

## Chapter 6

# Theoretical Disputes about Poverty

*This chapter reproduces theoretical exchanges about poverty in the 1980s, starting with David Piachaud's commentary on **Poverty in the United Kingdom** in 1981 in *New Society*, and Peter Townsend's reply. This is followed by a summary of a lecture by Amartya Sen, a rejoinder from Peter Townsend, and an extract from a relevant paper by Meghnad Desai and Anup Shah - all in *Oxford Economic Papers*. An attempt has been made to represent the key arguments. Readers are referred to the full version of the papers to place these extracts or summaries in context (Piachaud, 1981b; Sen, 1983 and 1985a; Townsend, 1981 and 1985; Desai and Shah, 1988).*

*Among the themes are those repeatedly considered by social scientists: conceptions of absolute versus relative deprivation; the advantages and disadvantages of 'subsistence' and of 'relative deprivation' as governing ideas; the viability of a 'culture' of poverty; the relationship between inequality and poverty; the operational measurement of 'relative deprivation' as a criterion of poverty, as well as the measurement of income or resources; and the possibilities in analysis of the 'ideas' of capabilities and commodities rather than those of relative deprivation and needs in understanding poverty. In addition, attention is called to the underlying differences of approach between economics and sociology.*

### Part 1: David Piachaud - Poverty in the United Kingdom

Townsend suggests two steps 'towards the objectification of the measurement of poverty'. The first is:

To endeavour to measure all types of resources, public and private, which are distributed unequally in society and which contribute towards actual standards of living. This will uncover sources of inequality which tend to be proscribed from public and even academic discourse.

It is certainly true that economists have in the past tended to talk about money incomes and their distribution, as though they were all that mattered. In recent years, economists have expanded their horizons to take in rather more of the real world (despite those who think economics is a branch of mathematics), and there is increasing research on inequality of wealth and income and public services. But non-economists like Titmuss and Townsend led the way. The extension of the concept of income to embrace a wider range of resources, public as well as private, is important and uncontentious.

But Townsend's second step towards an 'objective' measurement of poverty is

to endeavour to define the style of living which is generally shared or approved in each society, and find whether there is ... a point on the scale of the distribution of resources below which, as resources diminish, families find it particularly difficult to share in the customs, activities and diets comprising their society's style of living.

Thus Townsend attempted to 'provide an estimate of objective poverty on the basis of a level of deprivation disproportionate to resources' - an index of relative deprivation. How he did this, and whether it stands up to examination, are my central concerns here.

First, how was it constructed?

A list of 60 indicators of the 'style of living' of the population was built up. This covered diet, clothing, fuel and light, home amenities, housing and housing facilities, the immediate environment of the home, the characteristics, security, general conditions and welfare benefits of work, family support, recreation, education, health and social relations.... The indicators can be expressed as indicators of deprivation - for example, lacking that amenity or not participating in that activity. By applying the indicators to individuals and families, a 'score' for different forms of deprivation can be added up: the higher the score the lower the participation.

He then compiled a 'provisional' deprivation index, based on the 12 characteristics which are set out in Table 6.1. His next step was to consider the relationship of the score on the deprivation index to income. Taking the mean deprivation index for different income groups, he found a clear relationship with income.

*Table 6.1 Townsend's deprivation index*

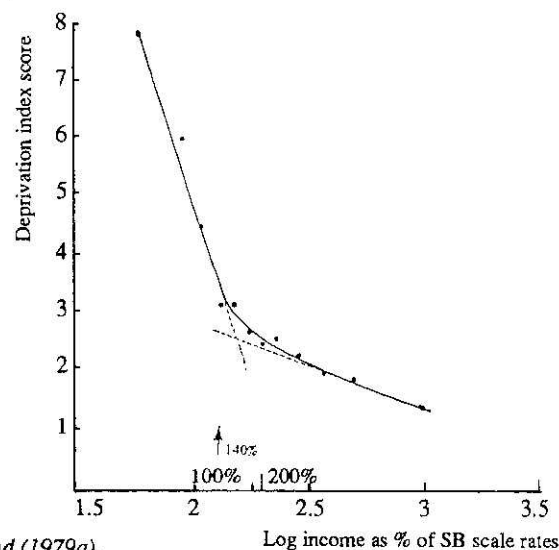
	Characteristic	% of population
1.	Has not had a week's holiday away from home in last 12 months	53.6
2.	(Adults only) Has not had a relative or friend to the home for a meal or snack in the last 4 weeks	33.4
3.	(Adults only) Has not been out in the last 4 weeks to a relative or friend for a meal or snack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

*Source: Townsend (1979a).*

Townsend continued:

So far, we have been able to show a relationship between diminishing income and increasing deprivation. But is there evidence of the existence of a 'threshold' of income for different types of household, below which people are disproportionately deprived? The evidence from this survey is inconclusive, but suggests such a threshold may exist.

The indication that a threshold may exist is derived from the following steps. First, Townsend adjusted incomes for household size by expressing them as proportions of the supplementary benefit scale rate for that household. Second, he grouped households by this adjusted income level, and estimated the most common value of the deprivation index for each group - technically called the 'modal value'. Third, he plotted this modal value against the income level (expressed in logarithmic form), as shown in the figure below.



Source: Townsend (1979a).

Figure 6.1: Modal deprivation by logarithm of income as a percentage of supplementary benefit scale rates

From this, he concluded: As income diminishes from the highest levels, so deprivation steadily increases, but below 150 per cent of the supplementary benefit standard, deprivation begins to increase swiftly. He establishes a relative deprivation standard of poverty which was 'at levels

higher than the prevailing supplementary benefit standard, especially for households with children and households with disabled people'. Using this relative deprivation standard, he estimates that 25 per cent of households are living in poverty. This compares with 7 per cent in poverty, defined in terms of the state's supplementary benefit standard....

The first problem arises with the components of Townsend's deprivation index, as set out in Table 6.1. It is not clear what some of them have to do with poverty, nor how they were selected. Some of the components may certainly have a direct link with poverty - the holiday (item 1), the evening's entertainments (6), the refrigerator (10) and the household amenities (12). But other components - fresh meat (7), cooked meals (8), cooked breakfast (9) and Sunday joint (11) - may be as much to do with tastes as with poverty. Not having a cooked breakfast, for example, is often a remedy for overindulgence on other occasions.

Still other components - involving adults or children providing or attending a meal or party (items 2 to 5) - are often linked with poverty. But if such arrangements are fully reciprocated, a person may entertain and be entertained by a relative or friend at no net cost (indeed, economies of scale may make this more economical). There is thus no prior reason why many of the components of the deprivation index should bear any relationship to poverty. Townsend's index offers no solution to the intractable problem of disentangling the effects of differences in tastes from those of differences in income. That certain characteristics are related to income level tells us something about people's behaviour and social and cultural differences. But it might tell us little or nothing about deprivation.

The second problem arises from the diversity of the results. As I noted earlier, Townsend showed that the mean deprivation index rose as income fell. But this mean score concealed the extent of the variation between people at the same income level.... If all the components of the deprivation index were unambiguous indicators of some form of deprivation, then you might argue that those on high incomes with high deprivation scores are, despite their incomes, deprived. But this is not the case. A large part of the variation in deprivation scores is merely due to diversity in styles of living wholly unrelated to poverty. *There can be no doubt that Townsend's provisional deprivation index is of no practical value whatsoever as an indicator of deprivation.*

The third problem with Townsend's approach is on the question of whether there is a *threshold* below which the deprivation index increases sharply. Here the problem is, alas, rather technical. His use of modal values of deprivation index scores, and of a logarithmic income scale are questionable. As his own diagram shows, the scores follow a curve, not the

two straight lines he has imposed. Townsend has not used any test that would satisfactorily establish whether a threshold (at about 150 per cent of supplementary benefit levels) exists.

He concludes: 'With qualifications both about measurement and sample size, the evidence suggested that there existed a threshold of deprivation for certain types of household at low levels of income.' He has striven to find such evidence, because it is fundamental to his central hypothesis. But on the basis of what he presents, my own conclusion is: *There is at present, no satisfactory evidence to suggest that there is any such threshold of deprivation.*

Thus, there are serious problems with Professor Townsend's measure of deprivation. There are also problems with his basic conception. One implication of his hypothesis that the poor 'are deprived of the conditions of life which ordinarily define membership of society' is that the poor form a separate social group. Poverty is still with us - and a lot needs to be done about that - but it no longer conforms to a picture of Dickensian destitution, with the pauper in a pitiable state. *There is a continuum from great wealth to chronic poverty and along that continuum a wide diversity of patterns of living. The poor in Britain are worse off than others; but for the most part, they are members of society, not outcasts.* The combination of two factors - that there is diversity in styles of living, and that poverty is relative - mean that you would *not*, in fact, expect to find any threshold between the poor and the rest of society. Townsend's hypothesis that such a threshold would exist is intrinsically implausible.

The most strange and unsatisfactory feature in Townsend's conception of relative deprivation is its emphasis on style of living. His deprivation index concerns itself with a number of primarily private aspects of behaviour. He does not include in his index more social aspects, such as deprivation at work, of environment, or of public services. He does discuss these extensively elsewhere in his study; but the emphasis in his deprivation index on style of living serves to narrow, rather than broaden, the concept of relative deprivation.

It is an unsatisfactory feature of any conception of relative deprivation that, even if all inequality of incomes were removed, there would still be relative deprivation as long as people behaved differently. Taken to its logical conclusion, only when everyone behaved identically would no one be defined as deprived. Townsend's index of relative deprivation cannot cope with diversity.

It is no indicator of deprivation if someone chooses to stay at home, eating salads and uncooked breakfasts. But all these personal choices are 'extraordinary', and so add to the score on Townsend's deprivation index.

But as patterns of living become more diverse, it becomes steadily harder and less useful to think in terms of 'ordinary membership of society'.

What surely matters most is the choice a person has, and the constraints he or she faces. To *choose* not to go on holiday or eat meat is one thing; it may interest sociologists, but it is of no interest to those concerned with poverty. To have little or no *opportunity* to take a holiday or buy meat is entirely different.

The study of styles of living is essentially about outcomes - how people choose to behave given the choices open to them. As Townsend found, it reveals a wide diversity of behaviour. But what is of much more importance is the level of resources a person has, and the opportunities this affords. *The reason for tackling poverty is not to create uniformity, but to push back the constraints and increase choice and freedom.*

Townsend acknowledges, in fact, that his measurement of poverty is not wholly objective. For example, 'decisions have to be taken about all the different ingredients of "style of living".' But it is clear, nonetheless, that he is *seeking* an objective measure:

Until social scientists can provide the rigorous conception within which the poverty of industrial societies and the third world can both be examined, and the relationship between inequality and poverty perceived, the accumulation of data and the debates about the scale and causal antecedents of the problem will be in large measure fruitless.

### **Inequality is not poverty**

On this he is, I believe, not only destined to eternal frustration, but also profoundly wrong. Social scientists can describe the inequality of resources within and between countries as objectively as possible. *But inequality is not the same as poverty.* The term 'poverty', carries with it an implication and moral imperative that something should be done about it. The definition by an individual, or by a society collectively, of what level represents 'poverty', will always be a value-judgment. Social scientists have no business trying to preempt such judgments with 'scientific' prescriptions.

Questioning Peter Townsend's emphasis on styles of living in his conception of poverty and his measure of deprivation, is not (as I have acknowledged) to question that poverty is a relative concept, or that there is real poverty in the United Kingdom. Nor is it to accept that the state's poverty standard, the supplementary benefit level, is adequate. But it is to

question the bold claim with which he starts his study: 'Poverty can be defined objectively and applied consistently only in terms of the concept of relative deprivation.'

We can learn much from the attempt, which is in line with Peter Townsend's massive contribution, over the years, to understanding social policy. But he has not substantiated his claim of scientific objectivity, any more than the knights of old found the Holy Grail.

*Some of the points expressed here are taken up in a later paper by David Piachaud (1987) 'Problems in the Definition and Measurement of Poverty', Journal of Social Policy, 16, 2, pp. 147-64.*

## Part 2: Peter Townsend's Reply

There appear to be bigger differences between David Piachaud and myself about the nature and severity of poverty than I would have supposed. It is no good papering over the differences, because they represent not just a divergence of scientific exchanges but a difference about the changes required in policy to deal with the phenomenon - not only in Britain but in the so-called 'South' or Third World. To a large extent the differences are attributable to the gulf which exists between modern variants of neo-classical orthodox economics, with its individualistic and conformist basis, and the material and often radical basis of much present sociology.

Like 'inequality' and 'order', 'poverty' is one of the major concepts of the social sciences required to understand and explain society and inform its management. For many years it was treated rather casually and as relatively unproblematic, and David Piachaud seems to be tempted to follow this path, because he did not attempt to deal with it in an analytical way.

Like other concepts, however, 'poverty' can be given different meanings by professions, governments and bureaucracies. One of the tasks of the social scientist is to bring out how concepts tend to be the creatures of the arbitrary exercise of power; and to look beyond them to a more democratic representation of interests in the meanings that they are given, and to the even more elusive pantheon of scientific 'objectivity'.

Part of my purpose in writing *Poverty in the United Kingdom* was to call attention to the elitist and subjugatory ways in which the concept has been, and is, defined and applied. After every qualification is dutifully listed, the familiar 'subsistence' basis of the concept used in Britain and in other countries, especially those associated with the colonial tradition, can

be shown to represent a narrow view of human needs which has played its part in legitimating meagre treatment of the poor and the perpetuation of severe inequality.

The cloudier, if slightly broader, concept of 'basic needs' is similarly playing its part in legitimating the continuation of impoverished conditions in the Third World....

While reality may be inaccessible except through interpretation, it is necessary to make a distinction between the two. Only through the pursuit of objective social science can we properly appreciate the indoctrinated quality of our social perceptions. This is a paradox with which those who study poverty will have to live, and which David Piachaud fails to address. Whatever we may *mean* by 'poverty', there are people whose resources are so low that they bear the observable and 'objective' marks of multiple deprivation, including ill-health or disability and the risk of early death....

### A social conception of need

Poverty is a function of two things. As I tried to summarise these (p. 917):

In all societies, there is a crucial relationship between the production, distribution and redistribution of resources on the one hand, and the creation of sponsorship of style of living on the other. One governs the resources which come to be in the control of individuals and families. The other governs the 'ordinary' conditions and expectations attaching to membership of the society, the denial or lack of which represents deprivation. The two are in constant interaction and explain at any given moment historically both the level and extent of poverty.

David Piachaud plays down the difficulties of the first, saying that 'the extension of the concept of income to embrace a wider range of resources, public as well as private, is important and uncontentious'.

That final word is astonishing. If it were uncontentious, would it not be hard to explain why administrative and professional elites have resisted the collection of information on the augmentation of living standards through the selected allocation of wealth and employer welfare benefits in kind? In our poverty survey, the research team made the collection of this information one of its priorities. A theory of poverty necessarily depends in part on a theory of wealth.

A similar point about relativity and structural determinism has to be made when we turn to 'deprivation'. We have to describe the roles which

people are expected to play and the customs, amenities and activities which they are expected to share and enjoy as citizens, in order to discern and measure forms and degrees of deprivation. An understanding of the latter depends on making a prior analysis of the former, which, for want of a better term, I called 'style of living' in my book.

In developing a theory of poverty, it is as important to understand the generation of new styles of living, establishing norms, amenities and customs from which categories of poor may be excluded - as it is to understand the generation and distribution of resources, which enable people to participate in those self-same styles of living.

Needless to say, it was impossible in a single national survey to undertake a comprehensive examination of styles of living, or of multiple forms of deprivation. Indicators were chosen on the basis of knowledge of previous studies to which one or both of these concepts seemed to apply. The whole procedure is discussed in chapter six, pages 248-71, and a list of 60 indicators is given in appendix 13....

[Piachaud] comments on the rather rough nature of the correlation between deprivation and income, quoting figures which show that few with high incomes were substantially deprived, and some with low incomes were found not to be deprived. Such a distribution depends, at the margins, on definitions of household, income, regularity of income, and coverage of chosen indicators of deprivation; and those who have undertaken social, particularly income, surveys will know the problems.

His objections to certain indicators are inconsistent, and not theoretically grounded. He suggests that some forms of behaviour represent individual 'tastes', which are unrelated to poverty. But three of the four examples he picks were in fact found to correlate strongly with diminishing income and even more with diminishing resources (see appendix 13). The items included in the index were highly intercorrelated, as were the great majority of the full list of 60 indicators.

The evidence shows a close relationship between different forms of deprivation, including ill-health, and also that there is a much stronger material or economic basis than hitherto supposed for what has come to be dismissed as 'diversity of taste'. This is of immense theoretical and practical importance, and governed a number of the conclusions reached in the book, both about the causes of poverty and about the structural changes to remedy it.

A final question involves the tentative idea of a 'threshold' of income. Is diminishing income uniformly correlated with increasing deprivation, or is there a threshold of income, for different income units or households, below which deprivation increases disproportionately? The

findings of the survey were suggestive but inconclusive, as the book states. David Piachaud believes that such a threshold is implausible.

However, there is evidence of people pulling out of roles, responsibilities, customs and shared activities, below certain levels of income. Thus, with diminishing income, people restrict the nature of, say, a summer holiday, but below some level of income decide not to have a holiday at all. Among poor families, children are absent from school on days when they are supposed to turn up with sports clothing or contributions for a school outing. When they are too poor, pensioners no longer go to a pub to share drinks with their friends.

### Shutting themselves off

Some people avoid one form of deprivation only by submitting to others. Some families maintain household amenities, and meet some of the needs of their children, only by shutting themselves off from their neighbours and from friendship at work. We can see many of these responses among the rapidly growing number of unemployed.

Contrary, then, to David Piachaud, 'relative deprivation', together with an operational version of a deprivation index, is of considerable practical value, in developing a theory of poverty and hence social policy.

On the basis of the national evidence, I would reject his view that poverty '*no longer* (my 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 outcasts'.

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 a hundred years ago.

On the basis of the approach I have discussed, those having their incomes paid under the supplementary benefit and national insurance schemes can be shown to be deprived; and a strongly buttressed case for substantially raising, and legitimating, the level of these payments can be presented. (This is a case to which, incidentally, the former Supplementary Benefits Commission, to their credit, and others have also contributed.) Moreover, the evidence about the distribution of wealth and of other resources also shows that higher payments can in principle be comfortably financed.

These are two particular and perhaps practical outcomes of the attempt to apply 'relative deprivation' in a national study.

### Part 3: Amartya Sen - Poor, Relatively Speaking (Summary of 1983 lecture)

In his Geary Lecture, published in *Oxford Economic Papers* in 1983, Amartya Sen commented at length on discussions calling attention to the 'relativity' of poverty and he argued for the retention of an 'absolutist' conception - albeit in a sense different from other commentators. He put forward a theoretical perspective based primarily on a conception of 'capability'. A summary of his argument follows.

He began his paper by agreeing with social scientists like Peter Townsend (1962) and Dorothy Wedderburn (1962) who had shown that large sectors of the British population remained deprived and in misery in the 1960s and the battle against poverty was far from over. They had opened up the question of how poverty lines should be determined.

But he questioned the abandonment of the idea of 'absolute' need. There were two defects in the arguments for abandonment presented by Townsend (1979a, pp. 17-18). Absoluteness of needs was not the same thing as their 'fixity over time'. Under an absolutist approach, the poverty line was a function of **some** variables, and there was no 'a priori' reason why these variables might not change over time. Second, there was a difference between achieving relatively less than others, and achieving **absolutely** less because of falling behind others. People's ability to enjoy an uncrowded beach might depend on them knowing about that beach when others did not, so that the absolute advantage they would enjoy - being on an uncrowded beach - would depend on their **relative** position - knowing something that others did not. They wanted to have that information not to do relatively better than others but to do absolutely well.

In 'more rigidly relativist' views held by other authors (Fiegehen, Lansley and Smith, 1977) the gains shared by all in a population tended to be discounted. This was implicit in poverty lines defined as half the median income in society, for example. Somewhere in the process of refining the crudities of Charles Booth's and Seebohm Rowntree's old-fashioned criteria of poverty, an essential characteristic of poverty (its absoluteness) had been abandoned, with 'some imperfect representation of inequality as such' being substituted.

Another flawed relativist approach, according to Sen, was the policy definition of poverty - whereby the amounts for which people were eligible under social security laws were treated as a poverty line. The problem was that this definition went 'well beyond reflecting the cut-off point of identified poverty'. For one thing it reflected what was feasible. Levels of eligibility might be reduced. This would change the numbers in

poverty even if there was no other change. And other aims than the reduction of poverty might be numbered among the considerations of politicians and administrators in deciding those levels. None of the relativist views could therefore serve as an adequate theoretical basis for conceptualising poverty. There was 'an irreducible absolutist core in the idea of poverty'. One element of this was starvation and hunger. If these existed, no matter what the **relative** picture looked like, poverty must exist. This applied to other aspects of living standards. Thus, Adam Smith called attention to the fact that an eighteenth-century Englishman had to have leather shoes to be able to avoid shame. It was not a relative question of being less ashamed than others but not to be ashamed at all - an **absolute** achievement.

What was an alternative approach to the question of measuring living standards? The right focus was neither commodities, nor characteristics, nor utility, but a person's 'capability' (Sen, 1981, 1983). Commodity ownership did not explain what a person could do. Thus, a bicycle was a commodity, but it had the characteristic of transportation, which gave someone the **capability** to function.

This central focus allowed the dispute about absolute and relative standards of poverty to be sorted out. 'At the risk of oversimplification, I would like to say that poverty is an absolute notion in the space of capabilities but very often it will take a relative form in the space of commodities or characteristics.' (Sen, 1983)

Sen argued that there was no conflict between the irreducible absolutist element in this notion of poverty and the 'thoroughgoing relativity' to which Townsend referred, if the latter were interpreted as applying to commodities and resources. 'If Townsend puts his finger wrong, this happens when he points towards the untenability of the idea of absolute needs.' Of course, needs varied between one society and another, but they involved a different bundle of commodities and a higher real value of resources fulfilling the **same** general needs. He believed that Townsend was, in fact, estimating the varying resource requirements of fulfilling the same absolute need of being able to 'participate in the activities of the community'.

In a poor community the commodities or resources needed to participate in community activities might be very little indeed. Poverty was primarily concerned with the commodity requirements of fulfilling nutritional needs and perhaps some needs of being clothed, sheltered and free from disease. This was the world of Charles Booth or Seebohm Rowntree in nineteenth-century or early twentieth-century London or York, and that of poverty estimation today, say, in India. For richer communities,

however, the nutritional and other physical requirements (like clothing) were typically already met, and the needs of communal participation - while absolutely no different in the space of capabilities - would have a much higher demand in the space of commodities and that of resources. Relative deprivation, in this case, was nothing other than a relative failure in the commodity space - or resource space - having the effect of an absolute deprivation in the capability space (p. 162).

The varying commodity requirements of meeting the same absolute need applied not merely to avoiding shame from failing to meet conventional requirements, and to being able to participate in the activities of the community, but also to a number of other needs. In a car-owning society, public transport services might be poor, so that a carless family might be *absolutely poor* in a way it might not have been in a poorer society. Again, widespread ownership of refrigerators and freezers in a community might affect the structure of food retailing, thereby making it more difficult to make do without having these facilities.

In conclusion, Sen stated that there remained a good case for an absolutist approach to poverty, but that such an approach should be linked with the notion of 'capability'. Capabilities differed both from commodities and characteristics, on the one hand, and utilities, on the other. The capability approach shared with John Rawls the rejection of the utilitarian obsession with one type of mental reaction, but differed from Rawls' concentration on primary goods by focusing on capabilities of human beings rather than characteristics of goods they possess.

An 'absolute approach in the space of capabilities' translated into a 'relative approach in the space of commodities, resources and incomes' when considering capabilities, for example avoiding shame from failure to meet social conventions, participating in social activities, and retaining self-respect.

Inequality remained important. While poverty could be seen as a failure to reach some absolute level of capability, the issue of inequality of capabilities was important in its own right in discussing public policy.

#### Part 4: Rejoinder - Peter Townsend

In his paper Professor Amartya Sen takes issue with part of my work on poverty. Unfortunately he does not correctly represent my approach to the concept and, as a consequence, fails to provide fair criticisms of the treatment of 'relative deprivation' by myself and others as a quite distinct

example of the relativist views of poverty which he argues comprehensively against in the first part of the paper. He gives very confused grounds for retaining an 'absolute' core to the meaning of poverty and makes an insufficient case for treating 'capability' as a key concept in the analysis of trends in living standards. I will discuss these matters in turn. My discussion follows the structure of Professor Sen's paper. Some readers may prefer to skim through the first section to reach the general issues considered in the second and third sections of this rejoinder.

#### Misrepresentation of 'relative deprivation' approach

First, Professor Sen quotes from a criticism of mine of the idea of absolute need. This passage from my work reads as follows:

A thorough-going relativity applies to time as well as place. The necessities of life are not fixed. They are continuously being adapted and augmented as changes take place in a society and in its products. Increasing stratification and a developing division of labour, as well as the growth of powerful new organisations, create as well as reconstitute need.

Professor Sen says that this line of reasoning suffers from two general defects. He objects first that absoluteness of needs is not the same thing as their fixity over time and goes on 'Even under an absolutist approach, the poverty line will be a function of *some* variables, and there is no a priori reason why these variables might not change over time'. Professor Sen is saying something different from the majority of those who uphold an 'absolutist' perspective. While generally they take an absolute standard and apply it on subsequent occasions in the same form but updated for change in prices only, he suggests that an *absolute* poverty line might change with time according to certain variables (he does not say *which* variables). But in making a vague concession in the direction of relativism he does not perceive the importance, as argued in the passage of mine quoted and in a variety of other contexts in the literature on poverty, of adopting a scientific conceptualisation which *both* allows comparisons to be made through time about changes in conditions within a single society *and* differences in conditions between different societies at a simultaneous moment of time. That is what the 'relative deprivation' conceptualisation attempts to do.<sup>1</sup> His analysis cannot be said to be addressed to this problem.



The second 'general defect' which he attributes to my line of reasoning is that I do not recognise that 'there is a difference between achieving relatively less than others, and achieving absolutely less because of falling behind others'. I have some difficulty in grasping what Professor Sen is driving at, particularly since he immediately goes on to discuss *advantage* and not *deprivation*. He writes,

Your ability to enjoy an uncrowded beach may depend on your knowing about that beach when others do not, so that the absolute advantage you will enjoy - being on an uncrowded beach - will depend on your *relative* position - knowing something that others do not. You want to have that information but this is not because you particularly want to do *relatively better than or as well as others*, but you want to do *absolutely well*, and that in this case you must have some differential advantage in information. So your absolute achievement - not merely your relative success - may depend on your relative position in some other space.

There are two problems in this passage of Professor Sen's which do not appear to have been sorted out. It strikes me first as failing to distinguish between behaviour and motivation and trying to approach an explanation of social phenomena on the minor theme of individual motivation instead of the major theme of social organisation. It seems to me quite crucial to try to separate subjective (in both the individual and collective senses of that term) from objective aspects of deprivation in identifying and measuring poverty. People may be in poverty when they believe they are not, and vice versa. Or people may be in poverty when interested others - such as governments, or the public at large or even the economic and sociological professions - believe they are not, and vice versa. Perceptions which are filtered through, or fostered by, the value or belief systems of sectional groups, the state or whole communities can never be regarded as sufficiently representative of 'reality out there'. There have to be forms of 'objective' social observation, investigation and comparison against which they may be checked (even if those standards remain necessarily incomplete as well as necessarily creatures of socially produced modes of scientific thought).

The other problem in the passage quoted is that two substantive statements do not appear to have been disentangled and brought into the light of day. In so far as Professor Sen is trying to elucidate *objective* needs he appears to be saying that at diminished levels of resources people are unable to satisfy some needs at all rather than that they are only able to

meet them to a reduced extent; and that even at the lowest level of resources some people remain better placed to meet at least some of their needs than are others (for example, they have information, access to transport, the kind of environment or family circumstances which allow resources to be stretched further or to be committed more economically). I do not disagree with these statements, though Professor Sen appears to think I do. But neither of them leads to the proposition that needs are absolute, which remains the point at issue.

Let me endeavour to make some comments which may help to clear up this fundamental confusion about the nature of poverty made by Professor Sen. It is not necessary to invoke 'absolute needs' in order to maintain a scientific distinction between poverty and inequality, as I have attempted to argue in putting forward a conceptualisation of poverty as 'relative deprivation'. I will provide an empirical description, necessarily over-simplified. After allowing for size of family the correlation between level of income (or total *resources* - which is the conception, including the income equivalent of wealth and of income in kind, which I would wish to recommend) and extent and severity of deprivation in rich societies like Britain is by no means perfect, although it is highly significant. Some people are much less 'deprived' than others on the same income; some are much more 'deprived'. A lot will depend on local variations in social integration, association and exchange as well as local variations in prices, especially costs of housing, in relation to facilities gained, including locational facilities. But in any society and not only British society, the level of resources available to the local community, the family and the individual (note that I do not refer just to the individual) seems in the end to govern whether or not individuals within that community can satisfy social obligations, expectations and customs and hence need. For as members of society (and hence of a network of sub-groups) people have needs which can only be defined by virtue of the obligations, associations and customs of such membership.

There seems to be not just a *continuum* of deprivation in accordance with ranked income (or total resources). Below an approximate threshold of income, deprivation seems to intensify, accelerate or multiply disproportionately. It is as if people strive to conform with what is expected of them when income shrinks (they economise in what they do but still undertake the same activities) but once it shrinks below a particular level they withdraw (or withdraw their children) from fulfilling certain social obligations or well-established customs or activities. They no longer meet friends, children are occasionally absent from school, heating is turned off, conventional diets are no longer regularly observed, visitors are no longer

invited into the home, ill-health and disability become more common. It is not claimed that the existence of such a threshold has yet been systematically demonstrated. This would require conducting a survey with larger numbers than Professor Abel-Smith and I were able to mount with the help of the Joseph Rowntree Memorial Trust, in 1968-69, and perhaps in providing further clarification of the nature, and selecting more indicators, of deprivation. But some economists researching the same data (Desai, 1981, 1983) consider the conclusion highly arguable and some attempts have been made in other societies to apply similar methodology (e.g. Chow, 1982).

It may be that in making (or strictly, repeating, because the argument is set out at greater length elsewhere) these points Professor Sen will accept that if there is a threshold of low income below which there is evidence of disproportionately (that is, in relation to income or resources generally) severe or multiple deprivation, then this may be said to constitute a level of 'absolute' need in that society. Personally I think that in view of the history of the treatment of the term 'absolute' need it would breed misunderstanding to interpret 'absolute' as Professor Sen appears to want to interpret the term as variable, flexible and even in parts, relative. For one thing I don't think he goes very far down the road of relativity. For another he does not clarify exactly what he means by 'absolute'. There are passages where he appears to mean 'prioritised'. This is taken up in my next section.

Despite some qualifications Professor Sen links my advocacy of 'relative deprivation' with an advocacy of 'inequality'. Under the first section of his paper against 'relativism' he successfully criticises conceptions of poverty which do not attempt to distinguish between poverty and inequality. Thus he quotes a passage from Fiegehen, Lansley and Smith in which they say that poverty is likely to persist even in a changing society '*since there will always be certain sections of society that are badly off in the sense that they receive below-average incomes*' (my emphasis). I do not consider there is much value in confusing inequality and poverty in this way and I would have been a lot happier if Professor Sen had attempted to distinguish rather more emphatically between these approaches 'to a relativist' view because I believe he would have represented both of them a lot more accurately than he does.<sup>2</sup> Poverty is much more than having relatively less than others.

The essence of the approach I am endeavouring to develop is that society, and especially the state, is creating or 'manufacturing' as well as reconstituting needs at the same time as it is determining the allocation of resources in the first place (and not just the redistribution of income) with which those needs can or will be met. Our understanding of changes in the

extent of poverty depend fundamentally on scientific exposition of this dual process.

### Absolute poverty

This brings me to a more direct discussion of Professor Sen's grounds for retaining an 'absolute' core to the meaning of poverty. Professor Sen has made a big contribution to the recent discussion of poverty (see references set out in Sen, 1992, pp. 180-90). His expertise is rooted in Third World economies, especially that of India, and he has gradually extended his work to include comparisons with highly industrialised societies. In his major work *Poverty and Famines* he traces the analytical shift towards 'relative deprivation' as a driving concept in conceptions of poverty and yet resists abandonment of the idea of 'absolute' need or deprivation in the misguided belief that this is the only way of maintaining a central place for malnutrition in the conception of poverty. He writes:

Poverty is, of course, a matter of deprivation. The recent shift in focus - especially in the sociological literature - from *absolute* to *relative* deprivation has provided a useful framework of analysis.... But relative deprivation is essentially incomplete as an approach to poverty, and supplements (but cannot supplant) the earlier approach of absolute dispossession. The much maligned biological approach, which deserves substantial reformulation but not rejection, relates to this irreducible core of absolute deprivation, keeping issues of starvation and hunger at the centre of the concept of poverty (Sen, 1981, p. 22).

Stung by different theoretical approaches developed in other work published at about the same time as his book he entered the fray more openly in his Geary Lecture, delivered in September 1982, published in a revised form in 1983. 'There is, I would argue, an irreducible absolutist core in the idea of poverty' (Sen, 1983 p. 159). He argues along very familiar lines 'If there is starvation and hunger, then - no matter what the *relative* picture looks like - there clearly is poverty.' What he calls the 'relative picture' (what to most of us would then be implied as other needs) have 'to take a back seat behind the possibly dominating absolutist consideration' (p. 159). I find this passage wholly unacceptable. He does not say anything about the scientific criteria by which we identify, or prioritise, human needs. In observations of behaviour in every society the drive to satisfy

hunger sometimes takes second place to other drives, especially those which are conditioned by other people's expectations or because of an inculcated sense of obligation in the work place or at home, or through sheer coercion. I also find it a little significant that Professor Sen does not stick to 'starvation' but adds 'and hunger'. This opens the door to a great deal of ambiguity and discussion. The scientific literature demonstrates that exact criteria, and certainly clinical criteria, are not always easy to find for the condition of 'starvation' but 'hunger' is even more open to wide interpretation and is demonstrably a relative and social concept. On the evidence of reviews such as Evason (1980) in Northern Ireland and Burghes (1980) in England, there are many people in the United Kingdom - one-parent families, long-term unemployed, pensioners and the low paid - who feel the real pinch of hunger today.

The problem about this reiteration of the virtues of an 'absolutist core' to the meaning of poverty, is the underestimation of the importance of needs other than for food (and perhaps for other 'physical' goods and facilities) in the countries of the Third World like India and Pakistan and not just the rich countries of the First World like Britain. Without operational specification of the range of needs and resources required to satisfy those needs Professor Sen's argument carries the dangerous implication that meagre benefits for the poor in industrial societies are more than enough to meet their (absolute) needs and, depending on economic vicissitudes, might be cut. Thus in one passage Professor Sen actually argues that in Britain the level of supplementary benefits is determined by a variety of considerations '*going well beyond* reflecting the cut-off point of identified poverty' (p. 158, my emphasis). There have been 'other pressures, e.g. pulls and pushes of politically important groups, policy objectives *other than* poverty removal' which will have played a part in determining the rates. The same point can be made for the standards which are to be set in Third World development.

Professor Sen's 'minimalism' is worrying, therefore, not only because he appears to ignore or underestimate the importance of certain forms of social need, but because that indifference or underestimation carries an implicit recommendation for policy. It opens the door to a tough state interpretation of subsistence rations. What is theoretically naive is to fail to perceive that just as there may have been political 'pressures' in fixing benefit rates, there may also have been such pressures in influencing professional, scientific, bureaucratic and public perceptions of poverty. There may be said to be a tendency of 'establishment' institutions, whether capitalist or state socialist, in the East European sense, to foster minimalist perceptions of the needs of the dependent poor and not only labour. In fact,

as I have suggested already, Professor Sen does not appear to have clearly distinguished in principle between social (including state) and scientific or objective definitions of poverty. This is likely to arise if the historical roots of standards and methodologies are exposed. Social scientists must explain how ideas about minimum benefits and wages originate, how they come to be sponsored and justified by contending interest groups, and how the state tends to dodge or suppress efforts to reveal the shortcomings of standards adopted nationally. Fundamentally, such critical exercises depend on efforts to establish alternative standards - principally through the analysis of social structures and therefore of human behaviour - in response to the roles people are expected to perform, but also the roles they might perform in rearranged structures. At the risk of oversimplification, I mean that certain kinds or degrees of human need may not be perceived by any powerful group in a society - either because their own self-interest precludes it, or because fashions or customs are such that it does not seriously obtrude upon their attention. If this possibility is accepted and is to be treated seriously, then free and independent study to explore and demonstrate it must be encouraged. Independent of public, political and, yes, professional economic opinion, human needs must be subjected to that kind of scientific observation and measurement which will allow for unsuspected, as much as previously suppressed, findings to be revealed.

And this is the Achilles heel of Professor Sen's argument. He does not offer any serious criteria of poverty independent of income. I have argued that the subsistence concept is insufficient because criteria of 'physical' need (for food, shelter and clothing) are over-emphasised to the near exclusion of criteria of social need (in fulfilling the roles of citizen, parent, neighbour, friend, professional, client, etc.). I have attempted to provide an alternative definition and this has been discussed at length (Townsend, 1979a, especially chapter 6). But the problem isn't merely to recognise social as well as physical needs, but to clarify the social determination and nature of physical needs and hence to comprehend the restrictive and unrealistic functions of an 'absolutist' conception of needs. On page 159 Professor Sen skips about from starvation and malnutrition to hunger. Which of these three concepts is to be regarded as important? What is their exact meaning? Doesn't the difference between the three hold enormous implications for the numbers in any population who are then categorised as being in poverty? This is by no means an inconsequential objection. Many observers of British society would probably agree that while few people at any time may be 'starving' the number who go hungry sometimes, or often, may run into millions. On page 161 he suggests that there can be 'varying resource requirements of fulfilling the same absolute

need' and yet admits that 'needs too can vary between one society and another'. There is some disposition, then, to accept elements of an alternative 'relative deprivation' analysis, without showing how these elements can be reconciled with his 'absolutist' perspective. Professor Sen's contributions to historical analysis show this. Thus he states (p. 154) that there was 'little real reason' for the Labour Government in 1950 'to be smug about eradication of poverty in Britain' despite the estimates of the fall in poverty produced by Seebom Rowntree. But he does not offer any reinterpretation of what the change between 1936 and 1950 had actually been and therefore tries to ride both horses - namely that the eradication of poverty was not, after all, as substantial as it had seemed from Rowntree's work, but that we should still cling closely to the kind of subsistence conception of poverty (dominated by nutritional requirements) advocated by Rowntree. This seems to have it both ways.

### Capability

Having admitted some elements of relativism into his reasoning about 'absolute' poverty, Professor Sen feels obliged to give a different 'focus for assessing standard of living'. He argues that the right focus is neither commodities, nor characteristics, nor utility, but a person's capability. Having a bicycle, he goes on, by way of illustration, gives a person the ability to move about in a certain way that he may not be able to do without the bicycle. 'So the transportation *characteristic* of the bike gives the person the *capability* of moving in a certain way.' There is sequence from *commodity* (the bike) to characteristics (transportation) to capability to function (ability to move) to utility (pleasure from moving). This third category - of capability to function - 'comes closest to the notion of standard of living'. This notion of capability is basic to the conceptualisation of poverty. 'At the risk of oversimplification, I would like to say that poverty is an absolute notion in the space of capabilities but very often it will take a relative form in the space of commodities or characteristics' (p. 161). Thus, in one of Professor Sen's examples, Adam Smith had noted that the Greeks and Romans lived very comfortably, though they had no linen but 'in the present time, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt'. And the necessities of life were 'not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without'.<sup>3</sup>

Professor Sen reaches the point, then, of acknowledging that the *commodities* that people require are relative in the sense that they will be different for different generations and cultures. He states that there are 'varying commodity requirements of meeting the same absolute need' (p. 162). He even gives the example of television as a commodity requirement of the British child for his or her school education. But with certain qualifications he is arguing that capabilities are the same everywhere (see p. 162) and at all times (they are absolute - as emphasised on pp. 161 and 165), but the commodities required to service them are variable and depend on custom.

I happen to believe that Professor Sen has not yet begun to plumb the implications of this concession for the measurement of poverty comparatively in, say, Britain and India. Certainly he does not specify the implications for operational measurement and it cannot be said that his book *Poverty and Famines* reflects this new development in his thinking. Thus in his Geary Lecture he gives examples of 'the most basic capabilities'. These are: '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, to participate in the activities of the community - and to have self-respect.' The possible structural interrelationships of these different notions are not explored. Astonishingly he suggests that the commodity requirements of all but the last three of these capability fulfilments 'are not tremendously variable between one community and another', although the variability is 'enormous' in the case of the last three (pp. 162-3).

But we must question more than the empirical implications and applicability of the thesis. We must ask how the capabilities are selected and in what senses they are 'absolute'. Are not nutritional requirements dependent upon the work roles exacted of people at different points in history and in different cultures, and dependent too upon the levels of extra work activities to which custom expects people to conform? What are the *requirements* for? Isn't the idea of 'avoidable disease' dependent on levels of medical technology and more basically, those conditions and symptoms which a country is prepared to identify as disease or as avoidable, and isn't disease (and its obverse) fundamentally linked with social behaviour? Isn't the idea of 'shelter' relative not just to climate and temperature but to what society makes of what shelter is for? The three little pigs had different ideas of the meaning of shelter. Shelter includes notions of privacy, space to cook and work and play and highly cultured notions of warmth, humidity and segregation of particular members of family and different function of sleep, cooking, washing and excretion. These are *social* notions and this is what I

would want to insist upon. Types of need, even capabilities in the sense used by Professor Sen, are socially created and have to be identified and measured in that spirit. Human needs are essentially social, and any analysis or exposition of standards of living and poverty must begin with that fact.

I am therefore welcoming the few cautions steps which Professor Sen is taking in the direction of what he himself calls 'derived relativism' but I do not regard the outcome which he now recommends as analytically or theoretically consistent. Professor Sen's conceptualisation does not allow sufficiently for the social nature of people's lives and needs. He is continuously reverting to physical commodities (bikes, cars, refrigerators) for his examples and to individual states or wants (like his new concept of 'capabilities'). His is a sophisticated adaptation of the individualism which is rooted in neo-classical economics. That theoretical approach will never provide a coherent explanation of the social construction of need, and hence of the real potentialities which do exist of planning to meet need.

#### **Part 5: An Econometric Approach to the Measurement of Poverty by Meghnad Desai and Anup Shah (Conclusion only)**

We have in this paper provided a firmer conceptual basis for measuring deprivation than has hitherto been advanced in the literature. By defining relative deprivation as relative to the community norm and making the norm the modal behaviour, we make the sociological view of poverty empirically measurable. The key here is to define consumption in terms of certain crucial events which are highly frequent and highly probable. We then proceed to define the modal value of frequency of consumption events and the difference between an actual value and modal value as a simple measure of deprivation for any particular event. By making a suitable econometric specification, we finesse the problem of tastes. In aggregating the differences between the actual and the modal value over the different events, we propose a procedure that weights events unequally but in a way that is robust against the inclusion of 'minority events'. This done, we explore the question as to whether our aggregate measure has any different information content from the income variable. We propose that one way to check this might be to use the canonical correlation approach. We implement a modified measure with Townsend's data.

Our empirical results show that it is possible to use Townsend's data in a sophisticated way to extract from them information that can locate who

the deprived are. In terms of family size these are at either end of the distribution - single person households and large adult dominated households. The state of health matters as well. As far as income is concerned, there is a sharp decline in the deprivation index beyond the 160% of SB level. But income is far from being the only or even the most important variable.

Thus we hope to have shown that while Townsend's measure has been criticised, it is possible by a suitable formalisation to meet most of the limitations. The notion of relative deprivation is more general than Townsend's particular measure of it and this notion is obviously worth formalising and measuring econometrically. Our approach produces a measure for each household and it captures the social, interpersonal aspects that are basic to the concept of relative deprivation.

Much further work remains to be done. The robustness of our measure could be tested by extending to more questions within the Townsend sample than the set used here. It could also be tried out on other samples. Ideally, of course, it should be tested by linking it to a questionnaire which allows the event-specific distance to be measured. This however remains for the future.

*Postscript: A reply by Amartya Sen to Townsend's rejoinder (Sen 1985) was printed in the same issue of Oxford Economic Papers. This should be consulted for detailed counterarguments. Attempts to resolve the theoretical differences have been made for example by de Vos and Hagenaaers (1988). Amartya Sen contributed further in late 1992 to the debate about poverty (Sen, 1992, especially chapter 7). Although his contributions to the debate always deserve close attention his theoretical position in his new book remains much the same as expressed in 1985. Thus, the central concern with 'commodities' and 'capabilities' is reiterated. For example, 'While the minimally acceptable capabilities to function may ... vary from society to society, the variable commodity requirement for the same capabilities does not, in itself, require that we take a basically "relativist" approach to poverty, provided we see poverty as capability failure' (Sen, 1992, p. 116).*

## Notes

1. The conceptualisation of need, as of poverty, can be examined in terms of historical origins and the meanings given to the term or terms comparatively. I try to do both in chapter 1 and also the former in chapter 4 of *Poverty in the United Kingdom* (1979a). I had become interested in the different meanings of the term used comparatively in *The Concept of Poverty* (1970). I still find the problem compulsive and have written a number of papers and articles in recent years to clarify the relative deprivation approach. This includes preliminary work in East Africa and ideas prompted by collaboration with colleagues attempting to coordinate research into poverty in Europe (Townsend, 1983; 1984a; 1984b; 1986 and see Chapters 8 and 9 below). The original formulation of the 'relative deprivation' approach is given at the beginning of my book *Poverty in the United Kingdom* (1979a) (and also see Chapter 2 above, p. 36).
2. Others have wrongly supposed that 'relative deprivation' is just another version of 'inequality' and have thereby erected a straw man to knock down. See, for example, Joseph and Sumption (1979). In fact I comment a number of times on the distinction between inequality and poverty, for example, in a passage in chapter 1 of *Poverty in the United Kingdom* which begins 'But poverty is not inequality....' (p. 57).
3. Smith (1776), pp. 351-2.