Measuring Poverty
Timothy Whitton

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MEASURING POVERTY
TIM WHITTON

All authors writing about poverty are faced with the intractable problem of defining exactly what they mean by the word “poverty”. This is particularly the case if their opinions are to inform political debate since the definition and measurement of poverty can have major implications for social and economic policy. “Poverty” is by definition a problem about which something has to be done but appropriate legislation depends on quality assessment rather than subjective - albeit well-intentioned - banter.

If poverty is defined in terms of a minimum subsistence income, then it is enough to provide individuals with this fixed sum for poverty to be instantaneously eradicated. The obvious difficulty here is determining the precise basic income needed to keep body and soul together. Firstly, this mini-mum income will inevitably vary according to changing needs and conditions. Secondly, definitions of minimum needs may be more or less arbitrary. Finally, a fixed amount calculated to meet basic needs may be allocated but then be spent in a variety of ways, not necessarily the way the authorities think it “should” be. Some basic needs will be covered while others will not. In this case the state of poverty will be only partially relieved.

The idea of poverty can be refined by introducing the notion of “deprivation”. Deprivation focuses on unmet need caused by a lack of resources of various kinds and on a lack of power within the community. In respect of this, poverty becomes “a political concept-and thus inherently a contested one” (ALCOCK 3).

The poverty experienced by those with an income inadequate to obtain the bare necessities of life is referred to as absolute poverty, whereas deprivation, the fact of living without the resources necessary to live at a standard considered by society as normal, may be referred to as relative poverty. Absolute poverty is a state which threatens physical survival, whereas relative poverty suggests the relative inability of the people who suffer from it to live their lives fully within the community. Thus anti-poverty policies that are solely concerned with defining basic needs and their money equivalents tend to ignore the more far-reaching “inalienable rights” that citizenship gives to all members of society.

In the early days of the welfare state it was believed that all British citizens could be sooner or later protected from “want”. One of Beveridge’s giants seemed to have been fatally wounded if not yet slain. However, despite the increasing prosperity of the late 1950s, when, according to the Prime Minister Harold Macmillan, the British had “never had it so good”, there were disquieting signs that poverty - at least relative poverty - had not disappeared. While many people were enjoying a rising standard of living, those living on the margins of society were becoming relatively worse off. In the 1980s, poverty once again became a hotly contested political issue.

Poverty may be particularly visible, for example when people are seen sleeping in the streets. Onlookers may feel deeply indignant that some people should be reduced to such an existence. But there are less visible forms of poverty which can only be dealt with effectively if they are measured reliably and their causes clearly understood. There is a clear political dimension to measuring poverty, in that the definition of poverty depends to a substantial extent on the sort of community to which the people aspire.

From Rowntree to Beveridge

1 The consumption of tobacco and alcohol are ideal examples. A non-smoker and teetotaller will be less poor than a counterpart who indulges in both. This begs the question of whether minimum incomes should aim to cover this sort of “luxury” consumption.

Seebohm Rowntree is undoubtedly one of the most influential pioneers in the field of research on poverty in the 20th century. Following the example of Charles Booth\(^1\), he undertook to look beyond the more visible forms of poverty when he and his team of researchers conducted a survey of the unemployed in York, first at the end of the 19th century and then again in the 1930s. To compile information Rowntree visited people in their homes and asked detailed questions in an attempt to piece together a scientific definition of poverty. Rowntree determined the absolute minimum necessary to survive and his definition or perception of absolute/primary poverty still stands out as a landmark:

A family living on the scale allowed for must never spend a penny on railway fare or omnibus. They must never go into the country unless they walk. They must never purchase a halfpenny newspaper or spend a penny to buy a ticket for a popular concert. They must never contribute anything to the church or chapel, or give any help to a neighbour which costs them money. They cannot save, nor can they join a sick club or trade union, because they cannot pay the necessary subscriptions. The children must have no pocket money for dolls, marbles or sweets. The father must smoke no tobacco and drink no beer.\(^4\) The mother must never buy any pretty clothes for her self or her children, the character of the family wardrobe as for the family diet being governed by the regulation “nothing must be bought but that which is absolutely necessary for the maintenance of physical health and what is bought must be of the plainest and most economical description” (ROWNTREE 133-4).

Although Rowntree’s research is held in the highest respect he has been criticised for having advocated unacceptably low minimum incomes. These criticisms are, however, unfounded, since:

..the low income standards that he described, the sort of consumption that he referred to and perhaps the dispassionate clarity with which he wrote were only a heuristic device to expose the intolerable conditions of the poor in York, not recommendations about how they should live (WHITTON 22).

Rowntree described the minimum requirements in great detail, quantifying the amount of tea, sugar, meat, butter - to name but a few items - that according to him were necessary in order to guarantee subsistence. But Rowntree set his bare minimum against the sort of consumption that befits normal participation in everyday life, rather like Adam Smith who a century earlier in *The Wealth of Nations* had mentioned the linen shirt as being a basic requirement for a worker so as not to be seen to be in a state of poverty by outsiders. Linen shirts have never lifted people out of poverty but, according to Smith, they were a sure sign that the wearer was not destitute. In the same vein, Rowntree considered that travelling by train or bus, going to concerts and writing to absent children (see above) meant that people neither suffered from primary poverty nor were excluded from aspiring to “normal” consumption above and beyond the minimum.

The substantial empirical evidence that Rowntree’s surveys produced were to prove invaluable in future debates on the aetiology of poverty. Beveridge drew heavily on Rowntree’s work when he was asked to review social insurance in Great Britain. Beveridge’s plan was drawn up during the Second World War when public opinion felt that plans had to be made for a better and fairer society after the war. It was felt that no single category of the


\(^4\) See note 1.
population should be “victimised by the emergency” (VINCENT 114). Wartime was forcing the authorities to play an ever increasing role in people’s everyday lives and the British government was using its emergency powers to organise the war effort. Evacuation, the utility scheme and rationing were all examples of this attempt to look after the citizen and ensure “fair shares for all”.

Sir William Beveridge was a civil servant with a lifetime of experience in studying the practical details of social legislation. His Inter-Departmental Committee on Social Insurance and Allied Services consulted numerous organisations, though not the poor themselves. But the report caught the mood of the time, and was far more than the arid review that many politicians expected it to be. It was firmly rooted in the traditions of the past, but also reflected the faith placed at the time in the power of planning:

As a document, the final report belonged to several eras. There was a seventeenth-century use of language, with the Bunyanesque presentation of Want, Disease, Ignorance, Squalor and Idleness, the ‘five giants on the road of reconstruction’, an eighteenth-century enlightenment optimism that through the free play of reason ‘the total abolition of want’ was attainable once peace was restored, nineteenth-century liberal faith in the free market as the ultimate provider of the means of progress and justice, and finally the confidence of the early twentieth-century bureaucrat in the creative benevolence of the state. (VINCENT 117-8)

To eradicate “want”, Beveridge postulated that a rise in the general standard of living was the key to success. Increasing prosperity would improve the lot of the majority of the worse-off. However, Beveridge was aware that his detailed plans for “cradle to the grave” social insurance had to allow for some residual poverty. To do this Beveridge could have relied on the information provided by Rowntree and other social observers who had attempted to quantify absolute poverty. Instead, he chose other more academic studies to set his minimum rates, paying particular attention to the differential between National Insurance and means-tested rates. The principle of “less eligibility”

5 was applied to ensure that the state would not encourage idleness. This recalled the Victorian distinction between the “deserving” and the “undeserving” poor. Those who fell through the insurance safety net were to be given a smaller allowance than those who had attempted to provide for themselves during better times.

Beveridge’s intentions were certainly laudable and his convictions sincere. Means-testing6 was to be a last resort solution for the residual poor, since he felt that the state had little right to pry into the lives of “deserving” individuals. Once distributed, benefits derived from insurance were to be spent at the discretion of recipients. But by circumventing the need to measure poverty, his “scheme sought to meet the needs of an imaginary individual by means of a fictional device” (VINCENT 123). Rowntree, on the other hand, for all his shortcomings, did attempt to measure the poverty of real individuals, thus offering the authorities the possibility of devising a pragmatic response should they feel that anti-poverty policies were necessary. His sincerity was based on the reality of the unemployed in York, whereas Beveridge’s stemmed from a somewhat opportunistic idealism and an official remit that included a comprehensive inquiry into insurance rather than a study of poverty.

5 According to this Poor Law principle the relief provided by the state should always be less attractive than work, for otherwise the poor might prefer to live “on benefit” rather than get a job.
6 The Household Means Test had been introduced in 1931 and was bitterly resented by the public since it entailed detailed questioning by the authorities into household income. In many cases families were forced into shedding responsibility for elderly parents or offspring to avoid losing out on benefit. Even so, the National Assistance Act voted in 1948 was to provide means-tested benefits for the “poorest of the poor”. The principle of “less eligibility” was still alive and kicking.
In the aftermath of the war, it was felt that the Labour Government elected after a landslide victory would be able to enact the principles enshrined in the Beveridge Report and that the welfare state would be sufficient to stamp out poverty. To all intents and purposes there would no longer be any need to measure poverty because everyone “from the womb to the tomb” would automatically be provided for. Some wartime control continued well beyond the conflict-rationing for example-and reinforced the general feeling that the whole population was still “in it together”, encouraging a form of social cohesion that the war years had, it was generally believed, strengthened immeasurably. In his third study of York, Rowntree came to the conclusion that the welfare state had made considerable inroads into working-class poverty. His findings supported the view that most poverty had disappeared, with the result that the issue was relegated to a far corner of the political agenda.

To some extent, Beveridge’s predictions were coming true since the general rise in prosperity was providing ever-increasing funds for the welfare state. Governments were now financially equipped to cure poverty. Added to this was a situation of more or less full employment that the country had reached and which according to Beveridge was the sine qua non condition for economic and moral success. Not only could employment prevent poverty from occurring in the first place but also the more people contributed to the insurance fund, the more its distributive potential could be exploited. At the same time the lower the rate of unemployment, the greater opportunity people had to aspire to their place within Beveridge’s free society.

But the rise in national wealth due to this period of sustained economic expansion had led to an increase in the National Assistance rates above and beyond inflation. As they rose, an ever increasing number of people joined the ranks of claimants, even some of the unemployed whose insurance payments fell short of means tested benefits. National Assistance was fast becoming an attractive social benefit even for the able bodied and was no longer considered to be a last resort reserved only for the poorest. As it gradually permeated through British society, it added to the overall incremental growth of the welfare state. As new needs were uncovered so new benefits were devised and more hands needed to deal with the ever increasing complexity of welfare administration. The army of civil servants dealing with welfare payments - above all the newly created “social workers” - swelled. Government had never been so closely involved with people’s everyday lives as welfare machinery strove to calculate discretionary benefits that would eradicate “want”. But the state focused its action on relieving poverty rather than establishing easily recognizable and quantifiable levels of deprivation.

To this end means testing, although despised as being an awkward intrusion into the details of people’s income, had the advantage of shedding light on what could be called “official” poverty. Indeed, it was felt by some that assistance should be far more selective so that benefits could be channelled in the direction of the really needy, those who suffered most from absolute poverty. In this respect it would have been a fairly straightforward task for social workers to compile volumes of information concerning the manifestations of poverty encountered during their everyday work. But means testing was haunted by the dire reputation that the inter-war period had bestowed upon it. On the one hand selectivity had forced public assistance workers to delve deep into unemployed people’s incomes. On the other, measuring poverty was stigmatising and this went completely against the grain of the sort of welfare state that the population was hankering after given the success of the Beveridge Report. Those

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8 Beveridge’s contribution to the debate on employment, published two years after his Report was entitled Full Employment in a Free Society, (emphasis added), London: George Allen and Unwin Ltd, November 1944.
in receipt of benefits were labelled as being poor and their poverty separated them off from the rest of the population. Universality had the advantage of being easier to administer if only because of the vastly inferior amount of paper-work involved. It was also far less socially divisive than selectivity because it involved far fewer feelings of stigma and to some extent discrimination.

Growing prosperity and the welfare state had broken Rowntree’s poverty cycle. In 1957, during a party rally in Bedford, Harold Macmillan famously claimed, “Let’s face it, most of our people have never had it so good” [emphasis added]. If it is true that the categories of people most prone to poverty - namely large families at the beginning of their life-cycle and isolated parents in old age - were by now protected by National Assistance, the general expectation that “want” was finally being wiped out was soon disappointed when amidst growing abundance, poverty was rediscovered.

The poorest of the poor: the forgotten Englishmen

Politicians and academics can perhaps be forgiven for having believed that the welfare state had created a poverty-free society. This false sense of security came not only from the remarkable success of the welfare state but also from the increasing prosperity of the 1950s. The growing affluence was clearly visible, and the main social survey of the period had shown a sharp decline in poverty. The welfare state was fulfilling its role and had apparently reduced poverty to a residual level. In the long term it was expected to eliminate even the most intractable “pockets” of poverty. In the words of Coates and Silburn:

To assert that there remained a widespread problem of poverty was to challenge an integrated set of myths and pieties which had become so widely accepted as to be taken, by many people, as axiomatic. (COATES & SILBURN 179)

Nonetheless some intellectuals attempted to dispel the widespread myth that poverty no longer existed. On various occasions Peter Townsend, who was to become arguably the most influential authority on the subject, pointed out the hard-ship endured by some of the more vulnerable groups in British society. He also questioned the idea of establishing a fixed poverty level, since, he argued, needs evolve. While Townsend pointed out the difficulty of defining poverty, Professor Titmuss underlined the weaknesses in the redistributive effects of the welfare state and others criticized the inadequacy of benefits especially for particular groups. But it took studies such as Abel-Smith and Townsend’s The Poor and the Poorest and a few years later Coates and Silburn’s Poverty: the Forgotten Englishman to provide a clear reminder that anti-poverty policies had not ended hardship. Abel-Smith and Townsend used National Assistance rates reported in the Ministry of Labour’s Household Expenditure Surveys to measure the standard of living that the state was “officially” offering. Their study created three thresholds: one below the National Assistance rates, one 20% above these basic rates and the third from 21% to 40% above. They came to the conclusion that around 7.5 million people were living on low incomes, or in other words 14.2% of the total population. The study identified old-age and particularly the presence of children as factors contributing to poverty within families. The major causes of poverty were inadequate National Insurance

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9 See note 6.
11 Considering incomes slightly above the official scale rates has two advantages: on the one hand the “margins of poverty” are taken into account and on the other, net income for recipient beneficiaries is in some cases higher than minimum rates due to other sources of income which for the sake of benefit calculation are disregarded.
12 Child Poverty Action Group (CPAG) was established that year.
rates, low wages and low take-up of available benefits, especially National Assistance. To top it all, Abel-Smith and Townsend found that around 2 million people, or 3.8% of the population, had incomes even below the basic rate, a clear indictment of anti-poverty policies. Abel-Smith and Townsend’s conclusions were all the more convincing since they did not restrict their measurement of poverty to the officially recognized National Assistance scales below which, it must be remembered, people were not supposed to fall. By using the 20% and 20-40% levels above the scales, they managed to show that basic assistance was inadequate even when improved using discretionary benefits. Above all, what was most striking about their study was the sheer size of the population affected by poverty. Coates and Silburn chose to verify Abel-Smith and Townsend’s statistics by homing in on one particular area of Nottingham, where “[...] different types of deprivation mesh one into another, to create for those who must endure them a total social situation shot through and through by one level of want after another” (COATES & SILBURN 50). What Abel-Smith and Townsend had discovered through the study of national statistics was revealed to be even more real when applied to a restricted area in which “real” individuals endured situations of poverty.

Not only did The Poor and the Poorest shatter the myth that poverty had been successfully eradicated but it also turned relative poverty into an issue. Until then, studies on poverty, including Rowntree’s surveys in York, had all identified more or less the same groups as being particularly vulnerable to hardship: the elderly, the sick and families with children. But society had evolved since Rowntree’s heyday and poverty in the United Kingdom could no longer be considered in absolute terms. Townsend and the American economist J.K. Galbraith had already pioneered debate on relative poverty but their success had been limited as a result of the optimistic sense that increasing prosperity was solving the problem.

Relative poverty or the minimum benefit yardstick

Now that the “forgotten Englishman” and the “poor and the poorest” had been rediscovered, the welfare state faced a new challenge. In a BBC1 radio broadcast in October 1969, Professor Titmuss, the then vice chairman of the Supplementary Benefits Commission, declared that “[...] the real and exciting challenge in the social services today, is how selectively to provide for the special needs and special groups within a comprehensive universal structure of benefits and services.” Titmuss continued by declaring that the “minimum or (emphasis added) relative standard of poverty” had been raised because of the greater increase in supplementary benefits compared with average industrial earnings. As mentioned beforehand higher rates of employment generate extra welfare funding but if the officially recognised minimum “standard” of poverty is defined by minimum benefit levels, then how can the degree of relative poverty be dealt with except by resorting to discretionary benefits? This begs the essential question of how to define and measure relative needs. It is just as difficult - if not more - to establish the sort of needs that the “average” (fictitious) individual has within a given community as it is to define minimum standards designed to ensure that individuals are able-bodied enough to hold down paid employment.

Hence relative deprivation which is a far more dynamic way of conceptualising poverty. Whereas poverty relates for better or for worse to a lack of money resources, deprivation embraces a wide range of poverty indicators. An individual who suffers from deprivation cannot enjoy the sort of consumption patterns that his surrounding environment (community) suggests he should be entitled to, not only because he does not have the adequate money resources but also because his position within his community denies him access to them. Individuals are thus deprived when their level of income compromises “normal” involvement in the community. They are not necessarily poor in any absolute sense but their relative poverty engenders deprivation.

13 National Assistance was replaced by Supplementary Benefits in 1966.
Ever since Beveridge, the authorities had made a point of refraining from equating National Assistance and then supplementary benefit levels with “the official poverty line” for a number of reasons. Firstly, to avoid the stigma that such a correlation would inevitably entail. One of the great strengths of the post-war welfare state was its universalism which avoided the labelling of benefit claimants. Benefits for the worst-off were designed to help them during hard times and not bring the further burden of the stigma attached to their particular hardship. Secondly, should assistance be considered as the official poverty threshold then in theory a slight rise in benefits would automatically lift vast numbers of people out of poverty. The opposite is also equally valid but either way, the temptation is strong to periodically tinker with statistics for purely political reasons. To this end, linking official minimum incomes to a definition of poverty is particularly dangerous because as statistics become more readily available, then it becomes easier for political opponents to underline the weaknesses in social policies designed to combat poverty. Claims that certain percentages of the population are living in poverty can only be verified if an official absolute poverty line is adopted. What is more, if the number of people relying solely on the minimum poverty line benefits increases, then the Government is increasingly seen as directly responsible for their standards of living. It is hardly surprising that according to public opinion the responsibility for defining poverty lies squarely in the hands of the authorities. Thus measuring poverty inevitably becomes saturated with political connotations and discussions on poverty follow political lines rather than social considerations. The growing reliance on benefits in the 1980s offered the Conservatives an easy target in their attack on the welfare state; it is perhaps useful to add that one of the most prominent features of that period was the considerable rise in the number of people whose *only* income was derived from benefits.

In an attempt to come to terms with relative deprivation, Townsend’s 1216-page study of poverty published in 1979 provided a mass of detailed information on the lifestyles of the poorest. The first line of the introduction clearly stated the overall approach to poverty: “Poverty can be defined objectively and applied consistently *only in terms of the concept of relative deprivation*”[emphasis added]. Townsend applied to his vast survey samples the indicators of deprivation - namely social, housing, environmental, work and material - that he had adopted a decade earlier in a previous study. His idea was to establish the patterns of expenditure required to satisfy basic income needs as dictated by prevailing circumstances. Townsend came to the conclusion that the poor became aware of their poverty at a cut-off point somewhere around supplementary benefit rates +40% since at this level of income they realised that they were excluded from prevailing standards of consumption. Thus Townsend established a deprivation standard by which it was possible to measure (relative) poverty in the United Kingdom. His figures were breathtaking: “And by the deprivation standard, 22.9 per cent of the sample in households and 25.9 per cent in income units were found to be living in poverty (representing 12,500,000 and 14,000,000 people respectively)” (TOWNSEND 895) The sheer size and apparent thoroughness of Townsend’s work lend considerable weight

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14 The low take-up of Family Income Supplement (FIS) is one good example of how the poor resist stigmatising selectivity even if this means forfeiting their “right” to extra resources. For further information on FIS see WHITTON Timothy, “Income Supplementing and the Poverty Trap”, in Patrick BARBER & Timothy WHITTON (eds.), The Dynamics of Time at Work: an Anglo-French Perspective, London: the Management Centre, 1995, p.114-123.

15 This is precisely what happened in 1966 when National Assistance rates were replaced by Supplementary Benefit rates. The latter were slightly higher than the former and thus affected a larger proportion of the population. The change in name was synonymous of a rise in poverty which did not correspond at all to reality.

16 It must be remembered even so that the field work for Townsend’s study was carried out at the end of the 1960s and beginning of the 1970s. When it was published in 1979 although many of the concepts were still valid, the statistical information was out of date.

to the strength of his conclusions. Yet in an article in 1981, David Piachaud, another leading authority on the subject of poverty, questioned the validity of Townsend’s conception and measurement of relative deprivation. Central to his criticism was Townsend’s deprivation index:

**Table 1: Townsend’s deprivation index**

<table>
<thead>
<tr>
<th>characteristic</th>
<th>% of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Has not had a week’s holiday away from home in last 12 months</td>
<td>53.6</td>
</tr>
<tr>
<td>2. (Adults only). Has not had a relative or friend to the home for a meal or snack in the last 4 weeks</td>
<td>33.4</td>
</tr>
<tr>
<td>3. (Adults only). Has not been out in the last 4 weeks to a relative or friend for a meal or snack</td>
<td>45.1</td>
</tr>
<tr>
<td>4. (Children under 15 only). Has not had a friend to play or to tea in the last four weeks</td>
<td>36.3</td>
</tr>
<tr>
<td>5. (Children only). Did not have party on last birthday</td>
<td>56.6</td>
</tr>
<tr>
<td>6. Has not had an afternoon or evening out for entertainment in the last two weeks</td>
<td>47.0</td>
</tr>
<tr>
<td>7. Does not have fresh meat (including meals out) as many as four days a week</td>
<td>19.3</td>
</tr>
<tr>
<td>8. Has gone through one or more days in the past fortnight without a cooked meal</td>
<td>7.0</td>
</tr>
<tr>
<td>9. Has not had a cooked breakfast most days of the week</td>
<td>67.3</td>
</tr>
<tr>
<td>10. Household does not have a refrigerator</td>
<td>45.1</td>
</tr>
<tr>
<td>11. Household does not usually have a Sunday joint (3 in 4 times)</td>
<td>25.9</td>
</tr>
<tr>
<td>12. Household does not have sole use of four amenities indoors (flush WC: sink or washbasin and coldwater tap: fixed bath or shower: and gas or electric cooker)</td>
<td>21.4</td>
</tr>
</tbody>
</table>


Piachaud conceded that Townsend’s research was outstanding since, as a non-economist, he pioneered attempts to extend “the concept of income to embrace a wider range of resources, public as well as private[...]” so as to measure poverty in terms of the inequality of wealth and income. But it was the calculation of the deprivation threshold that Piachaud found particularly contentious, in other words the way in which Townsend determined a point below which there was a noticeable acceleration in the harmful effects of relative poverty. Piachaud argued that the deprivation index includes references to lifestyle rather than poverty: some well-off people might choose not to eat roast meat on Sundays or not have a cooked breakfast and these habits are very prone to changes in eating fashions. On the other hand, not having access to basic commodities such as a sink, wash-basin etc., (point 12 on the deprivation index) are far more valid indicators of poverty since they are considered to be basic amenities that do not change fundamentally according to fashion or taste. These criticisms were echoed
a month later when Baroness Barbara Wootton in a letter to *New Society* pointed out the extent to which the deprivation index could indeed vary according to fashion.\(^{18}\)

Another disagreement centred on the deprivation threshold itself. Piachaud stated that “[t]he poor in Britain are worse off than others; but for the most part, they are members of society, not outcasts”. He felt that Townsend’s cut off point separated the poor from the rest of society as if they were a different category of people with different needs and different expectations. Added to this was the fact that since Townsend stated from the very outset of his work that poverty was a relative concept, any sort of threshold between the poor and the non-poor should be *de facto* excluded.

Piachaud concluded rather harshly that although Townsend contributed extensively to the debate on poverty his conclusions were specious, that he confused choice and opportunity and that by attempting to provide an objective definition of deprivation he encouraged uniformity at the expense of “choice and freedom”. Townsend replied a week later, rejecting Piachaud’s main criticisms:

> On the basis of the national evidence, I would reject the view that poverty “no longer (my [Townsend’s] italics) conforms to a picture of Dickensian destitution, with the pauper in a pitiable state”, and, elsewhere in his article, that the poor are “not out-casts”. This is fundamentally to misperceive the relativity of the condition of poor people. They are living in the society of the 1980s rather than that of 1840-70: and in this context the conditions of some at least are as bad, or worse, than those which Dickens observed more than 100 years ago.\(^{19}\)

Piachaud believed that measuring poverty in *absolute terms* - as if the sort of conditions prevalent during Townsend’s survey could be compared with those of the 19th century - was fundamentally flawed. Townsend believed that in relative terms contemporary poverty could be compared with 19th century poverty.

In another letter to *New Society*, John Veit Wilson, then Head of the School of Applied Social Sciences at Newcastle-upon-Tyne Polytechnic, tried to sort out the semantic confusion that had arisen. He was anxious that the same words for the same concepts should be used so that “the important discussion of how and why people are deprived (lacking money or power), and what should be done about it and by whom” would be easier and clearer. Veit Wilson summed up the main concepts thus:

> The *condition* of DEPRIVATION means unmet need. Unmet need is caused by lack of resources of all kinds (tangible, intangible, inter-personal, intrapersonal). The *condition* of POVERTY means lack of money resources. The lack of resources, including money resources, is caused by the *condition* of POWERLESSNESS in the social, economic or political systems.\(^{20}\)

Veit Wilson’s use of the word “powerlessness” is not just his way of stealing the semantic limelight. In many respects powerlessness is another way of expressing relative deprivation since those who are poor lack the power to enjoy normal involvement in the community. But powerlessness takes this participation a step further than Townsend’s deprivation index which concentrated on the consumption of material goods. Wilson includes material goods but extends the expectation of “normal” consumption patterns to cover non material items, involvement in the political system being one of them.

\(^{18}\) Perhaps this is the result of the outdated fieldwork.


It is important within this somewhat confused context to remember that whatever method is used to measure poverty, whichever definition is retained as being the most adequate, academic quibbling was not reducing the effects of poverty in Great Britain. While the experts crossed swords on concepts the political change that occurred in 1979 with the electoral victory of the Conservatives was to usher in a new period during which poverty was to be affected by the same market values as virtually every other walk of British life. In this respect and with hindsight, the words of David Vincent ring even truer:

> Academics and political writers attacked each other and the Government in articles and books, whilst their subject matter looked on in silence. The more they criticised Beveridge, the more they endorsed the assumption that permeated his scheme, that those threatened with destitution were to be passive recipients of the goodwill of the state. (VINCENT 513)

When the newly elected Prime Minister boldly stated that “there is no such thing as society. There are individual men and women, and there are families” the poor were evidently in for a hard time.

### The “right” way of measuring poverty

During their five years spent sitting on the benches of Her Majesty’s Opposition, the Conservatives had had ample time to witness the failings of excessive state intervention. In this respect, the welfare state was considered not only cumbersome, inefficient and expensive but also the source of social evils that the New Right was intent on extinguishing: dependence on the state, the stifling of individual initiative and a lack of responsibility. Tighter monetary policies since 1976 had forced the Left into realising that generous universal welfare had to be revised but it was faced with the contradiction of dealing compassionately with the poor while restraining the scope of welfare benefits. Their political opponents saw in this a way to render means testing more legitimate while asserting that “a successful competitive economy is the engine of a compassionate society”.

The answer lay in targeting poverty more effectively but the generosity of the state in measuring need was to be dependent on the market. Whereas the Left was prepared to accept that the state still had a considerable part to play in the eradication of poverty, the Right, once elected, began shifting the responsibility for poverty on to the poor themselves, just one small step from unloading the financial burden of anti-poverty policies on to them too.

In many ways measuring poverty during the Thatcher years became a redundant option given that the tendency for the Conservatives was to pay lip service to the “culture of poverty” thesis developed among others by Oscar Lewis and expounded on at great length by prominent members of the Party such as Sir Keith Joseph. Sir Keith simplified the definition of poverty thus: “An absolute standard [of poverty] means one defined by reference to the actual needs of the poor and not by reference to the expenditure of those who are not poor. A family is poor if it cannot afford to eat” (JOSEPH & SUMPTION 27). The two were perfectly complementary since according to the culture of poverty thesis the poor had the choice of accepting their poverty or not. Should they choose to do so then state benefits were adequate to meet essential needs, adequate nourishment for example. In short, poverty did not exist and there was no need to measure it.

Prevailing economic conditions were soon to show otherwise. When the Conservatives came to power in 1979, 3 million people were drawing supplementary benefit. Four years later a further million had joined the ranks of the unemployed and a government devoted to

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the laws of the market was forced into accepting a rising social security budget.\textsuperscript{22} This was rather a setback for a government intent on reducing public expenditure and the proof that policies designed to break the culture of dependency had in fact had the opposite effect: more and more people were being driven out of employment and on to benefits or in some cases into badly paid jobs that required state intervention in order to supplement low pay.

The Conservatives’ belief that the laws of the market would reduce the dependence of the poor on the state fell wide of the mark. Rather than “trickling down” to the remotest corners of poverty, wealth tended to remain in the hands of those who were better off. Thus rather than being dictated by economic circumstances, the poverty line continued to be linked - albeit rather crudely - to the levels set annually by the Supplementary Benefits Commission and its successor from November 1980, the Social Security Advisory Committee. Even attempts to stigmatise the poor further had failed to reduce their number, and although public opinion lent a sympathetic ear to action designed to identify a whole range of so-called “welfare scroungers”, expenditure on social security increased inexorably. Faced with this embarrassing reality, a major reform of social security was undertaken in 1984-85 which gave birth to the Fowler Report and the subsequent 1986 Social Security Act.

Norman Fowler’s Green Paper (1985) \textit{The Reform of Social Security}, starts thus: “To be blunt, the British social security system has lost its way”. Indeed, in January 1984, Fowler had been informed by a Policy Studies Institute paper that: “The mass of old supplementary benefit guidance had now been turned into 16,000 paragraphs of enforceable and appealable rules” (TIMMINS 398). This prompted him into advocating a simplified benefit system for at the time even the most knowledgeable officials were frequently overwhelmed by the red tape involved in distributing welfare. The Conservatives were quite aware of the alarming proportions that poverty had reached and realised that simply tampering with the figures would not produce the required results. Fowler’s answer therefore was to suggest that poverty could be reduced by a better and more efficient use of available resources.\textsuperscript{23} His rhetoric pleased the Chancellor of the Exchequer, Nigel Lawson, who was keen to reduce expenditure on social security; it also pleased the Party’s hardliners who believed that tough measures were needed to weed out the undeserving poor. Fowler recommended that social security be whittled down to the bare minimum and that “needs” testing should be used more extensively so that help could be channelled more efficiently towards those suffering from “real” hardship.

As regards actually measuring poverty, the Fowler Report reiterated the Conservatives’ official position that “there is no such thing as an official poverty line”. To this end, the supplementary benefit yardstick was considered to be unreliable and subject to interpretative disadvantages:

For example, basing a poverty standard on the level of supplementary benefit means that, if the supplementary benefit scale rates are improved relative to other forms of income, the numbers living in or on the margins of poverty will apparently increase. This is a purely statistical result. Moreover, an increase in the extent of poverty may be shown even if the real incomes of all families in the population are rising. It has already been seen that over the period since 1948, the scale rates have risen significantly relative to average net earnings. Also, any estimate of the numbers living in poverty based on a supplementary benefit standard is very sensitive to the precise way in which it is calculated. Significantly different results would be shown depending for example,

\textsuperscript{22} During the first Thatcher government for the first time since the war, more unemployed families than pensioners were receiving means-tested relief.

\textsuperscript{23} This included the introduction of sophisticated software that DHSS officials were unable to use leading, in the case of housing benefit supplement to huge delays and an overall more bitter climate in the welfare offices.
on whether annual or weekly income is used, or expenditure is used rather than income.\textsuperscript{24}

Technically speaking Fowler’s arguments were sound and consistent with the reluctance of governments, both Conservative and Labour, to accept that benefit levels could be considered to reflect a poverty line endorsed by the authorities. Nevertheless this sober and pragmatic conception of the poverty line was to be dismissed a few years later by the new DHSS Minister John Moore. On May 11 1989 during a meeting at the Greater London Area Conservative Political Centre, St Stephen’s Club, Moore’s cynicism reached unprecedented heights. In a speech entitled “The End of the Line for Poverty” he poured scorn on Townsend’s so-called “rediscovery” of poverty thirty years earlier, adding that income support could not be used as an official poverty line since a rise in levels would quite simply shift the goalposts. As far as relative poverty is concerned, Moore was even more virulent:

\textit{Claims that one-third of the population was now living in poverty or on its margins were ‘bizarre’. When among the poorest fifth of families 70 per cent had a colour television, 85 per cent had a washing machine and nearly 50 per cent had a car, it was ‘utterly absurd to speak as if one in three people in Britain today is in dire need’. (TIMMIN 450)}

But where Moore overstepped his mark was when he alone in a much quoted tirade, deftly summed up the legacy of the Thatcher years on poverty:

\textit{What the new definition of relative poverty amounts to in the end is simply inequality. It means that however rich a society gets it will drag the incubus of relative poverty with it up the income scale. The poverty lobby would, on their definition, find poverty in paradise.}

\textit{In one fell swoop Moore had said it all: the rioting, people sleeping rough in the streets, the rise in the number of lone parents, the installation of protective barriers between “clients” and officials in benefit offices, the rise in crime, repossessions.... poverty was not to blame but inequality. The Conservatives believed that poverty was a legitimate side-effect of the fundamental right to be unequal.}

\textit{The official Households Below Average Income Statistics\textsuperscript{25} published by the Department of Social Security paint a very vivid picture of the extent of inequality during the decade:}

\textit{For the population as a whole, average net income rose by around 35% in real terms from 1979 to 1990/91. Real income rose for each decile group of the population in the lower half of the income distribution except the lowest and second lowest. The share of total income fell for all the lower income groups between 1979 and 1990/91. The lowest 10% of the population accounted for 4.2% before housing costs (BHC) of total income in 1979 and 2.9% BHC of total income in 1990/91. After housing costs (AHC) the fall was from 4% of total income in 1979 to 2.1% in 1990/91. There were more people in unemployed families in the bottom 10% in 1990/91. The proportion increased - from around 15% of the bottom 10% in 1979 to around 28% in 1990/91 - in line with the increase in unemployment in the whole population. In 1979, 59% of the population had income below 1979 average income. In 1990/91 about 42% of the population were below this same income level (i.e. the 1979 average increased in line with inflation).}
The proportion of the population below half 1979 average income in 1979 was 8% BHC/9% AHC; the proportion below half 1990/91 average income in 1990/91 was 21% BHC/24% AHC.26

The Thatcher years were marked by a sharp increase in inequality and it is in this framework that the extension of poverty during the decade can be observed. Some radical critics have even suggested that governments - and Margaret Thatcher’s would be no exception in this respect - deliberately use poverty to ensure a compliant work force.

Conclusion

It is useful to suggest that the history of measuring poverty between 1942 and 1990 follows three phases. For twenty years after Beveridge there was no point in measuring poverty since it had been taken care of by the thriving welfare state. The next phase, during which poverty was “rediscovered” in the midst of plenty, witnessed genuine attempts to assess and quantify relative deprivation. Poverty was considered in terms of a new set of dynamics. The last phase, during the Thatcher years, is for some critics the most shameful: there was ample proof that poverty was widespread and that the most vulnerable categories were being marginalized even further by the government’s pursuit of market orientated policies. Whether the Thatcher Governments were right or wrong is a subject of political debate. One thing is certain however: social policies during the 1980s tended to expose and exacerbate the ugliest possible aspects of very basic “want”. In this way public opinion was made uncompromisingly aware of the nature and incidence of poverty, the indubitable signs of an unequal nation.

In their withering attack on the capitalist state, Tonay Novak and Chris Jones concluded by expressing the distress they feel after having talked at length about so much poverty:

If this book has done one thing, we hope that it has exposed [...] inhumanity and hypocrisy, and if it leads to one thing we hope it leads to a greater rage against a system that debases people for private profit. Too many seem to have lost their sense of anger at what is happening in our midst. Yet without anger the possibilities of fundamental social and political change will always be elusive. (NOVAK & JONES 202)

However important it may be to feel anger at the development of poverty, effective action is only possible if it can call on reliable and accurate statistics as the basis for informed policy-making. Measuring poverty is therefore an intensely political affair, based on fundamental decisions about the kind of society the public wants.

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