualitative consensual method (MIS) was developed at the universities of Loughborough and York (Bradhaw et al 2008).

In the social survey method, population samples are asked which of a long list of items of possession, activity and experience they consider are necessities which everybody should be able to have, which ones they have, and which they lack but would like. When weighted for the degree of assent, the responses report society’s view of the principal components of the minimum adequate level of decent living. They also report who suffers an enforced lack of the items and at what average income levels. Surveys have shown a threshold between higher incomes in which people report one or two enforced deprivations which are unrelated to their income levels, and lower incomes in which there is an increasing correlation between more deprivations and lower incomes (Mack and Lansley 1985, chapter 4).

Qualitative approach

In the qualitative approach, representative groups of different kinds of households discuss intensively what all the component items might be, including discussion with experts in subjects like nutrition, domestic economy and heating, before agreeing on items which everyone should be able to have. When these items are costed in time and place, budgets for different typical household types are constructed, allowing for current housing costs, taxes and benefits.

These methods and others being developed can give scientifically reliable answers to the income thresholds of poverty question, but they cannot answer the political question of what is enough for the minimum wage and benefits systems. That needs decisions on four questions: enough for what, for how long, for whom – and who says so? The last of these (who says?) is absolutely critical to distinguishing politicians’ prescriptions (‘that’s what I say they need’) from that of ordinary people (‘that’s what we need’).

But what level of the income maintenance system should the minimum standard for everybody apply to? We commonly, but mistakenly, assume this must mean the lowest levels of income support, but arguably it should apply to the minimum wage. In principle, someone who works for a full week at minimum wage rates should be rewarded at least by net earnings sufficient to meet society’s minimum adequacy standards (the ‘social contract’). That’s the basic assumption of the Living Wage Movement. But two problems remain: the labour market does not offer full-time work to all who want it, and household needs vary greatly. These
are not matters for the wage system but for wider labour market policies and social security provisions for children and carers.

The income tax threshold is also relevant. In the UK many believe that low wage earners should not pay income tax. But raising tax thresholds leaves millions open to crass accusations that they are not ‘taxpayers’ compared with those above the threshold. In other countries the assumption is that if income taxpaying is a sign of citizenship, then the lowest levels of wages after paying income tax must still be adequate (OECD 1986, p. 62). This clearly needs political argument.

**Social aspects**

Besides political questions of basing social security benefits on contributions or needs, there are essentially two social aspects. One is what long-term adequacy levels would be, taking into account all the items in the socially-defined minimum level of living for everybody. The other is what could be omitted for merely short-term dependence on social security, when items like replacements, repairs and recreation can be postponed. Long term includes pensions for old age, disabilities and caring needs, while short term covers emergencies such as illness and (if labour market policies worked as they should) short spells of unemployment between jobs. When labour markets fail to offer jobs, long-term unemployed workers need higher benefits. The differentials between these tiers of the income maintenance system (Veit-Wilson 1998, p. 37) are also matters for political argument since assertions about marginal incentives are largely based on economic modelling not empirical evidence.

Adequate household cash resources are not the only kind. The low earnings problem is not an individual one: it depends on the interaction between individual skills and competences and labour market demand. In business each extra employee must be profitable in the market; in the public service sector each employee must be (tax) funded. Global markets and technological developments mean education and skills become more valuable personal resources when labour-market demand exists. This exemplifies the structural aspects of poverty: do government structures exist to ensure that the infrastructure and staffing of education and training are in place, that physical and social environments and housing support the household, and that transport operates for all who need it without disadvantaging the lowest paid? Many more resources make a contribution, at individual and collective levels, tangible and intangible. But one of the most important individual resources isn’t just the employable skills but the educated competences to understand and demystify the social, political and economic systems within which labour markets work, education and skills are defined as ‘useful’ or merely recreational, and political decisions on low pay and poverty are taken. Perhaps the question isn’t just about poverty but whether the right skills and education are being developed and rewarded.

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