



# Relative Deprivation Theory

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# Structural Causes of Poverty

Most poverty has a structural cause, rather than being the result of an individual's 'bad' behaviour or choices.

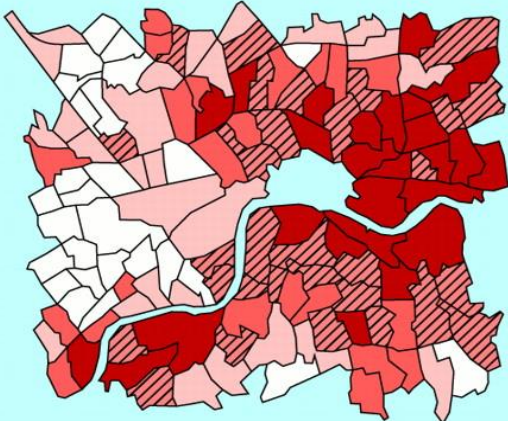
Since the pioneering studies of poverty in 19<sup>th</sup> Century (such as Charles Booth's in London), six groups have been identified as being especially vulnerable to poverty -

- the elderly;
- the unemployed;
- sick and disabled people;
- the low waged;
- large families, and
- lone parents

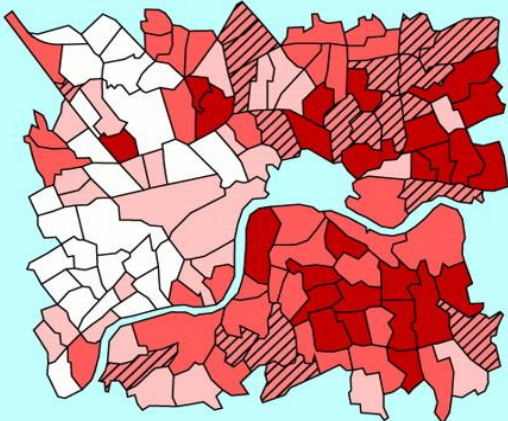
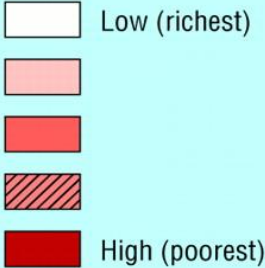
In many developing countries two additional groups are also at risk of poverty:

- Landless and small (subsistence) farmers, and
- fishermen and women

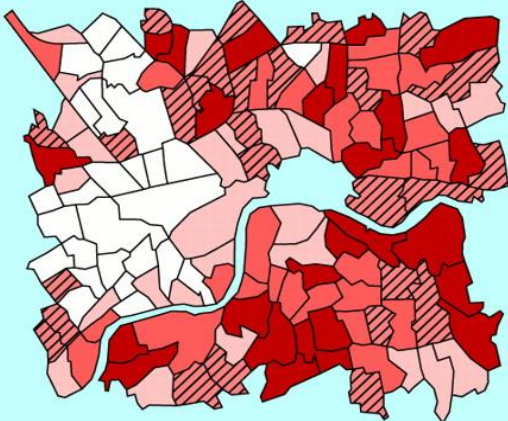
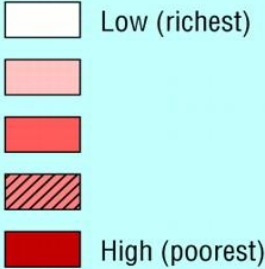
# The Ghost of Christmas Past – the persistence of area poverty



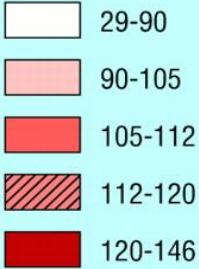
**Poverty index (Booth, 1896)**



**Poverty index (1991 census)**



**Standardised mortality ratio for deaths from all causes**





Web Site <http://www.poverty.ac.uk>

# Peter Townsend and the Paradigm Shift in Poverty Measurement



One of the many seminal contributions Peter Townsend made to science was a paradigm shift in poverty measurement methodology in the 1968/69 Poverty in the United Kingdom Survey.

# The Most Famous Paragraph Written About Poverty by an Academic?

## Peter Townsend's concept of relative deprivation

Townsend argues that poverty can only be measured:

*“objectively and applied consistently only in terms of the concept of relative deprivation..... The term is understood objectively rather than subjectively. 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 at least widely encouraged or approved, in the society to which they belong” (1979, p 31)*

# Universal Needs and Relative Deprivation Measurement of Poverty

The key ideas

Poverty is a sociological phenomena which can only be meaningfully measured relative to the society to which a person/household belongs.

There are certain universal needs that people require/ think of as necessities in ALL societies e.g. food, clothing, shelter/housing, health care/medicine, children's education, leisure activities, social activities/obligations/participation such as present giving and marking major life events such as births, deaths, weddings, etc.

The exact way these universal needs are met varies from society to society but the needs remain universal

# Townsend's Scientific Definitions of Poverty

Poverty can be defined as;

*Command over insufficient resources over time*

The result of poverty is *deprivation*



# Indirect Vs Direct Definitions of 'Poverty

<b>Process</b>	<b>Lack of Resources</b>	<b>Exclusion for Minimum Way of Life</b>
Townsend (1954, 1962) Interpretation	Poverty	Outcome of Poverty
Ringen (1988) Interpretation	Cause of Poverty	Poverty

## Absolute Vs Relative: Sen Vs Townsend

Sen (1983) argued that;

*“There is ... an irreducible absolutist core in the idea of poverty. If there is starvation and hunger then, no matter what the relative picture looks like - there clearly is poverty.”*

Examples of this absolutist core are the need

*‘to meet nutritional requirements, to escape avoidable disease, to be sheltered, to be clothed, to be able to travel, to be educated ... to live without shame.’*

Townsend (1985) responded that this absolutist core is itself relative to society. Nutritional requirements are dependent on the work roles of people at different points of history and in different cultures. Avoidable disease is dependent upon the level of medical technology. The idea of shelter is relative not just to climate but also to what society uses shelter for. Shelter includes notions of privacy, space to cook, work and play and highly-cultured notions of warmth, humidity and segregation of particular members of the family as well as different functions of sleep, cooking, washing and excretion

## Sen Vs Townsend Part II

Sen (1985) responded that:

*“the characteristic feature of absoluteness is neither constancy over time nor invariance between societies nor concentration on food and nutrition. It is an approach to judging a person's deprivation in absolute terms (in the case of a poverty study, in terms of certain specified minimum absolute levels), rather than in purely relative terms vis à vis the levels enjoyed by others in society. But on the space of the capabilities themselves – the direct constituent of the standard of living – escape from poverty has an absolute requirement, to wit, avoidance of this type of shame. Not so much having equal shame as others, but just not being ashamed, absolutely.*

*If we view the problem of conceptualising poverty in this light, then there is no conflict between the irreducible absolutist element in the notion of poverty (related to capabilities and the standard of living) and the “thoroughgoing relativity” to which Peter Townsend refers, if the latter is interpreted as applying to commodities and resources.”*

## **Capability and Poverty: The non-sociological problem**

Sen's semantic argument is that poverty is absolute in terms of capabilities but relative in terms of commodities, resources and incomes.

A fundamental problem with this argument is that it is non-sociological, it assumes that a person's capabilities and functionings (i.e. what they can do) can be determined and interpreted independently of the society in which they live.

It is hard to understand what Sen means when he argues that, in order to not be poor, there is an absolute requirement to have the capability not to be ashamed, that to be equally ashamed as the rest of the people in your society would be insufficient to avoid poverty.

This argument by Sen appears to have no real meaning! People feel ashamed because they are unable to meet their social obligations or perceive themselves to have broken the rules of their culture/society i.e. the concept of shame has no meaning independent of a person's relationships and interactions with others.

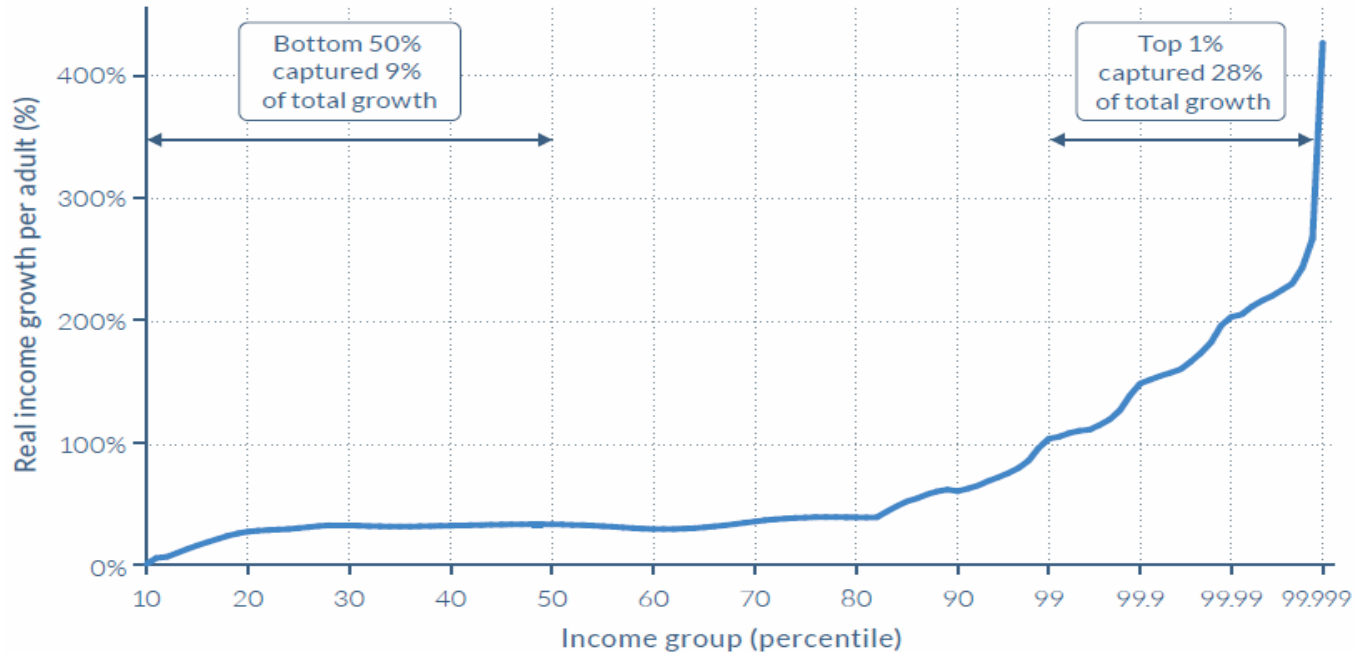
# Poverty and Riches

- Cannot explain poverty in isolation of the distribution of all resources in society.
- There can be no understanding of poverty in a society without studying the rich.
- Townsend continually emphasised that poverty was fundamentally 'a problem of riches' and argued for profound changes in the structures of power and privilege:

*"The institutions which create or disadvantage the poor at the same time as they create or advantage the rich are institutions which have to be reconstructed" (1988:59).*

# World Inequality Report 2018

Total income growth by percentile in US-Canada and Western Europe, 1980–2016



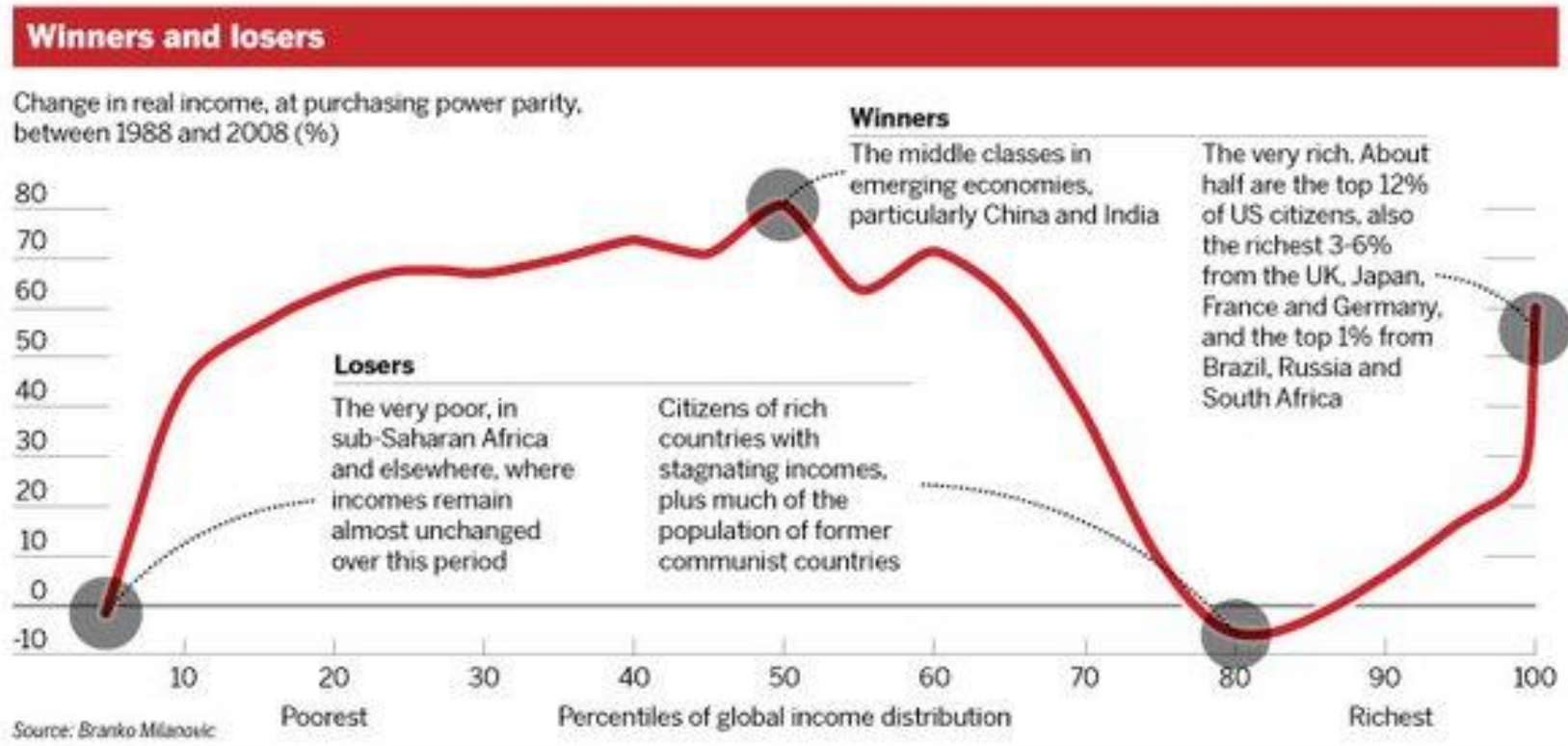
The richest 1% continue to own more wealth than the whole of the rest of humanity

Credit Suisse. (2017). *Global Wealth Databook 2017*

The wealth of the world's billionaires increased by \$900bn in the last year alone, or \$2.5bn a day. Meanwhile the wealth of the poorest half of humanity, 3.8 billion people, fell by 11%

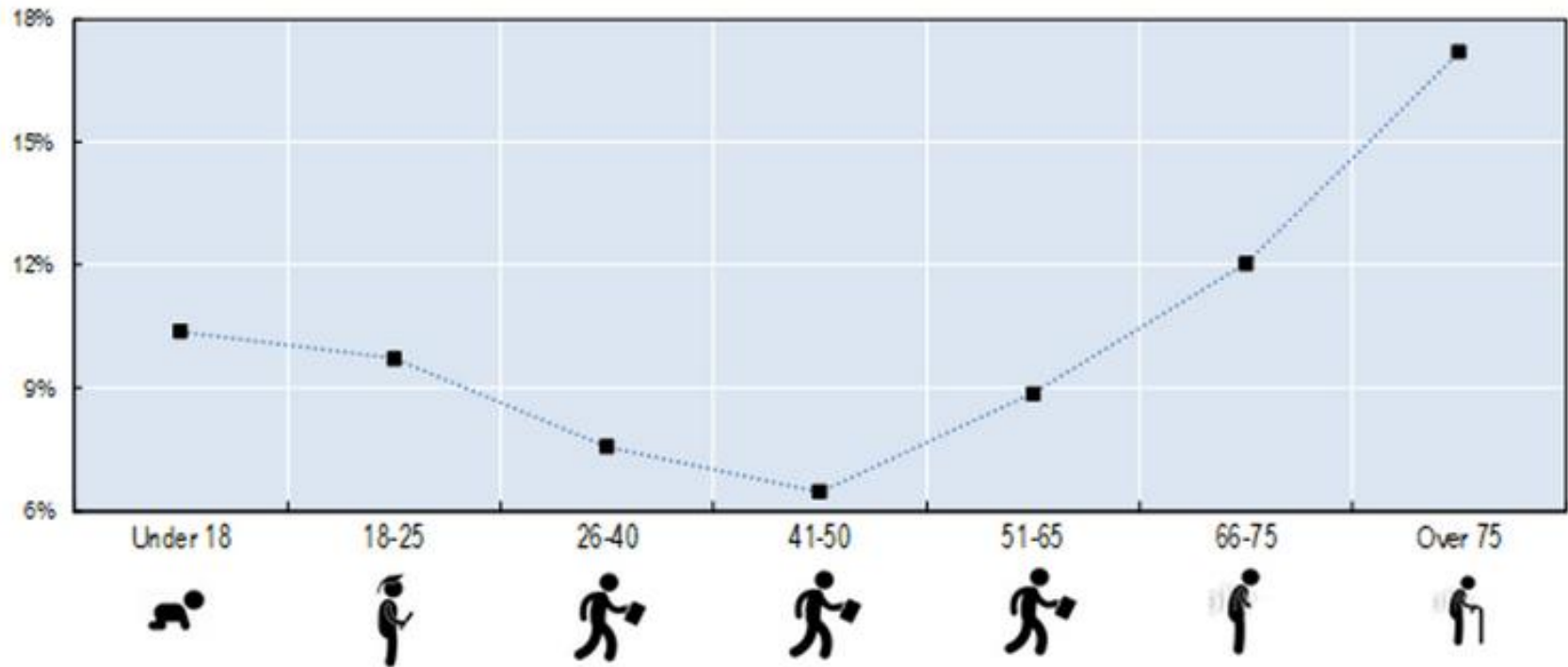
Lawson et al (2019) *Reward Work Not Wealth*. London: Oxfam

# Changes in Global Real Incomes: 1988 to 2008



Source: Milanovic, B. (2016) *Global Inequality: A New Approach for the Age of Globalization*. Cambridge, Harvard University Press.

## Income Poverty Rates by Age Group in OECD Countries in the mid-1980s



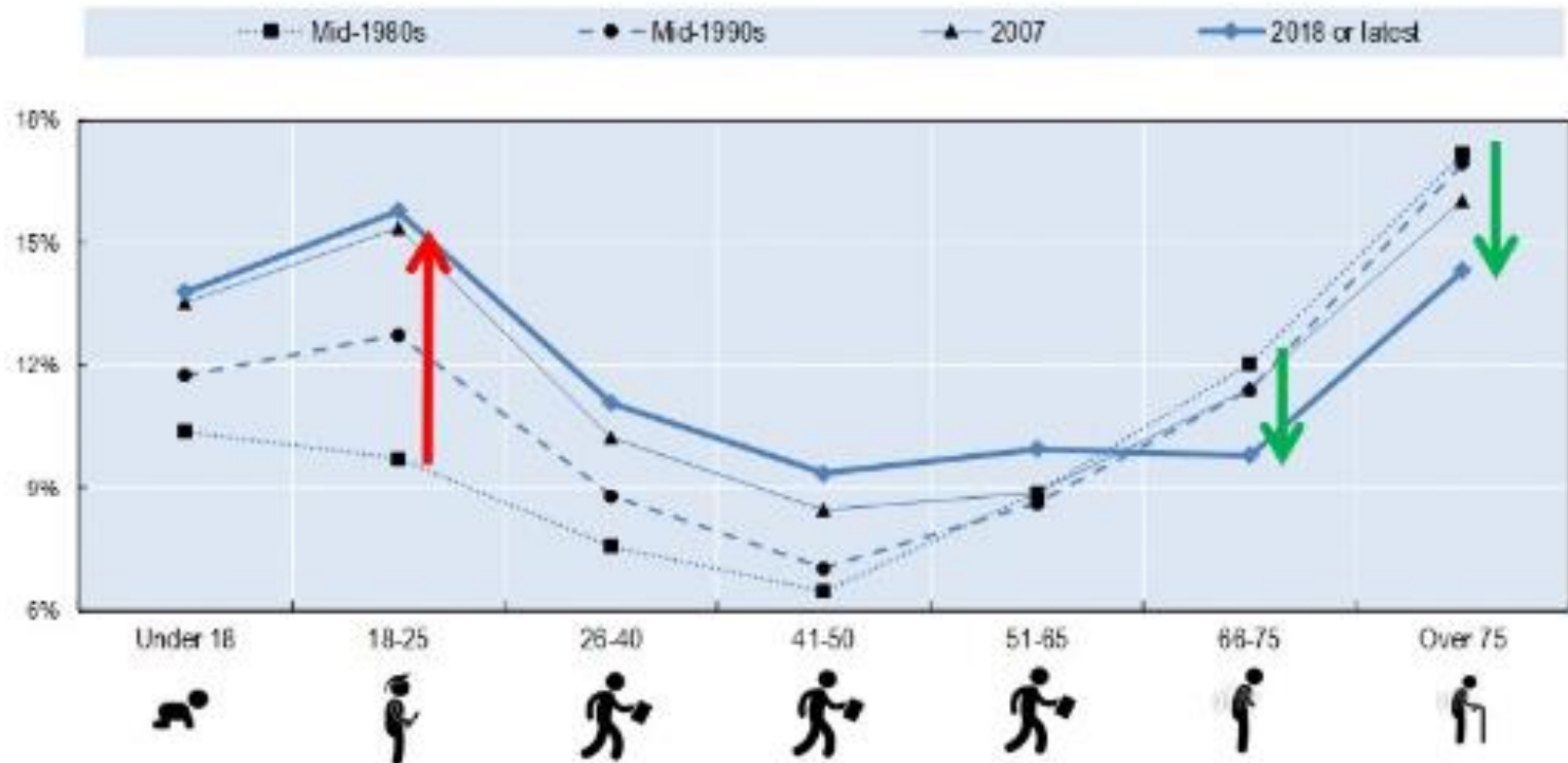
In the mid-1980s, older people were on average more likely to be poor than children or people of working age.

OECD poverty = less than half the median national household income.

<https://www.oecd-forum.org/posts/the-poverty-risk-has-shifted-from-the-elderly-to-young-people>



# Changes in Income Poverty Rates by Age Group in OECD Countries 1980s to 2018



Source: OECD Income Distribution Database (<http://oe.cd/idd>).

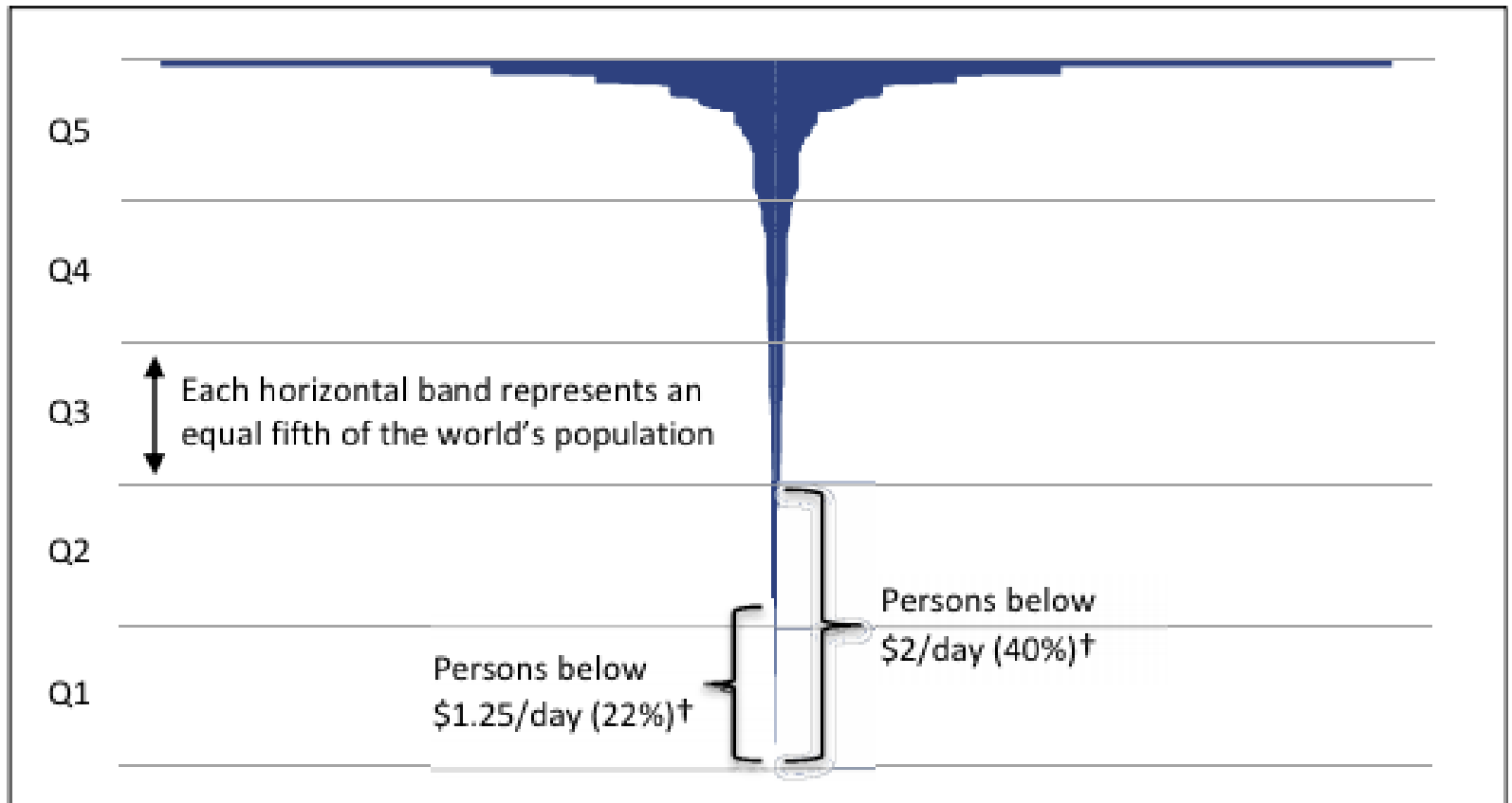
Poverty amongst older people has declined and child and youth poverty has increased over the past 40 years. This long term trend accelerated considerable after the 2008 financial crisis in OECD countries.

OECD poverty = less than half the median national household income.

<https://www.oecd-forum.org/posts/the-poverty-risk-has-shifted-from-the-elderly-to-young-people>

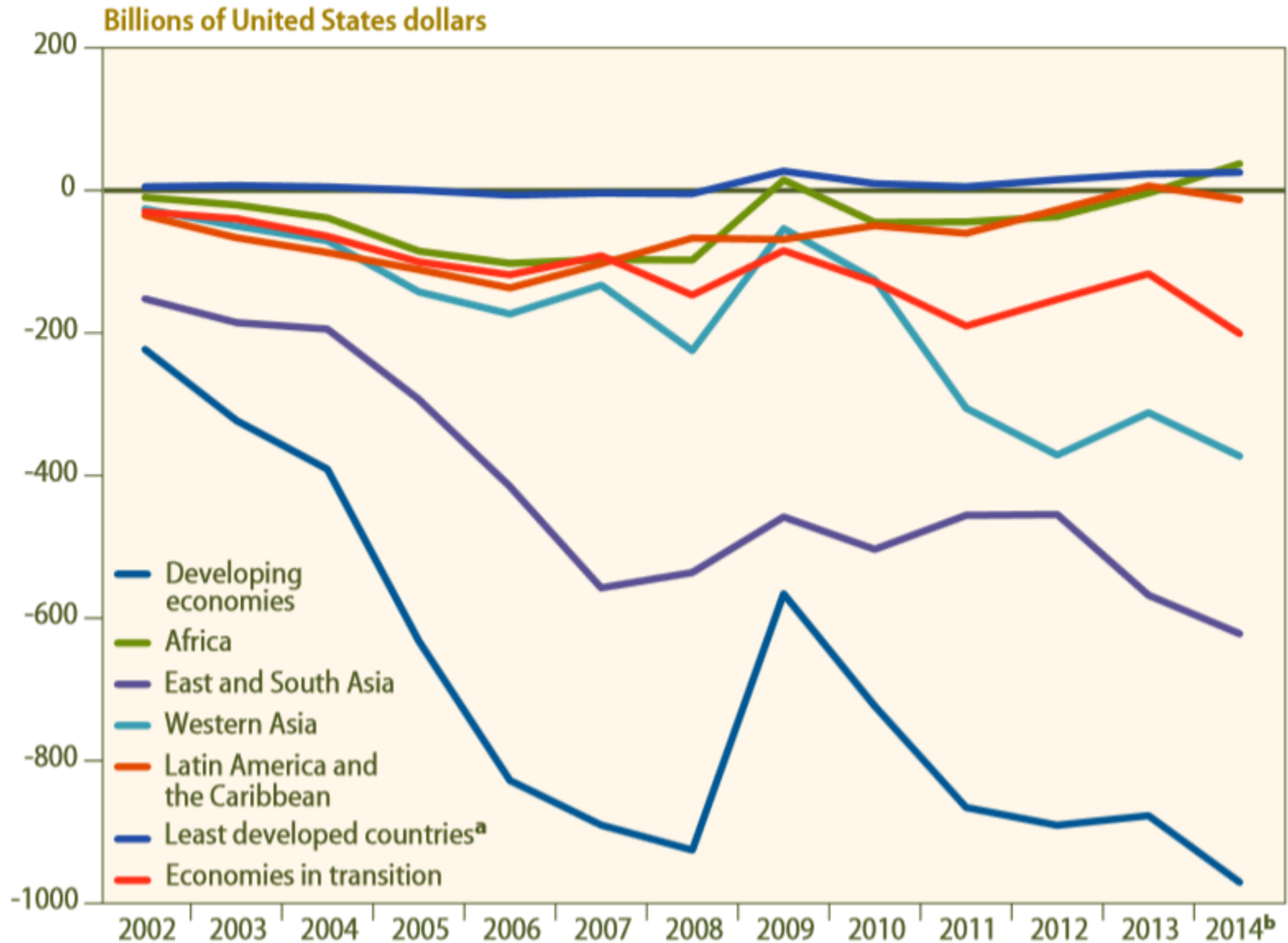
# The World is Very Unequal

Figure 7. Global Income Distributed by Percentiles of the Population in 2007 (or latest available) in PPP constant 2005 international dollars\*



Source: Ortiz & Cummings (2011) *Global Inequality: Beyond the Bottom Billion*. UNICEF

# Net outflows of money from 'poor' to 'rich' countries increased rapidly during the 21<sup>st</sup> Century

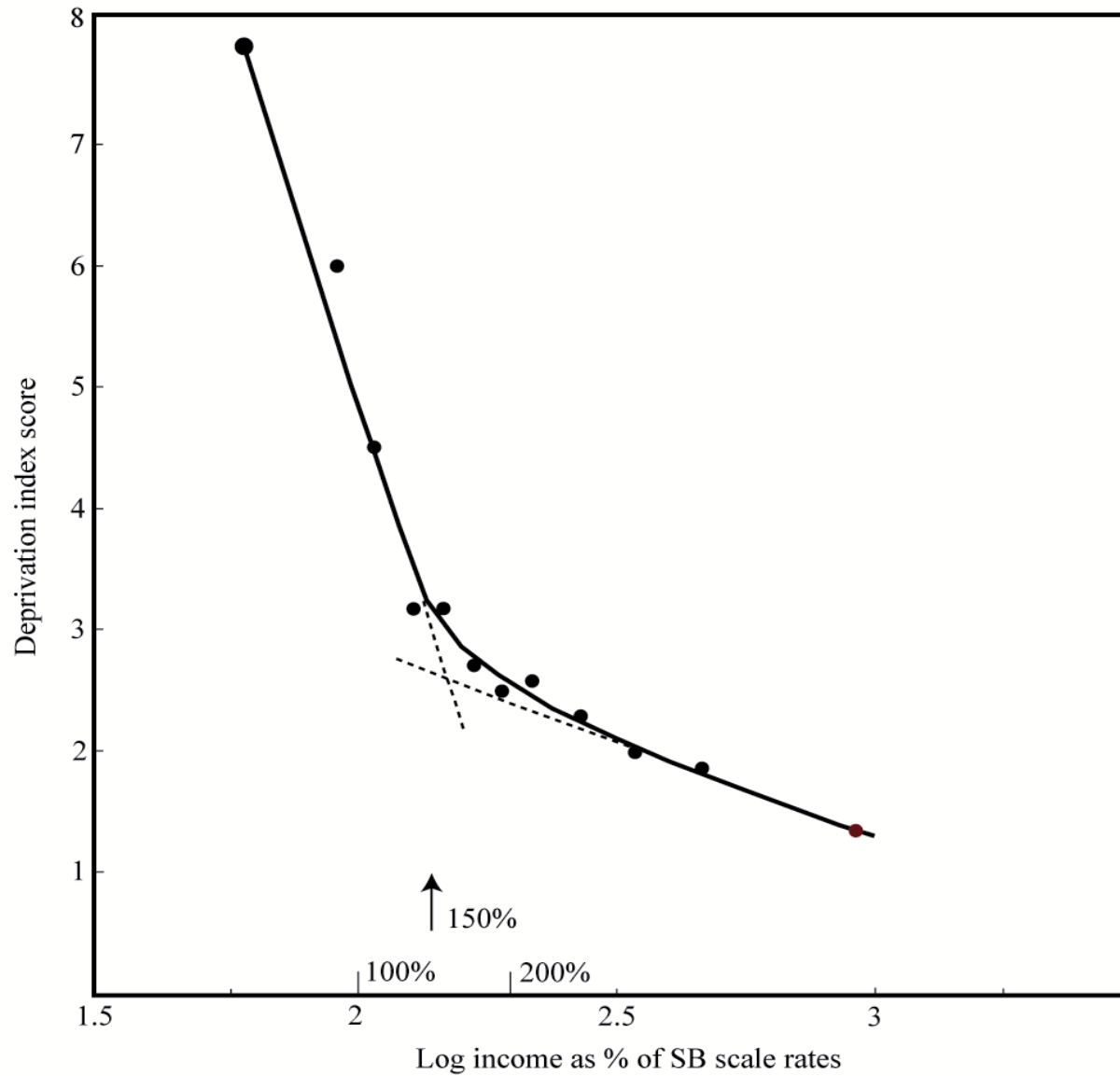


# Relative Deprivation Measurement

# Townsend's Deprivation Indicators, 1968-9

Indicators	% of lacking
Has not had a cooked breakfast most days of the week	<b>67</b>
Did not have a party on the last birthday (under 15 only)	<b>57</b>
Has not had a week's holiday away from home in last 12 months	<b>54</b>
Had not had an afternoon/evening out for entertainment in last 2 weeks	<b>47</b>
Had not been out in the last 4 weeks to a relative or friend for a snack or meal (adults only)	<b>45</b>
Household does not have a refrigerator	<b>45</b>
Had not had a friend to play or a friend to tea in the last 4 weeks (under 15 only)	<b>36</b>
Has not had a relative or friend to the home for a meal or snack in the last 4 weeks (adults only)	<b>33</b>
Household does not usually give a Sunday roast (3 in 4 times)	<b>26</b>
Household does not have sole use of 4 amenities indoors (WC, sink, bath/shower, cooker)	<b>21</b>
Does not have fresh meat (including meals out) at least four days a week	<b>19</b>
Has gone through one or more days in the past fortnight without cooked meal	<b>7</b>

# Modal Deprivation by Logarithm of Income as a Percentage of Supplementary Benefit Scale Rates (Townsend, 1979)



# Critiques of Townsend's Poverty in the UK survey methodology

Piachaud (1981, 1987) raised three main objections;

- I. the indicators used—does having a cooked breakfast, for example, indicate choices or constraints?;
- II. The existence of a threshold—is there a marked change in deprivation below a certain level or is there a continuum ?;
- III. the attainability of the goal of an objective, scientific measurement of poverty

Ashton (1984) and more recently McKay (2004) argues that deprived people may just have different consumption preferences to the majority of the population e.g. prefer to buy an “*expensive hi-fi stereo unit*” rather than have “*carpets in the living room and bedroom*”.

Research over the past 50 years has provided robust answers to all these criticisms.

## The Eye of the Beholder

*For deciding who is poor, prayers are more relevant than calculation, because poverty, like beauty, lies in the eye of the beholder.[..]*

*Poverty is a value judgement; it is not something that one can verify or demonstrate” (Orshansky, 1969, p37).*

*“if it is not possible to state unequivocally ‘how much is enough’, it should be possible to assert with confidence how much, on average, is too little” (Orshansky, 1965, p17).*



# Critiques of Townsend's PiUK Methods – Research Findings

- i) **Choice Vs constraint:** Mack & Lansley's (1983) Consensual Deprivation methodology allowed choice to be separated from constraint
  
- ii) **No threshold:** Use of the General Linear Model and Monte Carlo Simulation has shown the conditions under which a 'Townsend' break of slope threshold will exist. It will be present except under unusual circumstances. Item Response Theory has shown why the threshold will be present.
  
- iii) **Scientific measurement** - Scientific measurement is not a claim of truth but a claim of methodology i.e. you can make a scientific measurement that is wrong/incorrect. Advances during the 20<sup>th</sup> Century in the philosophy of measurement (e.g. Representational Theory of Measurement (RTM)) and the practice of measurement (e.g. Classical Test Theory, Item Response Theory) have shown that Townsend's relative deprivation theory and PiUK methodology can produce a robust, repeatable, reliable and valid measurement of deprivation.
  
- iv) **Unusual preferences:** Reliability results have shown that the critiques of Ashton and McKay are simply incorrect i.e. people/households with high deprivation index scores are overwhelmingly deprived rather than consumers with unusual/non-standard consumption preferences.



Method used to operationalise 'consensual poverty'

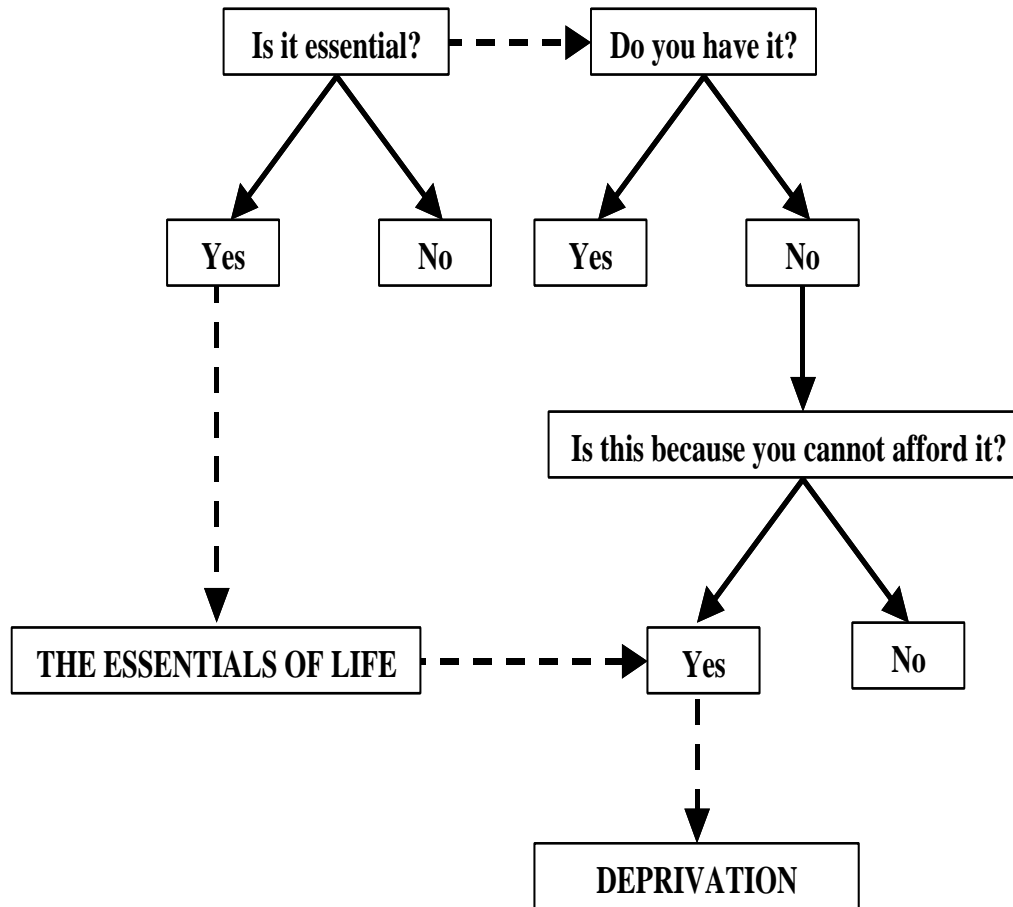
Three stages:

Step 1 – Defining necessities (majority vote)


Step 2 – Determine who experiences an enforced lack of socially perceived necessities

Step 3 – Determine the household income level at which people run the greatest risk of not being able to afford the socially perceived necessities

# Identifying the Essentials of Life and Deprivation (Australian Method)

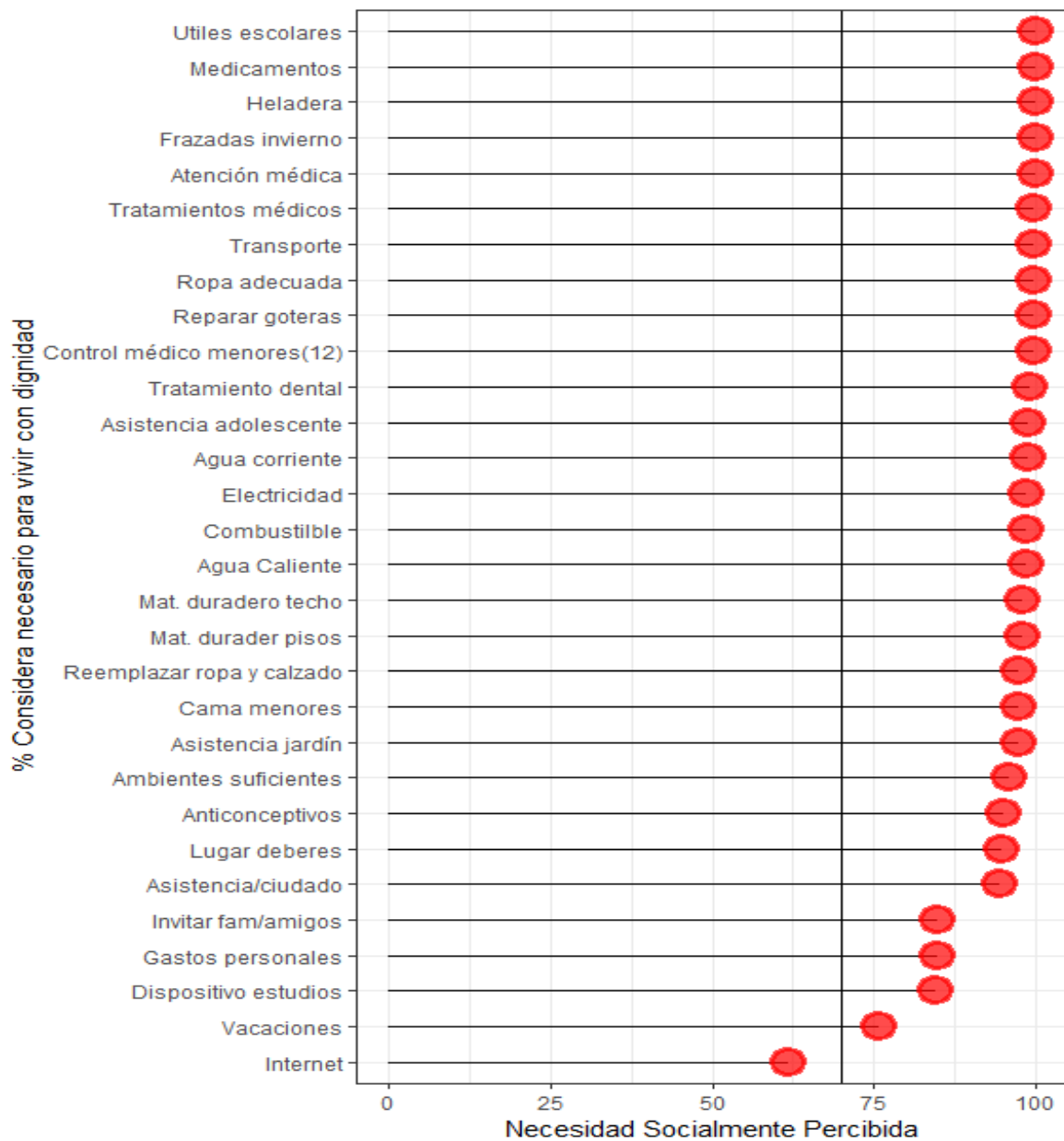


# Pacific Child Consensual Deprivation Question Module: Tonga DHS 2012

All children (age 1 - 15yrs)						
		Is it essential for children 1-15 years old in Tonga?	Do they have it ? <i>If No</i> 	Is it because you cannot (CA) afford it? OR Is it because you don't want it (DW)		
		Circle the correct answer				
30618	New properly fitting, shoes	1.Yes 2.No	1.Yes 2.No	1. CA	2. DW	
30619	Three meals a day	1.Yes 2.No	1.Yes 2.No	1. CA	2. DW	
30620	Some new, not second-hand clothes	1.Yes 2.No	1.Yes 2.No	1. CA	2. DW	
30621	Celebrations on special occasions such as birthdays, Christmas or religious festival	1.Yes 2.No	1.Yes 2.No	1. CA	2. DW	
30622	One meal with meat, chicken, fish or vegetarian equivalent daily	1.Yes 2.No	1. Yes 2.No	1. CA	2. DW	
30623	All school uniform of correct size and equipment required (eg. Books, pen, etc)	1. Yes 2.No	1. Yes 2.No	1. CA	2. DW	
30624	To participate in school trips and school events that costs money	1. Yes 2.No	1. Yes 2.No	1. CA	2. DW	
30625	A suitable place to study or do homework	1. Yes 2.No	1. Yes 2.No	1. CA	2. DW	
30626	Tutorial lessons after school at least once a week <i>(high school students only or all or just exam classes ?)</i>	1. Yes 2.No	1. Yes 2.No	1. CA	2. DW	
30627	Enough beds and bedding for every child in the household.	1. Yes 2.No	1. Yes 2.No	1. CA	2. DW	

Viliani Fifita (2017) *Child and Adult poverty in a Small Island Developing State: A Case Study of Tonga*. PhD Thesis

# Necesidades socialmente percibidas



## EU HOMOGENEITY OF PREFERENCES : (NOT) WANTING BY SUB-GROUPS

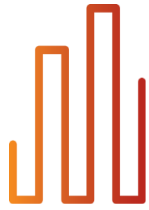
Characteristics tested:

- Age
- Sex
- Household type
- Density of population
- Country of birth
- Education
- Income poverty

For each item

BY country

		Three meals a day	Enough beds for every child	All school uniform and equipment	Suitable place to study or do homework	One meal with meat, chicken, fish or vegetarian daily	Celebration on special occasions	Some new, not second-hand clothes	New properly fitting shoes	Participate in school trip and events	Outdoor leisure equipment
Sex of household member	Male	99	99	98	97	95	93	93	92	89	80
	Female	99	99	98	97	96	93	93	92	89	79
Educational attainment the groups	Without education	99	98	98	95	96	93	93	91	88	80
	Primary	99	99	99	97	95	93	94	92	89	80
	Secondary	99	99	98	97	95	93	93	93	89	78
	Tertiary +	100	100	98	98	97	92	91	96	92	79
	Other do not know	99	100	95	94	93	92	93	93	87	76
Age groups	Child (<18)	99	99	99	97	96	94	94	92	90	80
	Adult	99	99	98	97	95	93	93	93	89	79
	Old people (60 +)	99	99	96	96	93	92	92	89	85	77
Gender of the Household Head	Male	99	99	98	97	95	93	93	92	88	79
	Female	99	99	99	98	96	95	93	94	91	83
Educational attainment household head	Without education	99	98	98	96	95	94	93	91	88	82
	Primary	99	99	98	97	95	94	94	91	88	80
	Secondary	100	99	98	96	96	92	93	93	89	77
	Tertiary	100	99	98	99	97	92	92	96	93	79
	Other	100	100	98	96	97	94	90	95	88	78
Family Structure - Vertical and Horizontal	1 Generation	99	97	94	94	91	92	91	92	85	73
	2 Generations	99	99	99	97	95	93	94	92	89	81
	3+ Generations	100	98	98	96	95	93	93	89	89	78
	1 Generation & Extended	97	100	97	95	95	86	86	92	87	76
	2 Generations & Extended	100	99	98	97	96	95	94	95	90	77
	3+ Generations & Extended	99	98	98	99	96	92	93	92	90	82

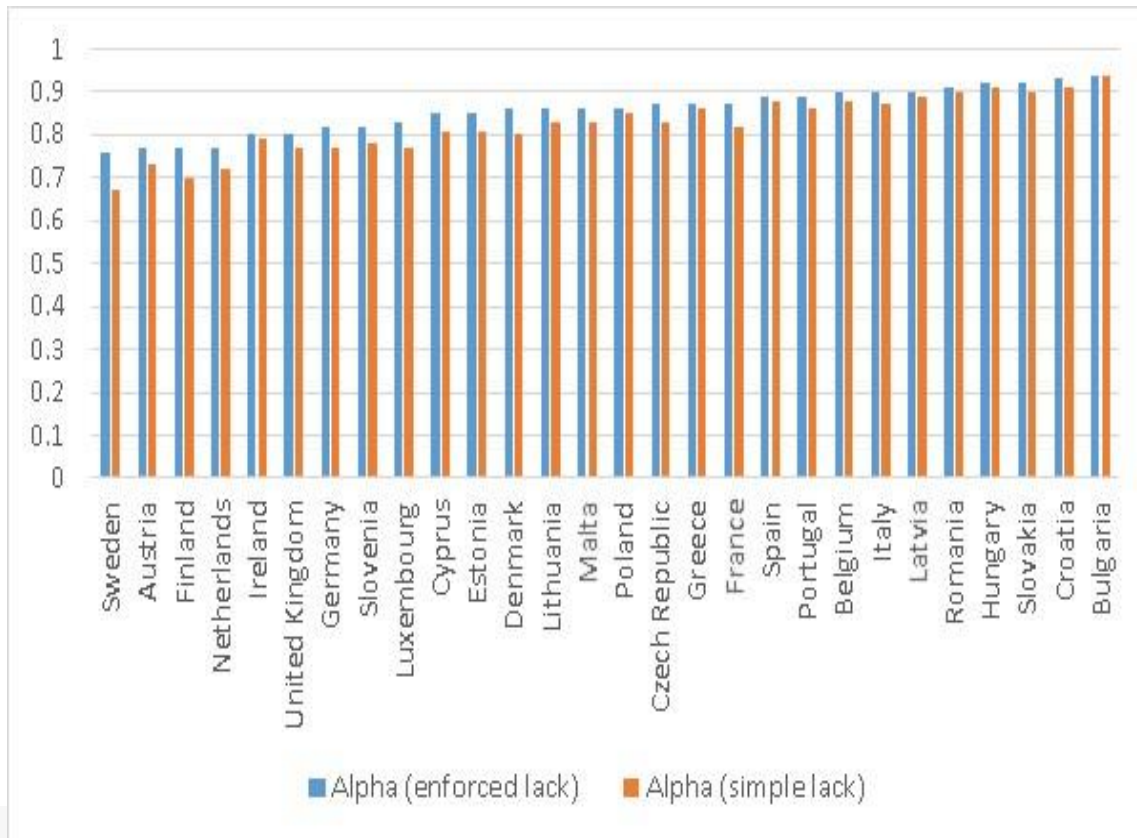


# TWO IMPORTANT QUESTIONS:

## 1. UNUSUAL PREFERENCES?

## 2. SIMPLE OR UNFORCED LACK?

- Deprivation measures have high reliability in all countries, reliability would be low if the 'poor' had different preferences to the majority. Measures based on the enforced lack concept discriminate better between the worse-off and better-off children than those based on simple lack and are more reliable (see for similar conclusions Gordon 2006; Halleröd 2006; Hick 2013).





# Scientific Measurement

There are a number of widely held but incorrect beliefs about science, for example:

*Science is objective.*

*Scientific knowledge is reliable knowledge because it is objectively proven knowledge.*

*Scientific theories are derived from observation of the facts or by objective experimentation.*

*Personal opinion and speculation play no part in science.*

None of these statements is true: the idea that scientific theories are based on the study of objective facts is critically flawed. The 'inductive' idea of science, that correct theories will somehow 'bubble' to the surface once enough pure facts have been generated and sifted, is untenable.

# Scientific Theories

Neither scientific theories nor scientific measurement are 'objectively true'. However, for a theory to be scientific, it must not only be logically internally consistent but also fulfil a number of strict criteria.

1. The theory must be falsifiable, e.g. it must be capable of being shown to be untrue. The existence of a Loving God and Freudian psychology are unfalsifiable theories and therefore unscientific.
2. The theory must be testable.
3. The theory must have predictive value.
4. The results of the theory must be reproducible. Other people using the same methods will reach the same results.

These criteria are known to philosophers as the Falsificationist View of science and are attributable to the work of Karl Popper (1968, 1972). They contain the idea of a logical asymmetry that a theory can never be proved only falsified. This work has been extended by Imre Lakatos (1974), who claimed that scientific research programmes must also:

1. Possess a degree of coherence that involves the mapping out of a definite programme for future research.
2. Lead to the discovery of novel phenomena, at least occasionally.

## Does Relative Deprivation Theory meet the required criteria of science?

1. The relative theory of poverty can be falsified. If a survey finds that there are no people/households whose resources are so low that they are excluded from the ordinary living patterns, customs and activities of their culture, then no poverty exists. For example, it has been argued that traditional Amish and Kibbutz societies had no poverty as resources were shared and no-one was excluded.
2. Surveys, such as the Poverty & Social Exclusion studies, have provided tests of the relative poverty theory.
3. Numerous predictions are made by the relative poverty theory. For example, the 'poor' will experience a disproportionate 'fear of crime' (relative to their experience of crime) because of the greater consequences of crime for the 'poor'.
4. Several deprivation surveys have produced similar results, both in the UK and in other countries. Conclusions based on the relative poverty theory have been shown to be reproducible.
5. Since Townsend's (1979) initial work, extensive research on relative poverty has been carried out by many researchers in several countries. This research has extended and developed the concepts and findings of the relative poverty model.

# Definition of poverty



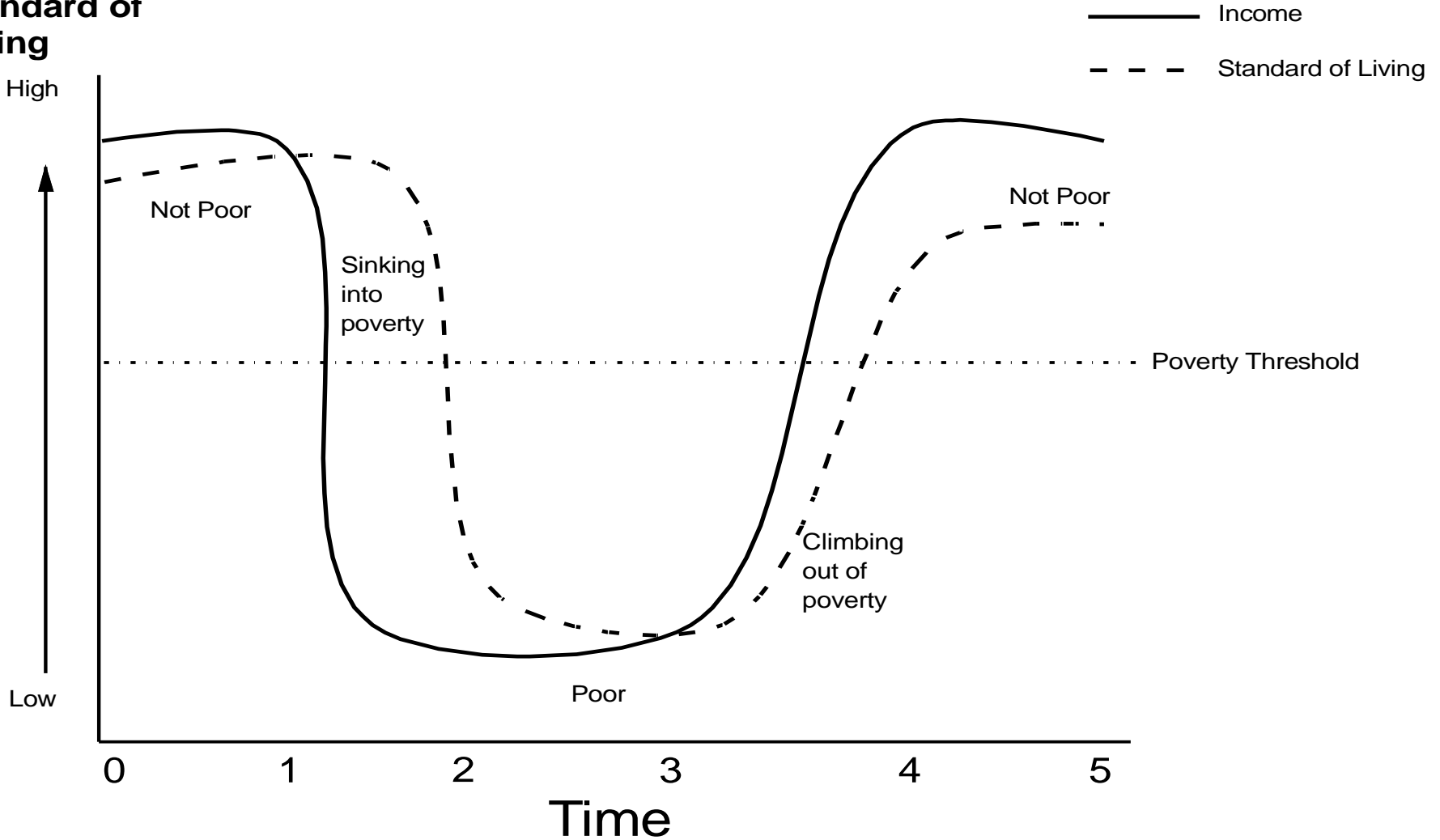
## Peter Townsend's concept of dynamic poverty

*“poverty is a dynamic, not a static concept...Our general theory, then, should be that individuals and families whose resources over time fall seriously short of the resources commanded by the average individual or family in the community in which they live . . . are in poverty.”*

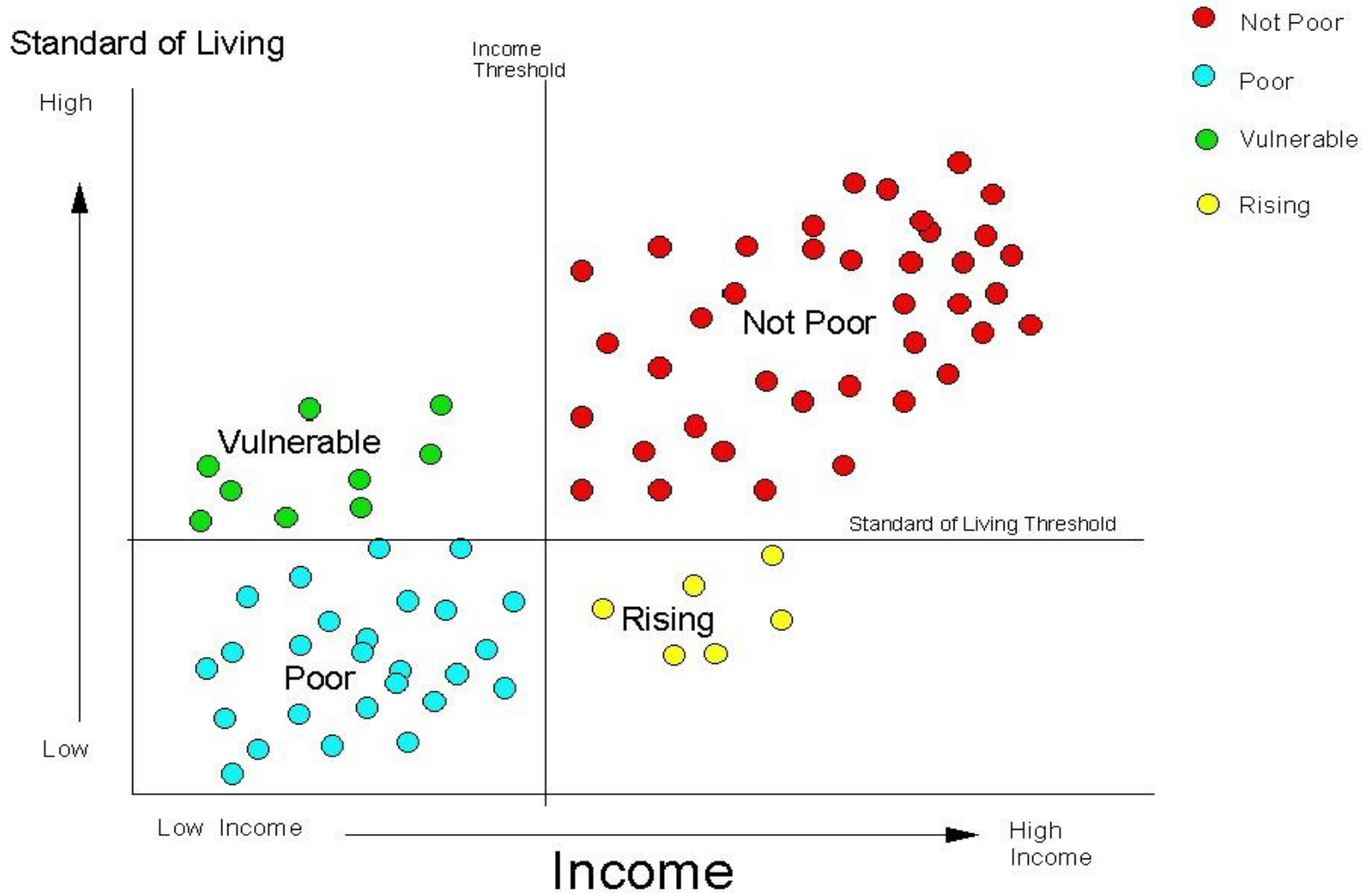
Townsend (1962, p 219)

# Theoretical model of the dynamics of poverty in rich societies

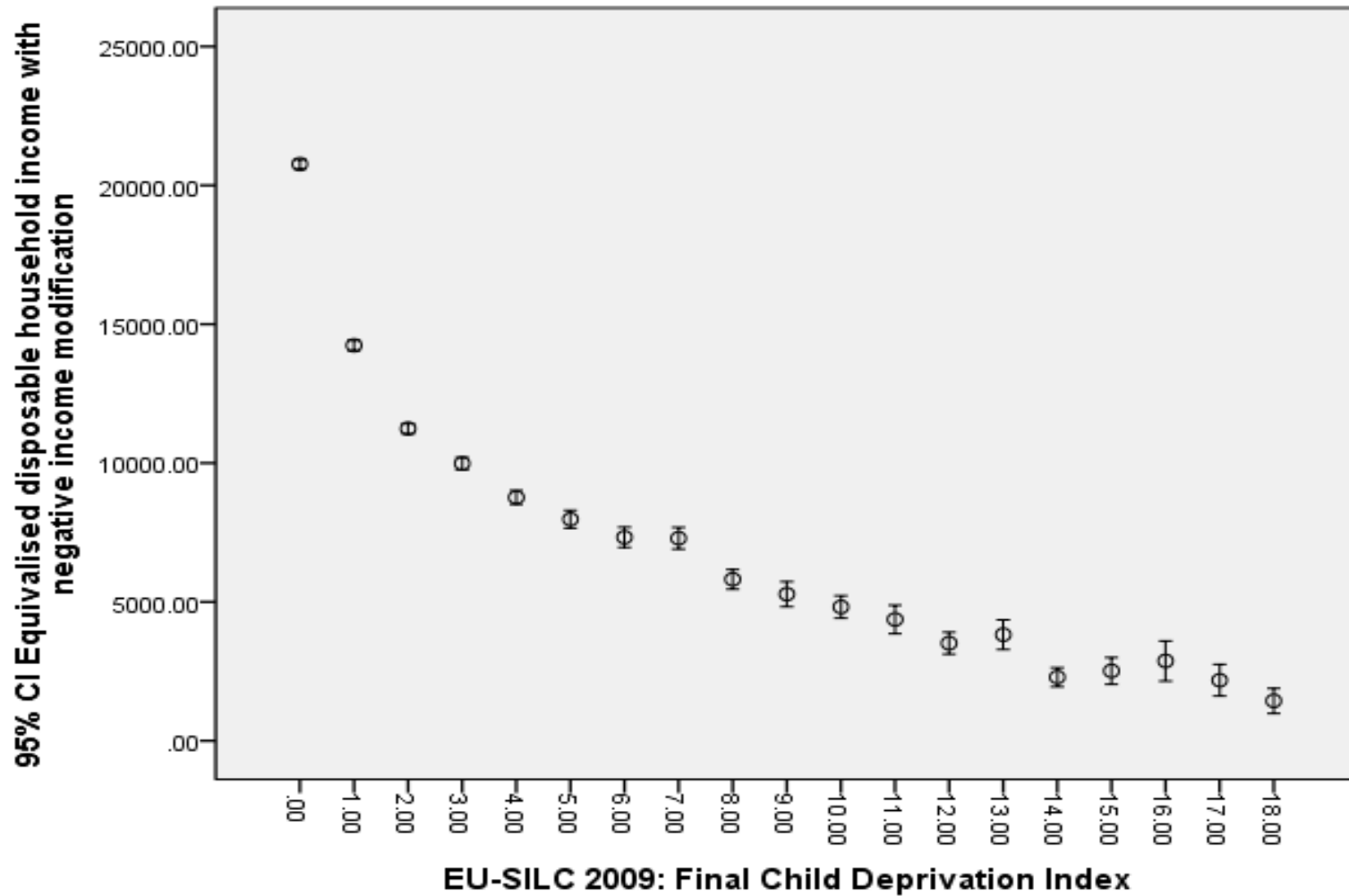
**Income and  
Standard of Living**



# Poverty Groups



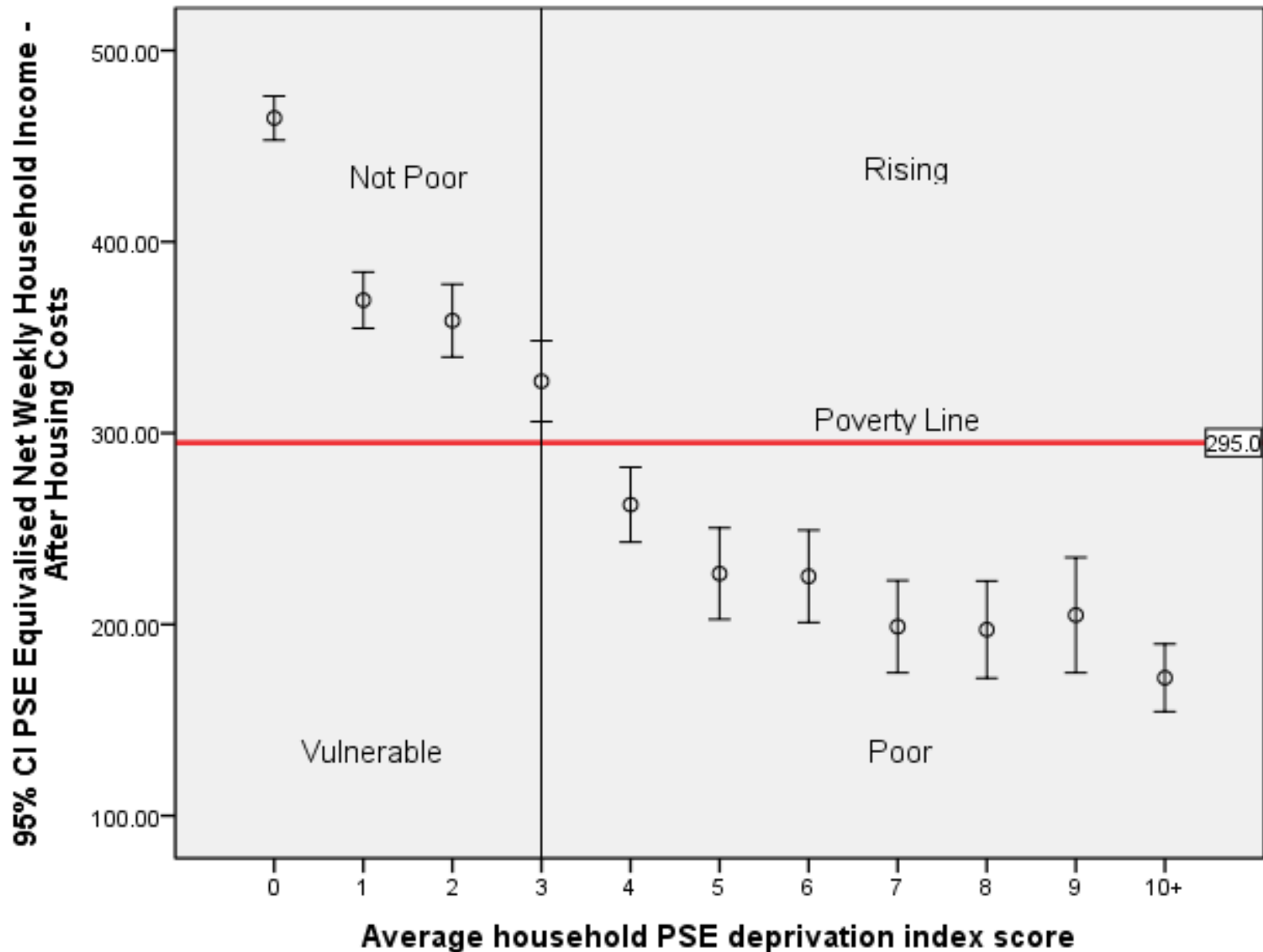
# 95% confidence interval equivalised disposable income, by child deprivation level, EU-27 in 2009



Cases weighted by Rescaled household weight for EU analyses (DB090)



# Error Bar Plot of Average Household Deprivation by PSE Equivalised Income (AHC), UK 2012

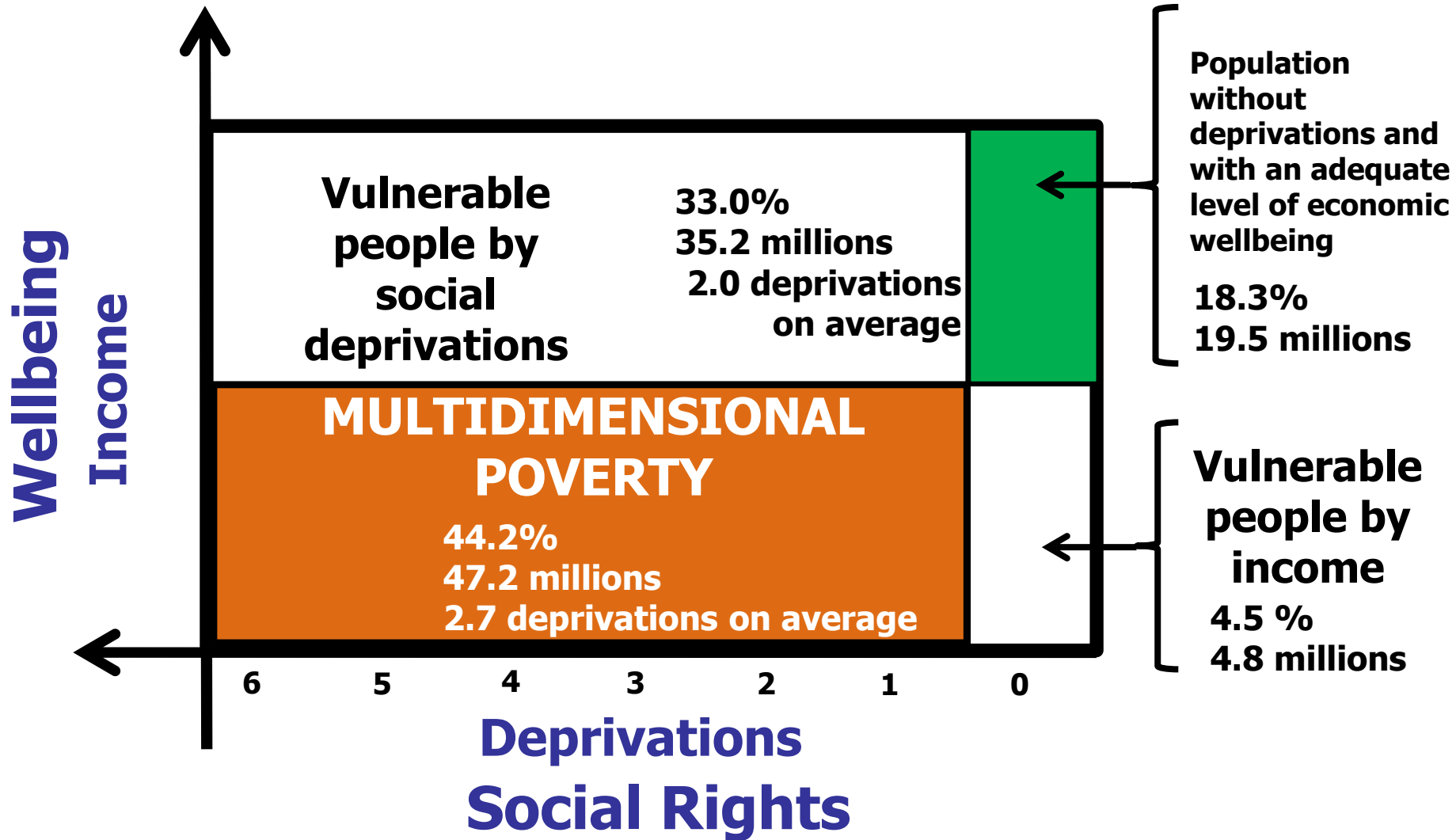


Cases weighted by normalised UK household weight - use this weight for household data

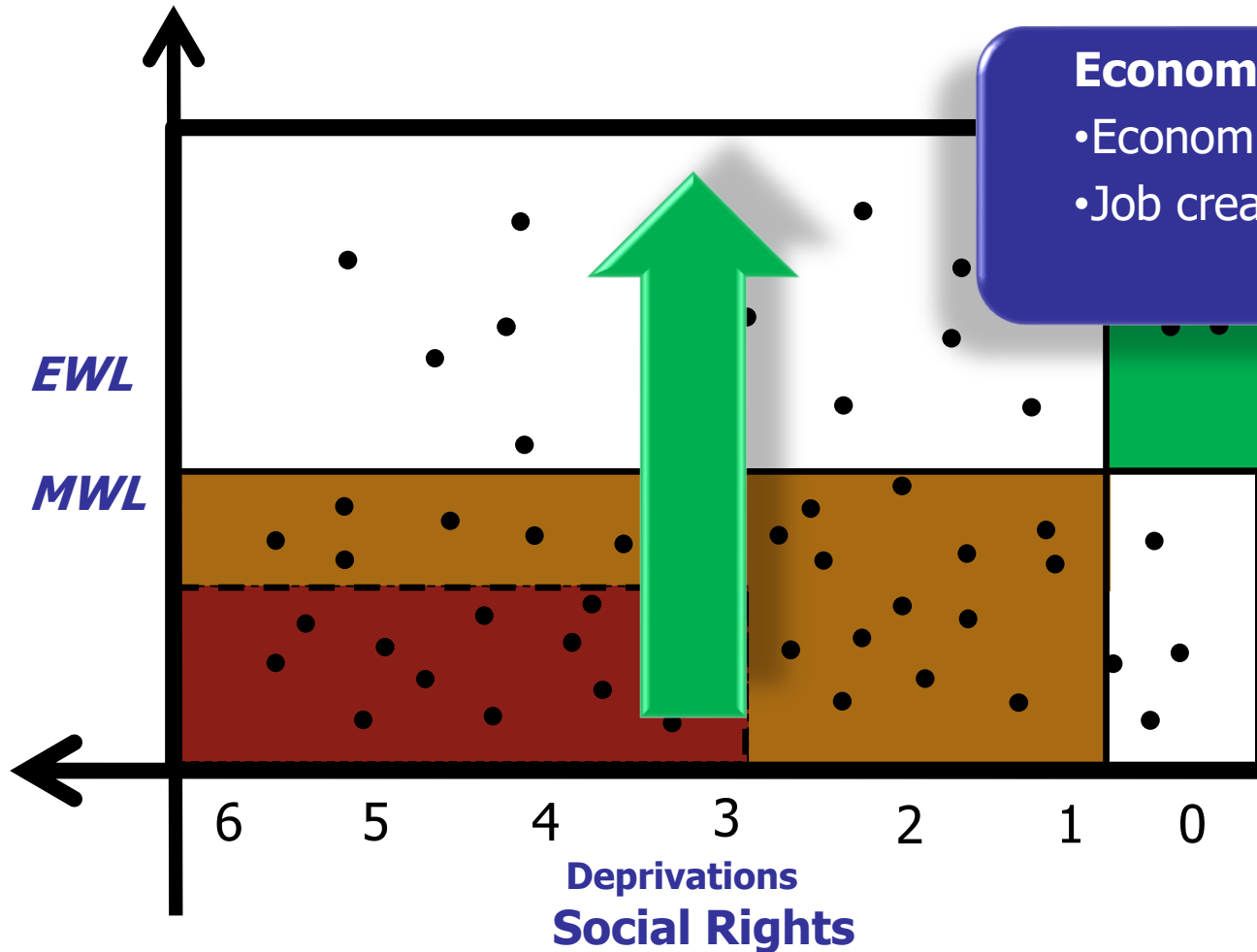
# **Using Multidimensional Poverty Measures to Make Better Policy**

## **Example of MEXICO**

# Total population 2008 (106,680,526)



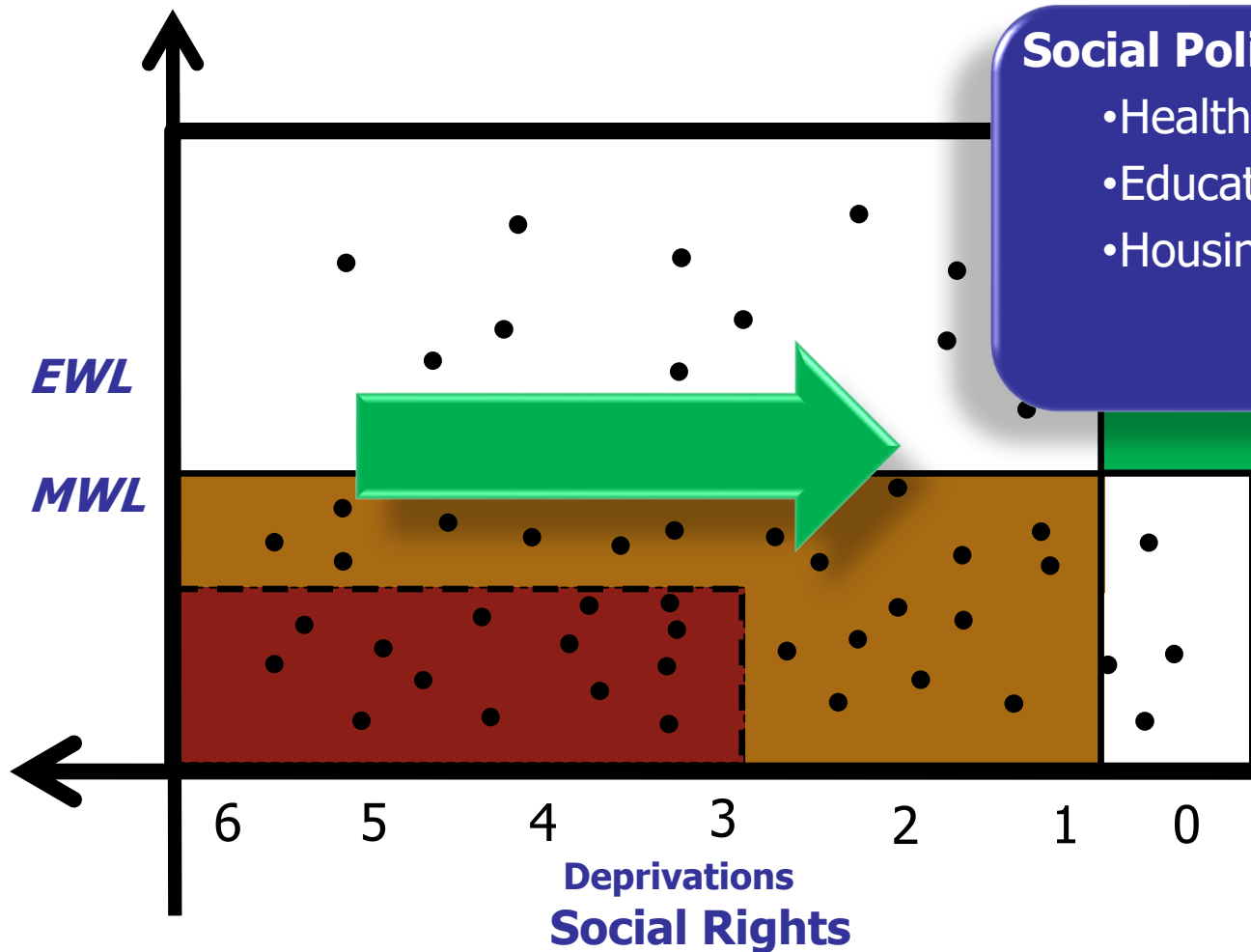
# What policies should be carried out?



## Economic Policies:

- Economic growth
- Job creation

# What policies should be carried out?

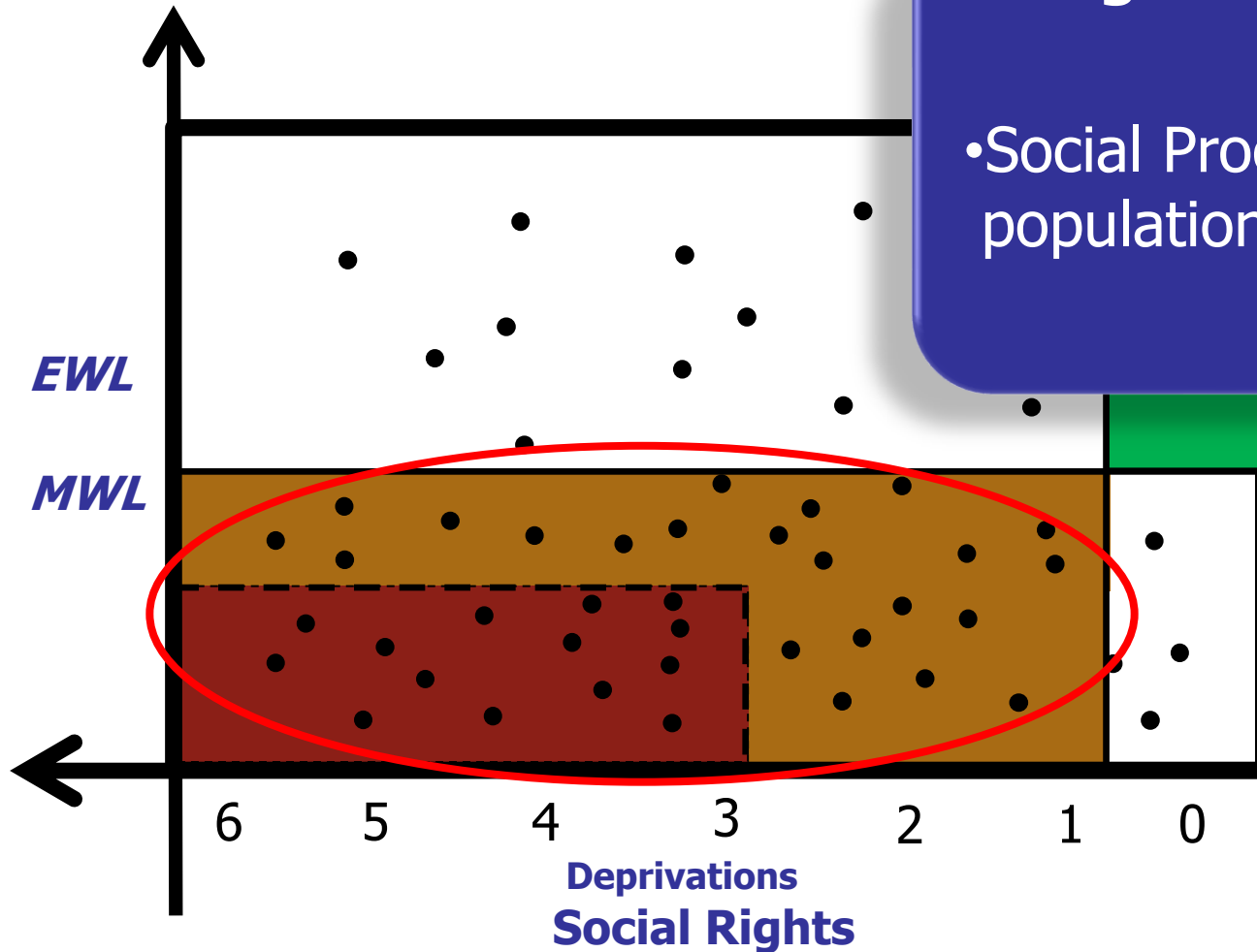


- Social Policies:**
- Health
  - Education
  - Housing

# What policies should be carried out?

## Targeted policies

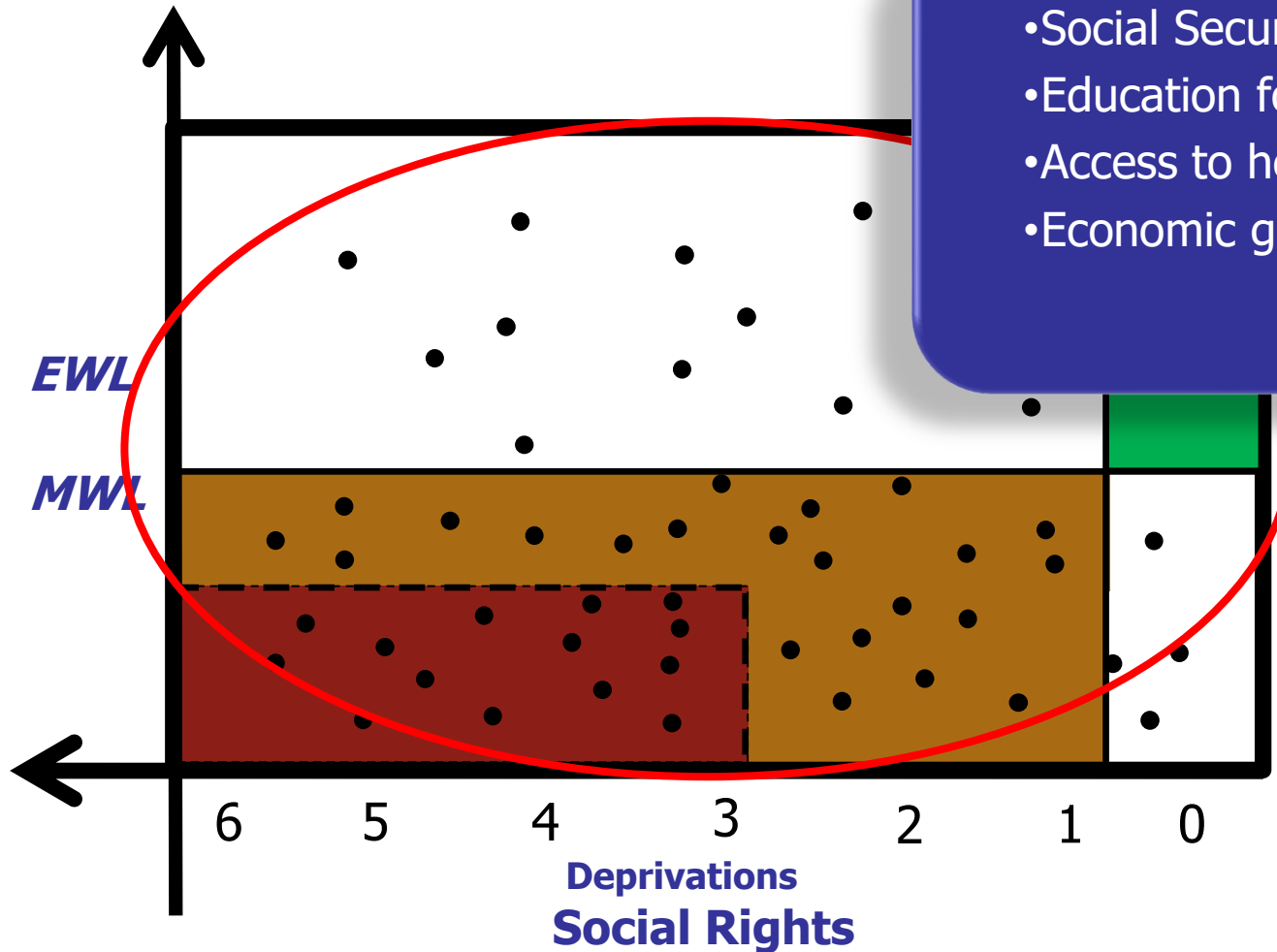
- Social Programs for the population in poverty



# What policies should be carried out?

## Universal policies

- Social Security
- Education for all
- Access to health services
- Economic growth



# **Poverty: Key Messages from Research**



# Poverty is not a Behaviour

Since the work of Charles Booth (1902-03), Seebohm Rowntree (1901) and their Victorian and Edwardian contemporaries repeated studies have shown that the primary cause of poverty is not the ‘bad’ behaviour of the poor.

Poverty is primarily caused by structural factors, such as low wages, a lack of jobs, the lack of state provision to adequately compensate those engaged in unpaid work – particularly caring work, etc.

Despite intensive research by often highly partisan researchers, as far as I am aware there are no credible scientific studies which show that any significant group of people are poor as a result of indolent, feckless, skiving or criminal behaviour.

# Poverty is not a Disease

Poverty is not like syphilis a curse across the generations, you cannot catch poverty from your parents nor pass it onto your friends, relatives or children. Research has shown that poor adults and children do not have a 'culture of poverty' and tend to have similar aspirations to the rest of the population.

Poor children are of course more likely, than their richer peers, to become poor adults but this is largely due to structural reasons rather than any 'cycle of poverty' or 'transmission' of poverty.

# **Redistribution is the only Solution to Child Poverty**

The economics are very simple and are entirely concerned with redistribution – where sufficient resources are redistributed from adults to children there is no child poverty; where insufficient resources are redistributed from adults to children child poverty is inevitable

Children cannot and should not do paid work to generate the resources they need to escape from poverty. This is the job of adults.

Children should be spending their time playing and learning not working at paid labour.

# Justice and Fairness?



*If the misery of our poor be caused not by the laws of nature, but by our institutions, great is our sin.*

– Charles Darwin, 1845