

An introduction to Social Policy

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Poverty



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The idea of poverty

There is no generally agreed definition of poverty. This is because, Piachaud argues, the definition of poverty is a moral question - it refers to hardship which is unacceptable. [1] 'Poverty' may refer to:

- *material conditions* - needing goods and services, multiple deprivation, or a low standard of living;
- *economic position* - low income, limited resources, inequality or low social class; and
- *social position* of the poor, through lack of entitlement, dependency or social exclusion.

The chart points to a range of different meanings: some are close to each other, others far apart.



Poverty has often been described in terms of low income and resources, but this does not capture the huge range of issues which it touches. The World Bank's study, *Voices of the Poor*, identifies several recurring themes. In relation to material conditions, there are precarious livelihoods, problems of physical health and living in excluded locations. The studies put great emphasis on social relationships - relationships of gender, social exclusion and lack of security. And then there are political issues - limited communal organisations and abuse of authority by those in power. [2] These issues cannot be set aside in trying to deal with poverty, and poverty is increasingly being thought of as a multidimensional concept.

External links: [Voices of the Poor \(PDF\)](#) | [Poverty in the UK](#) | [Poverty - an International Glossary \(PDF\)](#)

Poverty in a social context

Conventionally, poverty is represented in two main models.

- *Absolute poverty* is based on subsistence, a minimum standard needed to live. Seebom Rowntree's research identified a 'poverty line' on the basis of minimum needs. [3] The Copenhagen Declaration defines absolute poverty as "a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services." [4]
- *Relative poverty* is based on a comparison of poor people with others in society. Peter Townsend defines poverty as "the absence or inadequacy of those diets, amenities, standards, services and activities which are common or customary in society." [5]

Poverty, like all need, is defined in terms of the society where it takes place: what people can eat, and where they can live, depend on the society they live in. That does not mean that it is based only on a comparison with others in the same society; there are some countries where most people are poor. Beyond that, social and political relationships - like problems of gender or relationships to authority - are an integral part of the experience of poverty. These issues occur in many different societies, in poorer and richer countries alike, but they can only be understood in their social context.

The causes of poverty

The problems of poverty have been explained in many ways. *Pathological* explanations are those which attribute poverty to the characteristics or behaviour of poor people. They include:

- *individualistic explanations*. Poor people are assumed to be inadequate, to have made bad choices, or to have chosen their lifestyle.
- *familial*. Poverty is believed to run in families, with the transmission of inadequate behaviour from one generation to the next. (This proposition has been thoroughly researched; it is not true. [6])
- *sub-cultural views*. The 'culture of poverty' suggests that poor people learn to be different, and 'adapt' to poverty. The evidence here is ambiguous, and much disputed.

Structural explanations explain poverty in terms of the society where it occurs. They include:

- *class-based explanations*. Poverty is the result of some people's marginality in relation to the process of economic production, which limits their life-chances.
- *'agency' views*. Poverty is attributed to the failures of public services.
- *inequality*. Poverty is attributed to inequalities in the structure of society, which lead to denial of opportunity and perpetuation of disadvantage. Examples are the inequalities of income, wealth, [race](#), and [gender](#).

Further material: [Social problems](#) | [Welfare and equality](#)

External link: [Paul Spicker \(this website's author\) talks to the BBC about the transmission of poverty](#)

Measuring poverty

Because there is no agreed definition of poverty, there can be no agreed measure. Even if definitions were agreed, though, poverty would be complex and difficult to quantify. Measures of poverty have to be 'indicators', or signposts. The most commonly used measure is based on income. The World Bank, for example, used to use the arbitrary standard of \$1.25 per day; at this level there are about 1300 million poor people in the world. At \$2 a day, another arbitrary line, the figure approaches 2.5 billion.

Some nations apply 'budget standards', estimating the cost of a minimum basket of goods. The US defines its poverty threshold by identifying the cost of a food basket and estimating from that how much income is necessary. Others use relative measures. The European Union uses a comparative indicator which defines people as being 'at risk of poverty' if their income is below 60% of the median income. (The median comes half-way up the income distribution). This means that there is more poverty where there is more inequality, or 'economic distance'.

Social science surveys have estimated the numbers of poor people in various ways. Some use budget standards; others use a 'subjective' poverty test, to see whether people identify themselves as poor. Others again have developed a 'consensual' method, where an opinion poll is used to identify what people in that society see as essential, and working from there to see who can afford that standard. A survey for the Joseph Rowntree Foundation estimates that on these tests a quarter of Britain's population is poor. [7]

External links: [World Bank](#) | [US Poverty Threshold](#) | [Rowntree survey](#) | [Madden: The Heart of Poverty](#)

Targeting the poor

Providing services to poor people often depends on the idea that it is possible to 'target' resources or services by choosing the people who will receive them. In principle, people should receive benefits and services when they are poor, and they should not receive them when they are not. There are many problems with this in practice.

- Identifying incomes is difficult. Incomes can change rapidly and the process can be inaccurate.
- There are always problems at the boundaries. Having a cut-off at a specified threshold leads to unfairness (because someone just below will then be better off than someone just above), but withdrawing benefits gradually leads to a 'poverty trap' which penalises people for improving their situation.
- The barriers mean that the services generally fail to reach many people the services are intended for.
- The process is administratively difficult and costly.

Because governments lack the capacity to test income effectively, some are using 'proxy' means tests, based on an analysis of national studies of households. Indicators are chosen

which seem most likely to be associated with low income and poverty. These tests are easier and cheaper to run than full tests of income, and the information about whether people have basic assets is likely to be more stable. However, the World Bank has found that "it is hard to add new beneficiaries in the short term and hard to remove them from the program rosters when a crisis has passed." [8] Proxy means tests appear to be better at excluding people who are not poor than they are at identifying and including those who are.[9] The process is very approximate, which defeats the purpose of trying to fit the response to individual needs. It can seem arbitrary - some claimants tend to think it is decided almost as a matter of luck, some pray for success - and, Australian Aid has argued, there are openings for corruption, as people pay bribes to get on the rolls. [10]

The World Bank has also examined 'indicator targeting', trying to reach the poor by focusing on associated factors. It may be done, for example, by concentrating on areas affected by drought or crop failure; subsidies for particular foods can be chosen in order to benefit poor people. However, focusing on geographical areas has not proved effective. Sometimes universal services, like Essential Health Care Packages, are better at getting resources to poor people than selective services are.

Further material: [Targeting](#); [Universality and selectivity](#)

Policies for poverty

Poverty can be responded to in many ways:

- *Poor relief.* Where people are poor, they can be given specific help. This can be done by simply asking people to come for help, which is how a soup kitchen works; it is more usually done by some form of selective provision. Poor relief is not a cure for poverty, but it is important for people to survive.
- *Provision for contingencies.* Most systems of social protection work by protecting people in circumstances where they might otherwise come to be poor - old age, disability, unemployment and so on. This has been more effective than focusing directly on poor relief, but necessarily it can only deal with part of the issues.
- *Indirect responses.* Sometimes policies that are not aimed at reducing poverty directly can help to reduce it, or to mitigate its effects. Examples are improving health, protecting women's rights and reducing corruption.
- *Strategic intervention.* Many people believe that the problems of poverty can be solved by focusing on selected key issues - such as education, child rearing or investing in communities. Poverty is rather too complex, and relates to too many problems, for this to be true.
- *Prevention.* It is often argued that prevention is cheaper than cure. However, prevention depends on knowing what circumstances lead to poverty. Social issues are multi-faceted and intertwined, and in most cases, the confident assertions that people have made about causes - genetic inheritance, dysfunctional families, educational opportunity or benefits systems - have proved to be wrong.

Any well-designed strategy to deal with a multidimensional set of issues depends on a range of policies being implemented together, and Poverty Reduction Strategies generally combine issues of economic and human development with issues of governance. The most effective responses to poverty have probably been

- *economic development*, because it improves the conditions of many people at once;

- *social protection*, because it reduces the circumstances in which people are vulnerable; and
- *political empowerment*, because it helps poor people themselves to choose the issues which will make most difference to their lives. Amartya Sen argues that democratic government is critical to the position of the poor. [11]

External link: [Poverty Reduction Strategy Papers](#)

Eradicating 'extreme' poverty

The United Nations considers extreme poverty to be a breach of human rights. The *Guiding Principles on Extreme Poverty and Human Rights* begin with an understanding of poverty as “a multidimensional phenomenon that encompasses a lack of both income and the basic capabilities to live in dignity”. [12] States have duties, for example

- to protect people in poverty from stigmatisation, and to “prohibit public authorities, whether national or local, from stigmatizing or discriminating against persons living in poverty”
- to enhance the involvement of women in decision-making
- to give poor people rights of redress
- to ensure that persons living in poverty have access to at least the minimum essential food that is nutritionally adequate and safe, basic shelter, housing and sanitation
- to “repeal or reform any laws that criminalize life-sustaining activities in public places, such as sleeping, begging, eating or performing personal hygiene activities” and
- to ensure that all workers are paid a wage sufficient to enable them and their family to have access to an adequate standard of living.

The Millennium Development Goals, 2000-2015, had the aim of halving extreme poverty, measured at \$1.25 a day; at that level, the World Bank estimates that 17% of the world's population are poor. [13] The Sustainable Development Goals for 2015-30 aim at the eradication of extreme poverty. The *Guiding Principles*, however, recognise that poverty is about much more than low income, and many of the issues that need to be addressed apply in richer countries as well as in poorer ones.



External link: [Video - Hans Rosling on progress in dealing with poverty](#)

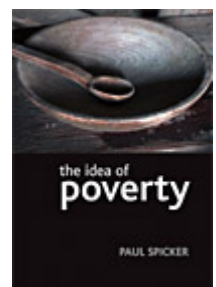
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Further reading

P Spicker, *The idea of poverty*, Policy Press 2007



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