A key question for social security in its widest sense is the adequacy of its income-maintaining benefits. This study is a joint project by the Netherlands Institute for Social Research and the National Institute for Family Finance Information (Nibud). It had four research aims, to discover what the Dutch population understood by the concept of poverty, to describe what participants considered to be necessities (the contents of the basket of goods and services for a minimal level of living in conventional budget studies), what the basket should cost, and the implications of the total cost for minimum income policies. But the underlying aim was to see how far the detailed normative budgets regularly composed by Nibud for a variety of public and private uses could be validated as corresponding to Dutch public opinion about poverty thresholds. Thus a critical aspect of this project lies in its epistemology, which is only discussed to a limited extent, rather than in its methodology which is described in detail.

The focus group iterative methods used were comparable to those pioneered by the UK research teams at the Universities of York and Loughborough (the Joseph Rowntree Foundation’s Minimum Income Standards studies; see Bradshaw et al 2008). But the Dutch study differed in fundamental respects from the UK approach, chiefly in its epistemological aims. This is so significant for interpreting its relevance for social security theory or policy that clarification is essential lest readers should assume the Dutch and UK findings are comparable.

First, the Dutch study focused on the idea of poverty and a level of living just above the poverty threshold. Three of the four focus groups were composed of non-poor people making judgements for people assumed to be unlike themselves; the fourth group was, however, drawn from people with incomes from or around social assistance levels. But it matters that global and European human social rights emphasise rights to social security and an adequate or decent standard of living for all to meet the requirements of human dignity and participation in society. The wording varies but the sentiments are consistent: human rights apply to everyone, implying that the decency standards by which to judge them are similarly those which apply to all. But if human dignity is taken seriously, has anyone the right to determine what is dignified and decent for others? In Germany, for instance, where there are constitutional and statutory rights to a dignified level of living adequate for social inclusion, it is the government which determines what is sufficient for a dignified level of living for people on low incomes, even though benefit claimants deny that benefit rates allow inclusion, dignity or decency. The government assumes that poor people who do not claim social assistance live dignified and inclusive lives on their low incomes. No one seems to have asked people in that income quintile if they agree, and there is much public disagreement. The German position is muddled, and
interpretation of the Dutch study depends on answering this ‘dignity’ question of social stratification. What is clear is that political concerns about public costs are irrelevant to people’s own conception of human dignity or what is minimally decent for everyone.

To avoid this problem, the JRF/MIS study deliberately avoided the use of the term ‘poverty’, since it is known to prejudice attitudes to adequacy in terms of Dubnoff’s questions, adequate for whom and who says (Dubnoff 1985). Hence the UK study asked focus groups drawn from across society to consider the components of the minimum level of living which everyone should be able to afford for inclusion and dignity. This difference is problematic. The Dutch emphasised the importance of drawing on the ‘consensual’ views of a cross-section of the population to describe what poverty means in the Netherlands and the goods and services needed for a level of living just above poverty. This at least acknowledges that adequacy values are drawn from across society and are relative to convention, and not only from the lowest income strata, but it risks the confusion between adequate for ‘them’ and adequate for ‘us’ which the UK study tried to avoid. This may be unexceptionable to those who believe in the traditional rightness of lifestyle stratification in a hierarchical social class structure, but it is problematic today when even middle class incomes and lifestyles are precarious, and is unacceptable to egalitarian social perspectives. This deep-seated problem deserves more attention by methodologists and statisticians, especially since ‘consensual’ does not inevitably mean egalitarian. While it is right that people in poverty take part in arriving at the consensus (as they did in the Dutch study), their views on what is a poverty threshold level of living and what is minimally decent for everybody might differ.

A further confusion arises from the Dutch reference to definitions as ‘absolute’ because they were expressed in terms of actual goods and services for ‘basic’ needs (referring to Maslow’s much-contested hypothetical hierarchy) and not as levels of living relative to other social strata. While it is correct that levels of living were not expressed in terms of crude statistical inequality (such as 60% of the median), it obscures the fact that the entire exercise is inevitably based on the current relativity of items and lifestyles to Dutch convention, a fact made explicit late in the report in a passing reference to children’s necessities being expressed in terms of what their peers enjoyed. Even the conclusions report that poverty was not seen as ‘having less than’ but ‘not enough for’, where the point of reference (‘for what?’) cannot be anything but relative to convention. Poverty researchers should stop using the meaningless term ‘absolute’ and instead report what their measures, values and norms are relative to, how and why.

The report’s conclusions pose the question of the credibility of the methods and findings to policy makers, the general public and to people on low incomes. This introduces further risks of confusion between (a) the process of sociological discovery (what values and beliefs about poverty are held by a cross-section of Dutch society, irrespective of whether the politicians want to use them) and (b) the viability for social policy of the findings, especially if what policy makers want (precise recommendations even if not reliable ones) may conflict with what researchers offer (reliable findings even if not precise ones).

It was unclear, to me at least, if the Dutch researchers were aware of these various risks of both epistemological and methodological confusion, or if they had dismissed them before writing the report. But leaving them aside, the findings were clearly useful to Nibud in generally confirming its approach and norms. The social assistance levels in the Netherlands were found to be inadequate for single person households with and without dependent children and for couples with three children, for whom even minimum wage rates were inadequate. Benefits for actual housing costs were crucial, a reminder that in many countries policies to overcome poverty require more than adequate personal disposable incomes alone; they need structural modifications to markets for such essential aspects as housing, transportation, health and education. The variability of such structural factors between countries vitiates making valid comparisons based on disposable incomes alone, and especially the real meaning of the income inequality statistics commonly used as proxies for poverty or low income.

In short, this is an interesting example of the use of the iterative focus group method of arriving at empirically reliable estimates of the living standards which a cross section of the population consider to be the current national poverty threshold. Within the parameters of its aims it has been successful, but it has limitations in terms of the comparability of its findings and the transferability of its methods. Readers should note the limitations even though the method itself is
commendable when epistemologically clear, and it ought to be more widely used throughout Europe in place of the indefensible normative proxies currently in use.

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Biographical note:

John Veit-Wilson was educated at the Universities of Cambridge and Stockholm in economics, social anthropology and social policy. After five years in business management, in 1964 he joined the national survey of poverty directed by Professors Abel-Smith and Townsend as a research officer at the University of Essex. He taught social policy for 25 years at Newcastle Polytechnic (now Northumbria University) where he is Emeritus Professor of Social Policy, and has worked at Newcastle University on an honorary basis since 1992, currently as Visiting Professor in Sociology. He has published widely on concepts and measures of poverty and income adequacy, their histories and their uses in research and social policy.