

# Poverty and social exclusion

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## Introduction

The word poverty implies an undesirable state. It suggests that individuals or groups who are in poverty need to be helped so that their situation can be changed. Poverty, in other words, is a social problem. As we shall see later, however, for some groups in society, poverty can be useful. Generally speaking, though, poverty is considered to be an undesirable social problem for which a solution should be found.

- 1 The first step in finding the solution is to identify the problem. This requires a definition.

- 2 The second step is to assess the size of the problem. This involves the construction of ways to measure it.
- 3 Once the problem has been identified, defined and measured, the next step is to discover what causes it.

Therefore, only after we have found answers to the questions 'What is poverty?', 'What is the extent of poverty?', and 'What are the causes of poverty?', can the question 'What are the solutions to poverty?' be asked.

In this chapter we are going to examine some of the answers that social scientists have given to these four questions.

## The definition and measurement of poverty

Since the nineteenth century, when rigorous studies of poverty first began, researchers have tried to establish a fixed standard against which to measure poverty. There have been three main areas of controversy over the basic principles on which such a standard can be based.

### Absolute and relative poverty

First, researchers have disputed whether poverty should be measured in absolute or relative terms. Some writers have argued that there is a common minimum standard that can be applied to all societies below which individuals can be said to be 'in poverty'.

Measures of absolute poverty are usually based upon the idea of subsistence. In other words, people are in poverty if they do not have the resources to maintain human life.

Supporters of the concept of relative poverty, however, tend to dismiss this view. They argue that a definition must relate to the standards of a particular society at a particular time. According to this view, the point at which the dividing line that separates the poor from other members of society is drawn will vary according to how affluent that society is.

### Material and multiple deprivation and social exclusion

The second area of controversy concerns whether poverty can be defined purely in material terms, or whether the definition should be wider. Some sociologists assume that poverty consists of a lack of material resources – in British society, for instance, a shortage of the money required to buy those commodities judged to be necessary to maintain an acceptable standard of living.

Other commentators, though, believe that poverty involves more than material deprivation. They see poverty as a form of multiple deprivation that can have many facets. For example, some have argued that inadequate educational opportunities, unpleasant working conditions, or powerlessness can all be regarded as aspects of poverty. None of these conditions is necessarily directly related to the income of the individual. Each implies that broader changes than simply increasing the income of the worst-off members of society are necessary if poverty is to be eliminated. Some commentators now favour the use of the term social exclusion to refer to a situation in which multiple deprivation prevents individuals from participating in important areas of

society's activities. Thus the socially excluded might be unable to find work, take part in leisure activities or actively participate in a society's politics beyond voting at elections.

### Inequality and poverty

The third area of controversy concerns the relationship between inequality and poverty. From one point of view, any society in which there is inequality is bound to have poverty. In other words, if all those individuals with below average incomes were defined as poor, then the only way that poverty could be eradicated would be to abolish all inequality in income. This is because if some people have higher than average incomes, inevitably others must fall below the average.

Most sociologists who adopt a relative definition of poverty accept that some reduction in inequality is necessary if poverty is to be reduced, but they do not believe it is necessary to abolish inequality altogether to solve this social problem. They argue that it is possible to establish a minimum standard, a poverty line, which might be below the average income. The poor within a society can then be defined as those whose income or resources fall so far short of the average that they do not have an acceptable standard of living. Thus it would be possible to have a society with some inequality where poverty no longer exists.

We will now look at these competing definitions and methods of measuring poverty, paying particular attention to the way that these definitions have been used, and the statistics they produce. The next section will therefore consider the questions, 'What is poverty?', and 'What is the extent of poverty?'

### Absolute poverty

The concept of absolute poverty usually involves a judgement of basic human needs and is measured in terms of the resources required to maintain health and physical efficiency. Most measures of absolute poverty are concerned with establishing the quality and amount of food, clothing and shelter deemed necessary for a healthy life.

Absolute poverty is often known as subsistence poverty since it is based on assessments of minimum subsistence requirements. This means that those who use absolute measurements usually limit poverty to material deprivation.

Absolute poverty is generally measured by pricing the basic necessities of life, drawing a poverty line in terms of this price, and defining as poor those whose income falls below the line.

There have been many attempts to define and operationalize (put into a form which can be

measured) the concept of absolute poverty. For example, in their 'Level of Living Index' Drewnowski and Scott (1966) define and operationalize basic physical needs in the following way:

- 1 nutrition, measured by factors such as intake of calories and protein;
- 2 shelter, measured by quality of dwelling and degree of overcrowding; and
- 3 health, measured by factors such as the rate of infant mortality and the quality of available medical facilities.

Some concepts of absolute poverty go beyond the notion of subsistence and material poverty by introducing the idea of basic cultural needs. This broadens the idea of basic human needs beyond the level of physical survival. Drewnowski and Scott include education, security, leisure and recreation in their category of basic cultural needs. The proportion of children enrolled at school is one indication of the level of educational provision; the number of violent deaths relative to the size of the population is one indication of security; and the amount of leisure relative to work time is one measure of the standard of leisure and recreation.

### Criticisms of the concept of absolute poverty

The concept of absolute poverty has been widely criticized. It is based on the assumption that there are minimum basic needs for all people, in all societies. This is a difficult argument to defend, even in regard to subsistence poverty measured in terms of food, clothing and shelter. Such needs vary both between and within societies.

Thus Peter Townsend argues that 'it would be difficult to define nutritional needs without taking account of the kinds and demands of occupations and of leisure time pursuits in a society' (Townsend, 1970). For instance, the nutritional needs of the nomadic hunters and gatherers of the Kalahari Desert in Africa may well be very different from those of office workers in London. Within the same society, nutritional needs may vary widely, between, for example, the bank clerk sitting at a desk all day and the labourer working on a building site.

A similar criticism can be made of attempts to define absolute standards of shelter. Jack and Janet Roach give the following illustration:

*City living, for example, requires that 'adequate' shelter not only protects one from the elements, but that it does not present a fire hazard to others and that attention be paid to water supplies, sewage, and garbage disposal. These problems are simply met in rural situations.*

Roach and Roach, 1972

Thus, for instance, flush toilets, which may well be considered a necessary part of adequate shelter in the city, might not be considered essential fixtures in the dwellings of traditional hunting and gathering societies.

The concept of absolute poverty is even more difficult to defend when it is broadened to include the idea of basic cultural needs. Such 'needs' vary from time to time and from place to place, so that any attempt to establish absolute, fixed standards is bound to fail.

Drewnowski and Scott's basic cultural need for security is a case in point. In nineteenth-century England, younger relatives provided financial support for aged members of the working class, whereas today the same need is largely met by state old-age pensions and private insurance schemes. Increasing longevity, reductions in the size of families, and earlier retirement have altered the circumstances of the elderly. Definitions of adequate provision for old age have therefore changed since the last century. Thus, in terms of security, both the situation and expectations of the elderly in England have changed and are not strictly comparable over time.

A similar criticism can be made of attempts to apply absolute standards to two or more societies. For instance, recreational and leisure provision in the West may be measured in terms of the number of televisions, cinemas, parks and playing fields per head of the population. However, the concept of leisure on which this is based, and the items in terms of which it is measured, may be largely irrelevant for other societies: the Hopi and Zuni Indians of the south-western USA, for example, have a rich ceremonial life and this forms the central theme of their leisure activities. Recreational needs are therefore largely determined by the culture of the particular society.

Any absolute standard of cultural needs is based in part on the values of the researchers which, in turn, reflect their particular cultures. Peter Townsend notes that when societies are compared in terms of recreational facilities, 'cinema attendance and ownership of radios take precedence over measures of direct participation in cultural events', such as religious rituals and other ceremonies (Townsend, 1970). This is a clear illustration of Western bias.

## Budget standards and poverty

One common approach to measuring poverty is to use what has been called the budget standards approach. This involves calculating the cost of those purchases which are considered necessary to raise an individual or a family out of poverty. It has been used in some classic and contemporary studies of

poverty in Britain. The British government used it in calculating the level at which to set the means-tested benefit National Assistance (now called Income Support) when it was introduced in 1948. It has also been used by the US government in setting benefit levels.

Some of the earliest and most famous studies of poverty were conducted by Seebohm Rowntree in York (Rowntree, 1901, 1941, and Rowntree and Lavers, 1951). In his early work, the budget standards approach was originally based upon something very close to an absolute definition of poverty. (In Rowntree's later work, and in contemporary sociology, budget standards have been based upon more relative definitions of poverty.)

### Seebohm Rowntree – trends in poverty

Rowntree's original method of defining or measuring poverty comes closest to the use of an absolute and material or subsistence definition in Britain.

Rowntree conducted a study of poor families in York in 1899 and drew a poverty line in terms of a minimum weekly sum of money 'necessary to enable families ... to secure the necessities of a healthy life' (quoted in Coates and Silburn, 1970). The money needed for this subsistence level of existence covered fuel and light, rent, food, clothing, household and personal items, and was adjusted according to family size. According to this measure, 33 per cent of the survey population lived in poverty.

Rowntree conducted two further studies of poverty in York, in 1936 and 1950, based largely on a similar methodology. However, in the later studies he included allowances for some items which were not strictly necessary for survival. These included newspapers, books, radios, beer, tobacco, holidays

Table 5.1 Rowntree's studies of York

Causes of poverty	Percentage of those in poverty		
	1899	1936	1950
Unemployment	2.31	28.6	-
Inadequate wages	51.96	42.3	1.0
Old age	5.11	14.7	68.1
Sickness		4.1	21.3
Death of chief wage earner	15.63	7.8	6.4
Miscellaneous (incl. large family)	24.99	2.5	3.2
Totals	100	100	100

Percentage of survey population in poverty: 1899, 33; 1936, 14.8; 1950, 13.

Source: Adapted from K. Coates and R. Silburn (1970) *Poverty: The Forgotten Englishmen*, Penguin, Harmondsworth, London, p. 46

and presents. Despite the inclusion of the extra items, he found that the percentage of his sample population in poverty had dropped to 18 per cent in 1936 and 1.5 per cent in 1950. He also found that the causes of poverty had changed considerably over half a century. For example, inadequate wages, a major factor in 1899 and 1936, were relatively insignificant by 1950. Table 5.1 summarizes the results of Rowntree's surveys.

By the 1950s it appeared that poverty was a minor problem. 'Pockets' remained (for example, among the elderly), but it was believed that increased welfare benefits would soon eradicate this lingering poverty. The conquest of poverty was put down to an expanding economy (the 1950s were the years of the 'affluent society'), to government policies of full employment and to the success of the welfare state. It was widely believed that the operation of the welfare state had redistributed wealth from rich to poor and significantly raised working-class living standards.

Throughout the 1950s and 1960s researchers became increasingly dubious about the 'conquest of poverty'. Rowntree's concept of subsistence poverty, and the indicators he used to measure poverty, were strongly criticized. His measurement of adequate nutrition is a case in point. With the help of experts, Rowntree drew up a diet sheet that would provide the minimum adequate nutritional intake and, using this, he decided upon the minimum monies required for food. It was very unlikely, however, that this minimum budget would meet the needs of the poor. As Martin Rein argues, it was based on:

*an unrealistic assumption of a no-waste budget, and extensive knowledge in marketing and cooking. An economical budget must be based on knowledge and skill which is least likely to be present in the low-income groups we are concerned with.*

Rein, 1970

Rowntree's estimates further ignored the fact that most working-class people spent a smaller percentage of their income on food than his budget allowed. Nor did he allow for the fact that choice of food is based on the conventions of a person's social class and region, not upon a diet sheet drawn up by experts. Thus Peter Townsend argues that 'in relation to the budgets and customs of life of ordinary people, the make-up of the subsistence budget was unbalanced'.

Rowntree's selection of the 'necessaries of a healthy life' was based on his own opinions and those of the experts he consulted. In his original 1899 study, these necessities were very limited and genuinely included only the basic items necessary for living in an industrial society. However, as we saw earlier, in his later research he extended the range of

what he considered necessities quite considerably. In the 1936 survey, he expanded the idea of 'human needs' to include personal items such as a radio, a holiday, books and travelling. These items were estimated to cost 5 shillings (25 pence).

In his later work then, Rowntree used a measure of poverty significantly above subsistence level. Furthermore, the inclusion of such items as holidays anticipated the views of some of the supporters of relative poverty. Despite these alterations, Rowntree's studies revealed a dramatic decline in the amount of poverty. Rising living standards and improvements in the state benefits available to those on low incomes seemed to have reduced the poor to a very small fraction of the British population. In the 1960s, though, poverty was 'rediscovered' as researchers developed and applied the concept of relative poverty.

Jonathan Bradshaw, Deborah Mitchell and Jane Morgan – the usefulness of budget standards

Bradshaw *et al.* (1987) admit that the budget standards approach, which prices the necessities needed to avoid poverty, has its limitations. For example, they accept that it 'inevitably involves judgements – judgements about what items should be included, about the quantity of items that are required and about the price that should be fixed to the items'.

Nevertheless, they feel that the budget standards approach is useful because it focuses attention on the amount paid in benefits to the recipients of welfare. It offers sociologists the chance to assess whether benefit levels can provide adequately for people's needs.

Bradshaw *et al.* accept the criticism of Rowntree's work which points out that it is unrealistic to expect people to have a no-waste budget. To overcome this problem, they base their research on how people actually spend their money, rather than on how experts feel they ought to spend it. Bradshaw *et al.* used data from the *Family Finances Survey* to estimate how families spent their money. They then calculated what the families could afford to buy if they were receiving 110 per cent of basic Supplementary Benefit levels in 1986. (Supplementary Benefit was the main means-tested benefit in Britain in 1986.) The figure of 110 per cent of benefit levels, rather than 100 per cent, was used to allow for extra sources of income such as gifts, borrowing and part-time work. In 1986, 110 per cent of Supplementary Benefit for a family with two children under 11 gave the family a weekly income of £74.88.

At this level of income, the family was found to have a very low standard of living. They could not



Table 5.2 Items included and excluded from the Family Budget Unit (FBU) budgets

Low-cost budget		Modest, but adequate budget	
Examples of items included	Examples of items excluded	Examples of items included	Examples of items excluded
Basic furniture, textiles and hardware	Antiques, handmade or precious household durables	Basic designs, mass manufactured furniture, textiles and hardware	Antiques, handmade or precious household durables
First aid kit and basic medicine	Prescription, dental and sight care charges	Prescription charges, dental care, sight test	Spectacles, private health care
Fridge, washing machine, lawn mower and vacuum cleaner	Freezer, tumble-dryer, shower, electric blankets, microwave, food-mixer	Fridge-freezer, washing machine, microwave, food-mixer, sewing machine	Tumble-dryer, shower, electric blankets
Basic clothing (cheapest prices in C&A)	Secondhand, designer and high-fashion clothing	Basic clothing, sensible designs	Secondhand, designer and high-fashion clothing
TV, video hire, cassette player, basic camera	Hi-fi, children's TVs, compact discs, camcorders	TV, video hire, basic music system and camera	Children's TVs, compact discs, camcorders
Public transport, children's bikes	Car, adult bikes, caravan, camping equipment	Secondhand five-year-old car, secondhand adult bike, new children's bikes	A second car, caravan, camping equipment mountain bikes
Clocks, watches	Jewellery	Basic jewellery, watch	Precious jewellery
Haircuts	Cosmetics	Basic cosmetics, haircuts	Perfume, hair perm
	Alcohol/smoking	Alcohol – men 14 units, women 10 units (two-thirds HEA safe limit)	Smoking
Day-trip to Blackpool	Annual holiday	One-week annual holiday	Holiday abroad
Cinema twice a year, visiting museums or historic buildings about twice a year	Concerts, panto, ballet, or music lessons for children	Walking, swimming, cycling, football, cinema, panto every two years, youth club, scouts/guides	Fishing, water sports, horse-riding, creative or educational adult classes, children's ballet/music lessons

afford a holiday and could only have a single one-day outing once a year. They could not afford to go to the cinema, nor to buy books, magazines or bicycles. Running a car was too expensive, and they could afford only one haircut per year.

The researchers examined the weekly menu of a family with two children. They went to Tesco's supermarket in Barrow and bought the shopping found to be typical of families on benefit. Despite buying the cheapest lines and assuming that no food would be wasted, they still found the diet to be 6,500 calories short of what a family needed for the week. The children's diets had too little iron and calcium, and all family members were eating too little fibre and too much fat.

Bradshaw *et al.* argue that studies such as theirs illustrate how deprived people living on benefits are compared to other members of society. They claim:

*It is possible that the resurrection of budget standards methodology in the analysis of living standards in the UK could lead to a more considered review of the way we treat the seven million people in the UK dependent on Supplementary Benefit.*

Bradshaw *et al.*, 1987

In the 1990s, Bradshaw established the Family Budget Unit (FBU) to continue and develop this approach. The unit distinguished between two levels of income: that which would produce a 'modest but adequate budget', and a 'low-cost budget'. Table 5.2 shows the items included and excluded from these standards. As can be seen from the table, the latter standard reflects contemporary expectations and consumption patterns in Britain. It includes, for example, some provision for leisure such as video hire, but makes no provision for an annual holiday.

The modest but adequate budget is rather more generous but excludes luxury items. Carey Oppenheim and Lisa Harker have compared these findings with levels of income support in Britain. They found that in 1995 income support would meet just 34 per cent of a modest but adequate budget for a single man, 26 per cent for a couple, 40 per cent for a lone mother with two young children and 66 per cent for a couple with two young children (Oppenheim and Harker, 1996).

### Evaluation

Pete Alcock (1997) argues that the budget standards approach either relies upon accepting the opinion of experts about what constitutes an adequate budget, or it assumes that 'anyone seeing the evidence of the inadequacy of the weekly budget will recognise the existence of poverty'. Such an assumption is unlikely to be justified. Some will see the budget levels chosen as too generous, others as too mean. The definition is therefore either 'tautological ... or one based only on the judgement of experts'. Paul Spicker (1993) also argues that the approach of Bradshaw *et al.* has its limitations. He points out that people's quality of life is not entirely determined by how they spend money. For example, living standards can be improved by the unpaid labour of family members. Furthermore, no clear poverty line is identified in Bradshaw's work. However, Spicker does support the collection of data on what people actually spend rather than what experts say they should spend. He concludes that 'if there is a way to identify patterns of deprivation as a matter of fact with levels of income, this seems to be it'.

### Relative poverty and deprivation

In view of the problems associated with absolute and subsistence standards of poverty, many researchers have abandoned them. Instead, they have defined and measured poverty in terms of the standards specific to a particular place at a particular time. In this section we will consider those definitions.

In a rapidly changing world, definitions of poverty based on relative standards will be constantly changing. Thus Samuel Mencher writes:

*The argument for relative standards rests on the assumption that for practical purposes standards become so fluid that no definition of need, no matter how broad, satisfies the ever changing expectations of modern life.*

Mencher, 1972

In Western society, products and services such as hot and cold running water, refrigerators and washing machines, medical and dental care, full-time education and motor cars are moving or have moved

from being luxuries, to comforts, to necessities. Thus, in Peter Townsend's words, any definition of poverty must be 'related to the needs and demands of a changing society'.

Moreover, some sociologists have argued that it is necessary to discuss poverty in terms of lifestyles. It is not sufficient to see poverty simply as lack of material possessions and the facilities necessary for material well-being. In contrast, these sociologists believe poverty also exists where members of society are excluded from the lifestyle of the community to which they belong.

### Peter Townsend – poverty as relative deprivation

Peter Townsend has carried out a number of studies of poverty, including one of the most detailed ever undertaken in Britain (Townsend, 1979). During the 1960s and 1970s, he played a major part in highlighting the continuing existence of poverty, and in forcing the issue back on to the political agenda. He has also been the leading supporter of defining poverty in terms of relative deprivation: he stresses that poverty should be defined in relation to the standards of a particular society at a particular time. Furthermore, he believes that poverty extends beyond a simple lack of material resources. Townsend identifies three ways of defining poverty, which we will now examine.

#### The state's standard

The first is the state's standard of poverty, on which official statistics used to be based. Townsend calculates these figures on the basic rate of supplementary benefit (now income support), with the addition of housing costs for different types of household. All those who fall below this level are held to be in poverty, while those receiving income between 100 per cent and 139 per cent of benefit levels are held to be on the margins of poverty. Townsend, however, dismisses this standard as 'neither social nor scientific'. He sees it as being arbitrarily determined by the government of the day, and points out that from year to year it varies in relation to the average income of the population.

#### The relative income standard of poverty

Townsend calls the second definition of poverty the relative income standard of poverty. This is based upon identifying those households whose income falls well below the average for households with the same composition (the same numbers of adults and children). He defines those who receive 50 per cent or less of the average as poor, and those receiving 80 per cent or less as being in the margins of poverty.

(The British government has now adopted a relative income standard of poverty.) This definition has the benefit of being truly relative. As average income changes, then clearly the poverty line will change as well.

However, Townsend does not accept this definition either:

- 1 Again, he points out that the point at which such a poverty line is drawn is arbitrary: 60 per cent, 70 per cent or 90 per cent could be taken as the dividing line with no less and no more justification.
- 2 Nor does he believe that inequality and poverty are the same thing. For example, he argues that you cannot simply define, say, the poorest 20 per cent of the population as poor, because how badly off they are will depend on, among other factors, how developed the welfare system is. They might be considerably better off in a society like Sweden, which has a more highly developed welfare system than a country such as the USA.
- 3 Furthermore, Townsend wants to extend the concept of poverty beyond material disadvantage. Poverty, in his terms, involves the lifestyles associated with material shortage, and not the material shortage itself.

### Relative deprivation

Townsend asserts that 'poverty can be defined objectively and applied consistently only in terms of the concept of relative deprivation'. He justifies this claim on the grounds that society determines people's needs: for example, it determines and conditions even the need for food. It affects the amount of energy that 'different sections of the population habitually expend not only at work but in community and family pursuits'. Their individual obligations as parents, wives or husbands, friends or neighbours, as well as the work they have to do, influence how many calories they have to consume each day. Society also determines what types of foodstuff are available and influences patterns of food consumption through its culture. For instance, tea is closely tied up with British culture and lifestyles: members of British society are expected to be able to offer visitors to their homes a cup of tea, and many workers would be outraged if management threatened to remove their right to a mid-morning tea break. Tea, Townsend reminds us, is 'nutritionally worthless' but 'psychologically and socially essential' in Britain.

Townsend argues that the concept of relative deprivation should be thought of in terms of the resources available to individuals and households, and the styles of living that govern how those resources are used. He believes that concentrating exclusively on income to assess a household's

material situation ignores other types of resources that might be available. It neglects capital assets (those who own their home may be better off than those who rent), and ignores occupational fringe benefits, gifts, and the value of public social services such as education and healthcare.

He also feels that it is necessary to move beyond consumption (the purchase of goods) to an examination of how resources affect participation in the lifestyle of the community. Townsend argues that poverty involves an inability to participate in approved social activities that are considered normal, such as visiting friends or relatives, having birthday parties for children, and going on holiday. The cost of such activities can vary greatly – a month on a Mediterranean cruise is considerably more expensive than a weekend's camping close to home – but, to Townsend, individuals suffer deprivation if they cannot afford even the cheapest form of such activities.

On the basis of these arguments Townsend defines poverty in the following way:

*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 societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from the ordinary living patterns, customs and activities.*

Townsend, 1979

### Poverty in the United Kingdom

In *Poverty in the United Kingdom* (1979), Townsend used this definition to measure the extent of poverty in the UK. (He also collected figures on the basis of the other two definitions he had identified so that he could compare them with his own.) His research was based upon a social survey using questionnaires. In 1968–69, his researchers collected information on 2,052 households, containing 6,098 individuals, in 51 parliamentary constituencies in Britain.

### The deprivation index

In order to put his definition of poverty into operation, Townsend devised a deprivation index. This index covered a total of 60 specific types of deprivation relating to households, diets, fuel and lighting, clothing, household facilities, housing conditions and amenities, working conditions, health, education, the environment, family life, recreation and social activities. From this original list, he selected 12 items that he believed would be relevant to the whole of the population (and not just to certain sections of it), and calculated the percentage



Table 5.3 The deprivation index

Deprivation	% 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 four weeks	33.4
3 Adults only. Has not been out in the last four weeks to a relative or friend for a meal or snack	45.1
4 Children only (under 15). Has not had a friend to play or to tea in the last four 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 (three in four times)	25.9
12 Household does not have sole use of four amenities indoors (flush WC; sink or washbasin and cold-water tap; fixed bath or shower; and gas/electric cooker)	21.4

Source: P. Townsend (1979) *Poverty in the United Kingdom*, Penguin, Harmondsworth, p. 250.

of the population deprived of them. The results of his findings are shown in Table 5.3.

Each household was given a score on a deprivation index. The more a household was found to suffer deprivation, the higher its score. Townsend then calculated the average score for households with different levels of income expressed as a percentage of basic supplementary benefit levels. He claimed to find a threshold for levels of income below which the amount of deprivation suddenly increased rapidly. This threshold was found to be at about 150 per cent of basic supplementary benefit levels. He therefore decided to classify all households that did not have this level of resources as 'suffering from poverty'.

Townsend adjusted the income deemed necessary for each family according to the numbers in it, whether adults were working, the age of any children, and whether any members were disabled. Because of the procedures he had followed, he felt able to claim that his figures and definition were 'scientific' and 'objective'.

On the basis of these calculations, Townsend found that 22.9 per cent of the population (or 12.46 million people) were living in poverty in 1968-9. This compared with 6.1 per cent in poverty according

to the state standard, or 9.2 per cent in poverty according to the relative income standard. Townsend found that poverty was much more widespread than other research had suggested.

### Criticisms of Townsend's early research

Despite the enormous impact Townsend's early work has had on British poverty research, some writers have criticized it. David Piachaud (1981, 1987) argues that the index on which Townsend's statistics are based is inadequate. Piachaud writes, commenting on the items included in the index, that 'it is not clear what they have to do with poverty, nor how they were selected'. In particular, he questions the view that going without a Sunday joint and not eating fresh meat or cooked meals are necessarily associated with deprivation: it might reflect social and cultural differences. He claims that 'it is no indicator of deprivation if someone chooses to stay at home, eating salads and uncooked breakfasts'.

Dorothy Wedderburn (1974) also criticizes Townsend's index. She describes the decision to include certain items and exclude others as arbitrary. She would have preferred Townsend to carry out research into what was actually customary behaviour in society. As a result, she sees the index as reflecting Townsend's personal opinions: it is subjective and not an objective basis for measuring deprivation.

A problem that all researchers into poverty face is that of finding a point at which it is possible to draw a poverty line. Townsend claimed to have found such a point, below which deprivation starts to increase rapidly. Piachaud believes that the selection of this point (at 150 per cent of basic supplementary benefit levels) is as arbitrary as any other. He examined Townsend's data closely and disputed the view that deprivation starts to increase rapidly below this level of income. Other researchers, such as M. Desai (1986), have reanalysed Townsend's data, and have supported his claim that there is a poverty threshold.

Perhaps the most damaging criticism of Townsend advanced by Piachaud concerns the implications of his definition of poverty for measures designed to eradicate it. Using Townsend's deprivation index as a measure of poverty, all inequality of wealth and income could be removed from society, but poverty might still remain if people chose to become vegetarian or not to go on holiday. As Piachaud puts it, 'taken to its logical conclusion, only when everyone behaved identically would no one be defined as deprived'. To tackle what Townsend calls poverty would involve creating uniformity in people's behaviour, because Townsend did not attempt to discover whether it was choice or shortage of money which led to people in his survey scoring points on the deprivation index.

Amartya Sen (1981, 1985) argues that there is 'much to be said' for Townsend's concept of relative deprivation. However, Sen believes that relative deprivation, even including all its variants, cannot really be the only basis for the concept of poverty. He suggests that there is an:

*irreducible core of absolute deprivation in our idea of poverty, which translates reports of starvation, malnutrition and visible hardship into a diagnosis of poverty without having to ascertain first the relative position.*

Sen, 1985

Thus, if famine were very widespread in a society, it would make little sense to argue that there was no poverty on the grounds that there was little inequality since everybody was short of food.

Sen accepts that the resources needed to avoid absolute deprivation vary from society to society. The diet and shelter required in different circumstances will vary, but to him that does not prevent poverty researchers from determining when people have too little for their most basic needs. To Sen, then, 'the approach of relative deprivation supplements rather than supplants the analysis of poverty in terms of absolute dispossession'.

Townsend has defended himself against Sen. He has argued that Sen's concentration on absolute deprivation is politically dangerous. Potentially, at least, it gives governments in affluent societies an excuse to cut back their welfare states to an absolute bare minimum. Furthermore, Townsend claims that Sen offers no clear definition of absolute deprivation. Sen uses a variety of terms such as 'starvation', 'malnutrition' and 'hunger' to describe the situation where people's basic food needs are not being met. Yet 'starvation' and 'hunger' mean rather different things and Sen offers no clear criteria for determining when people's diets are inadequate and they are therefore in poverty.

More recently (Townsend, 1995), Townsend has continued to argue that an international poverty line can be based on a concept of relative deprivation. He claims that when absolute measures of poverty are used to compare nations, they tend to suggest that there is little poverty in richer countries. Since Townsend believes that poverty remains a substantial problem in countries such as the USA and Britain, he does not accept that absolute international poverty lines are adequate. Instead, he argues that international comparisons can be made by identifying a poverty threshold for each society, below which people start to suffer from relative deprivation. However, the problem remains that this still involves making comparisons on the basis of poverty lines that are unique to each country.

Despite Townsend's defence, Sen may have a point in arguing that different types of poverty should be distinguished. Most of Sen's research has been conducted in developing countries where absolute deprivation, however defined, remains a real problem. At least in terms of international comparisons, the idea of absolute deprivation as poverty may still be useful.

### The London study

In his more recent research, Townsend has used slightly different research methods from those of his previous work (Townsend, Corrigan and Kowarzik, 1985). He has continued to define poverty in terms of relative deprivation, but he has amended the way the concept is operationalized.

In 1985-6, Townsend *et al.* used this new approach in a study of a sample of 2,703 Londoners. In this study, Townsend *et al.* (1987) distinguished between material deprivation and social deprivation.

Material deprivation covered dietary deprivation, clothing deprivation, housing deprivation, deprivation of home facilities, deprivation of environment, deprivation of location and deprivation at work.

Social deprivation covered lack of employment rights, deprivation of family activity, lack of integration into the community, lack of participation in social institutions, recreational deprivation and educational deprivation.

Initially, 77 items were included in the index to measure these different types of deprivation, but seven were excluded because the deprivation was found to affect more than 50 per cent of the population. In this way, Townsend *et al.* hoped to establish which activities in their index represented 'standard or majority norms, conventions and customs'.

Townsend *et al.* made greater allowances for variations in taste than was the case in Townsend's earlier study. For example, in measuring dietary deprivation different questions were used for meat-eaters and vegetarians. Scores from the material and social deprivation indexes were aggregated to produce an overall deprivation score for each household.

In the London research, Townsend *et al.* distinguished between objective and subjective deprivation. Objective deprivation was measured using the deprivation index. Subjective deprivation was measured by asking respondents the level of income their household required to escape poverty. Detailed information was also collected on the income received by each household.

### The London findings

Townsend *et al.* followed Townsend's earlier study in trying to establish a threshold at which multiple deprivations began to increase. Table 5.4 shows the

level of income needed to prevent multiple deprivation in comparison to the basic level of means-tested benefit, excluding housing costs. The level proved to be rather greater than in the earlier study, ranging from 203 per cent of benefit levels for a single person under 60, to 150 per cent for a couple with three children.

Self-assessments of how much money households needed to escape poverty proved to be very similar to the estimates made by the researchers. For example, the respondents estimated that £110 per week was needed by a couple with two children, while the researchers estimated £109 per week. For single parents, the equivalent figures were £80 and £81, and for a single person under 60, £60 and £64. However, there was a more substantial difference for a couple under 60. Respondents estimated their needs to be £104, while the researchers estimated £75.

Nevertheless, Townsend *et al.* concluded that their estimate of the poverty threshold was broadly similar to that of the population in their sample. Both methods of determining a poverty threshold showed that benefit levels were inadequate, with Londoners themselves suggesting that an average 61 per cent more than basic benefit levels was needed to escape poverty.

## Joanna Mack and Stewart Lansley – *Poor Britain*

In between Townsend's earlier and later research, London Weekend Television financed a study of poverty built on Townsend's methods (Mack and Lansley, 1985). It was conducted by Joanna Mack and Stewart Lansley, and took account of many of the methodological criticisms of Townsend made by sociologists such as Piachaud. Although Townsend's later study in London did modify the methods to some extent, it still used a deprivation index consisting of items chosen by the researchers, and it still made no attempt to measure why people were not participating in some activities.

Mack and Lansley followed Townsend in defining poverty in relative terms, and in attempting to measure directly the extent of deprivation. Unlike Townsend, however, they tried to distinguish between styles of living which people could not afford, and those which they chose not to follow.

Furthermore, Mack and Lansley devised a new way of determining what were the 'necessities' of life in modern Britain. They accepted the point made by Piachaud that taste might influence whether some people went without items on a deprivation index. In order to overcome this problem, they decided to

Table 5.4 Weekly income required to surmount deprivation, as a percentage of basic means-tested assistance scales

Household type	Weekly income required, after deduction of housing costs, as a percentage of basic means-tested assistance scales
Single person under 60	203
Couple under 60	157
Couple with two children	151
Couple with three children	150
Single parent with one child	168

Note: Assumptions have been made about the number of children in each household, and the number of hours worked per week.

Source: P. Townsend (1993) *The International Study of Poverty*, London: Paul Chapman.

include in their research a question relating to each item that respondents said they lacked, asking them whether it was by choice, or through necessity, because of financial shortage. Those who said it was a matter of choice were not defined as being deprived of that item.

In addition, Mack and Lansley excluded some items from the index which groups with high income were as likely, or nearly as likely, to say they lacked by choice as groups on low incomes. They suggested that where these particular items were concerned, the cost of them depended to a significant extent on where people lived. (For example, the costs of a garden would be much greater for a resident in a fashionable and prosperous area of London than for a person living in an economically depressed northern town.) Lack of a television set was also ignored because the number who did not have this item was so small that no conclusions could be drawn from the data.

After the exclusion of such items, Mack and Lansley argued that their figures would accurately reflect the extent of involuntary deprivation.

### Public perception of necessities

The second area in which this study tried to improve on Townsend's work was in the selection of items for inclusion in the index. Mack and Lansley wanted to avoid the accusation that their choice of items was purely arbitrary. They rejected Rowntree's use of experts to determine basic needs, and went beyond Townsend's subjective choices of what he thought was customary. They argued that it was possible to measure the standards of a society in order to provide a more objective basis for defining relative deprivation.

Table 5.5 The public's perception of necessities (% classing items as necessary)

	1990 %	1983 %	Change p.p.		1990 %	1983 %	Change p.p.
A damp-free home	98	96	+2	Hobby or leisure activity	67	64	+3
An inside toilet (not shared with another household)	97	96	+1	New, not secondhand, clothes	65	64	+1
Heating to warm living areas of the home if it's cold	97	97	0	A roast joint or its vegetarian equivalent once a week <sup>3</sup>	64	67	-3
Beds for everyone in the household	95	94	+1	Leisure equipment for children, e.g. sports equipment or bicycle <sup>3</sup>	61	57	+4
Bath, not shared with another household	95	94	+1	A television	58	51	+7
A decent state of decoration in the home <sup>2</sup>	92	-	-	Telephone	56	43	+13
Fridge	92	77	+15	An annual week's holiday away, not with relatives	54	63	-9
Warm waterproof coat	91	87	+4	A 'best outfit' for special occasions	54	48	+6
Three meals a day for children <sup>1</sup>	90	82	+8	An outing for children once a week <sup>1</sup>	53	40	+13
Two meals a day (for adults) <sup>4</sup>	90	64	+26	Children's friends round for tea/snack fortnightly <sup>1</sup>	52	37	+15
Insurance <sup>2</sup>	88	-	-	A dressing gown	42	38	+4
Fresh fruit <sup>2</sup>	88	-	-	A night out fortnightly	42	36	+6
Toys for children, e.g. dolls or models <sup>1</sup>	84	71	+13	Fares to visit friends in other parts of the country four times a year <sup>2</sup>	39	-	-
Separate bedrooms for every child over 10 of different sexes <sup>1</sup>	82	77	+5	Special lessons such as music, dance or sport <sup>1, 2</sup>	39	-	-
Carpets in living rooms and bedrooms in the home	78	70	+8	Friends/family for a meal monthly	37	32	+5
Meat or fish or vegetarian equivalent every other day <sup>3</sup>	77	63	+14	A car	26	22	+4
Celebrations on special occasions, such as Christmas	74	69	+5	Pack of cigarettes every other day	18	14	+4
Two pairs of all-weather shoes	74	78	-4	Restaurant meal monthly <sup>2</sup>	17	-	-
Washing machine	73	67	+6	Holidays abroad annually <sup>2</sup>	17	-	-
Presents for friends or family once a year	69	63	+6	A video <sup>2</sup>	13	-	-
Out of school activities, e.g. sports, orchestra, scouts <sup>1, 2</sup>	69	-	-	A home computer <sup>2</sup>	5	-	-
Regular savings of £10 a month for 'rainy days' or retirement <sup>2</sup>	68	-	-	A dishwasher <sup>2</sup>	4	-	-

Notes: The descriptions of items have been abbreviated.

1. For families with children. 2. Not included in the 1983 survey. 3. Vegetarian option added in 1990. 4. Two meals a month in the 1983 survey.

Source: H. Frayman (1981) *Breadline Britain 1990s: The Findings of the Television Series* (London: Weekend Television, London: p. 4).



Mack and Lansley asked respondents in their research what they considered to be necessities in contemporary Britain. Although the answers represented no more than the subjective opinions of members of society, they did at least give some indication of what the population considered to be customary, socially approved and of vital importance to social life. Furthermore, Mack and Lansley claimed to have discovered a large degree of consensus about what items were seen as necessities. Their findings, and those of a follow-up study (Mack and Lansley, 1992), are summarized in Table 5.5.

They decided to assume that an item became a necessity when it reached 50 per cent, because a majority of the population now classified it as one. The lack of a television, the lack of self-contained accommodation, the lack of a garden and the lack of money for public transport were excluded for reasons that have already been explained. This left them with a deprivation index of 22 items. Mack and Lansley went on to measure the extent of poverty, which they defined as 'an enforced lack of socially perceived necessities', on the basis of this index. Only those people who lacked three or more items were considered to be poor.

Mack and Lansley produced the following results, using a sample of 1,174 people who were questioned in February 1983. According to their calculations, there were 7.5 million people in poverty in Britain – 5 million adults and 2.5 million children – equivalent to 13.8 per cent of the population. Although this figure is substantially less than that reached by Townsend in 1968–9, it still shows that poverty remains a significant problem in contemporary Britain.

Because the figures were calculated on a different basis from those of Townsend, they were not strictly comparable, and did not therefore demonstrate that the amount of poverty had decreased. Indeed, Mack and Lansley thought that the amount of poverty had probably increased in the years preceding their study. They found that the share of national earnings from employment received by the poorest 40 per cent of the population had fallen from 15.6 per cent in 1965 to 10.2 per cent in 1976.

Mack and Lansley also pointed to a number of government decisions which had made the recipients of welfare payments worse off. In particular, they claimed that some policies of the Thatcher government would probably have increased the amount of poverty. Unemployment had risen, but the earnings-related supplement for the short-term unemployed had been abolished. Old-age pensions had risen more slowly than average wages, and there had been dramatic cuts in housing benefits after the autumn of 1983.

### The follow-up study

Mack and Lansley carried out a follow-up study in 1990, using a sample of 1,800 people. Once again they conducted a survey to determine public perceptions of necessities. They found that these had changed. A weekly outing for children, children's friends round once a fortnight, a telephone and a best outfit for special occasions were all now seen as necessities by more than half the population. These were therefore added to the index. Televisions were also included.

Some new items were added which were also seen as necessities by the majority of respondents. These were:

- 1 a decent standard of decoration in the home
- 2 savings of at least £10 per week
- 3 home contents insurance
- 4 participation in out-of-school activities for children
- 5 fresh fruit and vegetables every day.

This produced an index of 32 items.

### Changes between 1983 and 1990

The 1990 study found there had been a big increase in poverty. The numbers lacking three or more of the necessities, and therefore in poverty according to Mack and Lansley's definition, had risen from 7.5 million in 1983 to 11 million in 1990. The number in severe poverty, defined as lacking seven or more items, had gone up from 2.5 million in 1983 to 3.5 million in 1990.

Two-thirds of the poor in 1990 were found to be dependent on state benefits. Mack and Lansley argued that much of the increase in the numbers of poor resulted from specific changes in the benefits system:

- 1 Pensions were indexed to prices, rather than wages as in 1979, so that as wage earners became better off, pensioners became relatively poorer. Pensioners made up one-tenth of the poor in 1983, but one-fifth of the poor in 1990.
- 2 Invalidity benefit and income support (previously supplementary benefit) had also fallen well behind average earnings.
- 3 Two-thirds of single parents were found to be poor, compared to just under 50 per cent in 1983.
- 4 Many of the poor had been hit by the replacement of single payments with the social fund in 1988.

(We discuss these changes in benefits in more detail on pp. 343–4.)

### Criticisms of Mack and Lansley

The inclusion of entirely new items in the 1990 index raises questions about the comparability of the data from the two studies. Obviously, the more items that



are included as necessities, the greater the number of people who will be found to be lacking three or more necessities. Thus, at least part of the increase in poverty found in comparing the two studies may have resulted from the changes in the surveys rather than from changes in society.

Use of a public opinion poll to determine what are considered necessities is an advance over Townsend's approach which relies largely on the judgements of the researcher. However, even Mack and Lansley's method is heavily influenced by the choices made by the researchers. They have to choose what items to question the public about before they can determine what is considered deprivation. Many other items apart from those chosen could have been included.

The researchers also shaped the findings by defining poverty as lacking three or more items. If they had settled on two or four items as the dividing line they would have produced a different estimate of the total number in poverty. As David Piachaud (1987) points out, Mack and Lansley's approach 'still requires expert involvement in defining questions and determining answers'.

Piachaud also points out that there is a problem with individuals who spend their money on items that are not considered necessities. For example, some people could not afford to pay for an adequate diet or adequate housing because they spent large amounts of money on cigarettes or leisure pursuits. To Piachaud there needs to be 'some judgement about what margin, if any, needs to be allowed for non-necessities'. Again, this involves the use of the opinion of 'experts' and further undermines the claim that the results of such studies are based upon definitions of poverty supported by the general public.

Robert Walker (1987) attempts to overcome the problem of expert judgement by trying to 'democratize' the process of determining what necessities are. He argues that Mack and Lansley's approach fails to do justice to the complexity of the problem. The survey data they use gives respondents no chance to determine what quality of goods and services people need. For example, is a threadbare carpet adequate, or should it be in better condition? Moreover, Mack

and Lansley gave the respondents no opportunity to include items they were not asked about, nor any chance to discuss the issues involved and reflect in depth on the necessities of contemporary living.

Walker therefore proposes that basic needs should be determined not by groups of experts, nor by survey methods, but by panels of ordinary people who are given the opportunity to have in-depth discussions. These members of the public could then produce costed descriptions of the minimum acceptable basket of goods and services needed by different family types.

In this way, a definition of poverty could be based upon a genuine consensus among a sample of the population, rather than being based upon the majority voting system used in Mack and Lansley's survey research. So-called experts would no longer define poverty in their own terms.

Pete Alcock is one writer who supports this approach. He argues that other approaches are flawed because:

*absolute definitions of poverty necessarily involve relative judgements to apply them to any particular society; and relative definitions require some absolute core in order to distinguish them from broader inequalities. Both it seems have major disadvantages, and in pure terms neither is acceptable or workable as a definition of poverty.*

Alcock, 1997, p. 72

Alcock prefers Bradshaw's approach because he sees it as combining the strengths of absolute and relative definitions of poverty, and because the definitions reached are based upon a consensus that implies that the political will exists to tackle the poverty uncovered.

An obvious problem with Walker's approach is the assumption that a consensus would be reached. It is quite likely that the members of the public on the panel would disagree about a minimum acceptable living standard. Furthermore, there would be no guarantee that the same living standard would be agreed by a different panel. Once again, an objective or 'democratic' definition of poverty would prove elusive.

## Social exclusion

In recent years, some commentators have tried to broaden the issues involved in thinking about the most deprived groups in society by using the term social exclusion rather than poverty. In some ways, this represents an extension of Townsend's idea of

relative deprivation, as it goes beyond confining the question of deprivation to commodities that can be directly purchased. Carol and Alan Walker define poverty as 'a lack of the material resources, especially income, necessary to participate in British society'. For

them, social exclusion refers to the 'dynamic process of being shut out, fully or partially, from any of the social, economic, political and cultural systems which determine the social integration of a person in society' (Walker and Walker, 1997). Thus, for example, the socially excluded might include the unemployed who lack a role in the formal economic system; those who do not register to vote, who lack a role in the political system; and isolated elderly individuals who live alone and lack a role in the social system. Pete Alcock (1997) claims that the idea of social exclusion was first highlighted by the Child Poverty Action Group in Britain in the mid-1980s and has become an increasingly prominent issue in Europe. The EU's European Social Charter mentions the term 'social exclusion', and the EU also sponsored seminars on social exclusion during the 1990s. Alcock argues that:

*what the EU commentators were doing in their discussion of the problem of social exclusion was attempting to broaden the debate and research on poverty and deprivation beyond the confines and experiences of the poor to encompass the reaction to poverty by other social agencies and individuals throughout society. In this sense, they argue that, rather than being a state of affairs – as poverty has often been conceived – social exclusion is really a process involving us all.*

Alcock, 1997, p. 95

In other words, the idea of social exclusion forces us to consider the role of those who do the excluding (the comfortably-off majority), as well as those who are excluded. Brian Nolan and Christopher T. Whelan (1996) also stress that social exclusion is a dynamic concept. They say:

*talking of social exclusion rather than poverty highlights the gap between those who are active members of society and those who are forced to the fringe, the increasing risks of social disintegration, and the fact that, for the persons concerned and for society, this is a process of change and not a fixed or static situation.*

Nolan and Whelan, 1996

Adopting this focus has important consequences. For example, it implies policies that move beyond the '(re)distribution of resources to include the promotion of changes in social and economic structures' (Alcock, 1997). Better welfare payments on their own would not ensure that the excluded would receive the chance to participate in all areas of social, economic and political life. Roger Lawson (1995) describes social exclusion in Britain and America as becoming 'detached from the broader social and economic experiences of mainstream society'. He believes that social exclusion has been increasing because of the

'risks of family breakdown, reinforced gender inequalities ... more hostile and fearful relationships in local communities [and] the most disturbing of recent trends ... hardened racial cleavages and ... new forms of xenophobia and racism among the less privileged'. Tackling such problems would involve measures to deal with racism, to encourage a stronger sense of community, and to combat sex discrimination and other causes of gender inequality.

The term social exclusion was given further prominence in Britain when the Labour government launched a new Social Exclusion Unit in December 1997 to deal with social problems such as truancy and unemployment. In broad terms, its aims were to encourage social inclusion; in other words, to encourage people to participate in those areas of social life from which they were excluded. For example, it aimed to encourage truants to attend school, and unemployed people, particularly single parents and young people, to find employment.

### Some problems with social exclusion

The concept of social exclusion plays a valuable role in broadening the debate about what constitutes a good quality of life to include more than purely material considerations. It also encourages policy-makers to coordinate a wide range of policies that try to improve the position of the disadvantaged. However, because of its breadth and because it is multi-dimensional, social exclusion is difficult to define precisely and measure reliably. As with relative poverty, there are even greater problems in using this concept to compare different societies which have different norms and patterns of social interaction. Tackling some aspects of social exclusion (for example, a decline in a sense of community) may be beyond the power of governments.

There is a risk that concern for the general notion of social exclusion might distract policy-makers from dealing with the specific material deprivation which is at the root of much social exclusion. Nolan and Whelan suggest that the EU may be keen on using the term social exclusion because it might be:

*more palatable, and perhaps more effective in terms of EU decision-making, to talk in terms of the need to accompany the integration of economies with measures to promote social integration and combat social exclusion rather than to highlight the possibility that economic integration could result in poverty for some vulnerable people and areas.*

Nolan and Whelan, 1996, p. 190

Social exclusion could thus be used to allow the EU to avoid doing anything directly about increased poverty that might be caused by a shift to Europe-wide free markets.

There is a related risk that the concept may be used to justify cutting welfare payments on the grounds that this will encourage the excluded to earn a living which will in turn lead to their greater involvement in society (see p. 346). It remains to be seen how successful such policies will be. Nolan and Whelan argue that social exclusion can be a useful concept because it 'may help to sensitize researchers and policy-makers to dynamics, processes, multiple disadvantages'. However, this does not mean that it can be used to replace the term poverty. Poverty still needs to be studied and highlighted because of its resonance in everyday

language, because people feel they know what it means, and because, as an evaluative and emotive term, it encourages people to think something should be done about it. Thus they argue it would be undesirable to lose 'the spark that "poverty" ignites because of its everyday usage and evaluative content'.

Nevertheless, some sociologists have started making good use of the concept of social exclusion in explaining the causes of the predicament of the most disadvantaged in society. It also highlights important aspects of the problems faced by groups such as the disabled and ethnic minorities (see pp. 313–14).

## Official statistics on poverty

Some countries use an official poverty line and produce regular statistics on poverty. The USA is an example. Other countries, such as Britain, do not have an official poverty line but do produce some statistics on low incomes.

Statistics on official poverty, or low incomes, are not necessarily based upon sophisticated sociological definitions of poverty. What is more, statistics from different countries are calculated in a variety of ways and therefore cannot always be compared.

Nevertheless, official statistics do provide valuable information about the extent of poverty, or at least low incomes. They also give some indication of how poverty is distributed between different social groups.

## British statistics

### Low Income Family statistics

Although Britain has never had an official poverty line it has published statistics on low incomes. Figures on Low Income Families were first produced by the then Department of Health and Social Security in the early 1970s. This set of figures was dropped by the Department of Social Security in 1988. However, the Institute for Fiscal Studies, an independent research institute, has continued to produce figures on Low Income Families since 1988 by extrapolating from official statistics.

Low Income Family statistics measure the numbers of families who are receiving different levels of income in relation to the main means-tested state benefit. They are calculated using figures from an annual government survey, the *Family Expenditure Survey*, and figures published by the Department of Social Security on benefits claimants. The basic state means-tested benefit was originally called national

assistance, later supplementary benefit and is now called income support.

National assistance was first introduced in 1948 with the implementation of the Beveridge Report which laid the foundations of the welfare state. The level at which national assistance was first set was based upon the work of Seebom Rowntree. Beveridge thought that Rowntree's 1899 poverty index was insufficiently generous and claimed to have based the initial benefit levels upon the 1936 index.

Frank Field (1982), however, argues that the benefits were set at a lower level than that which Rowntree's research indicated was necessary to raise people out of poverty. According to Field, for single men and women, benefits were set at 55 and 66 per cent of Rowntree's level respectively. Pensioners also received less than was necessary to raise them up to Rowntree's 1936 poverty line, but children were treated more generously.

National assistance and its later equivalents have been paid to those who can demonstrate that they have a low income. The benefit has been intended to provide a basic minimum income for those suffering material hardship. Figures have been produced by a number of different researchers on those receiving income at or below the level of these benefits and on those who receive 140 per cent or less of the basic benefit level.

As we saw earlier in this chapter, poverty researchers such as Townsend and Mack and Lansley argue that families need to be well above basic benefit levels to escape from poverty. The figures on both those receiving the same or less than basic benefit levels, and those receiving less than 140 per cent of basic levels, have been used by some commentators as a measure of poverty.

### Advantages and disadvantages

When the Department of Social Security decided to discontinue publishing Low Income Family statistics it gave a number of reasons:

- 1 It argued that benefit levels were being used both to measure the extent of poverty and to alleviate poverty. This led to a paradox: if the government put benefit levels up, more people fell into the category Low Income Family, yet the poor were receiving more money. In other words, attempts to help the poor created more poverty.
- 2 It claimed that the use of the family as the unit of analysis overstated the extent of low income. Many households had more than one family living in them (for example, parents and married children), and the pooling of resources between family units could help to compensate for the low income of one unit.
- 3 140 per cent of benefit levels might be considered too generous as a measure of low income.

Christopher Giles and Steven Webb (1993) of the Institute for Fiscal Studies do not regard such criticisms as a justification for abandoning statistics on Low Income Families:

- 1 They point out that it is possible to adjust the figures to take account of the changes in the real value of benefit. They have produced such figures based on the 1979 benefit levels adjusted for inflation in later years (see below).
- 2 Giles and Webb see the second criticism as more serious, but any poverty figures are bound to run into the problem of the distribution of resources within households. Calculating the income of individuals, households or families as the basis for poverty statistics is problematic, whichever is used.

- 3 The third criticism is dismissed as unimportant. A 140 per cent of benefit levels does not have to be taken as the cut-off point between the poor and non-poor; 100, 110 or 120 per cent can be used as alternatives.

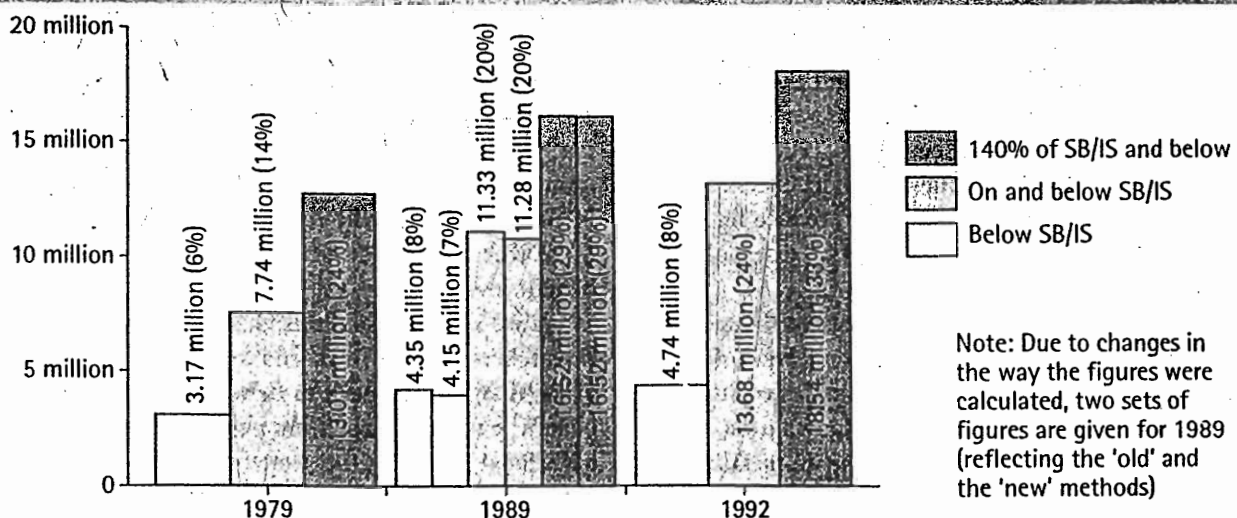
Some critics of the Conservative government have suggested that these figures were discontinued in 1988 for political reasons. If the Institute for Fiscal Studies had not carried on producing them, it would have been impossible to calculate changes in the numbers of 'poor', using official sources. Abandoning the figures could therefore be seen as a cynical attempt to hide an increase in poverty which had resulted from government policies.

Figures on Low Income Families do not correspond exactly to any sociological definition of poverty, but they do provide a rough guide to trends in poverty. Giles and Webb praise this measure for its simplicity and for the ease with which household size can be taken into account, since households with different compositions receive different levels of benefit. They also note that it is useful for determining the numbers of people who are slipping through the 'safety-net' of the welfare state, and receiving less than basic benefit levels.

### Trends in Low Income Families

Figure 5.1 shows the numbers and percentages of the population with different levels of income in relation to benefit levels. There was a marked rise between 1979 and 1992 (the last available figure), with the percentage living at or below benefit levels rising from 14 to 24 per cent of the population. The percentage receiving less than 140 per cent of benefit levels rose from 24 to 33 per cent.

Figure 5.1 Numbers of people living in or on the margins of poverty in 1979, 1989 and 1992  
defined as all those considered to be in poverty by the government





difficult for them to have the self-belief to get out of their situation.

- 4 Their lack of self-belief was compounded by what Blackman calls the 'fear of fall'. Although to an outsider they seemed to have little to lose, they did have strong support and friendship networks among the other young homeless people in the area. One of the homeless said:

*If I could leave the world of the homeless, I'd do it today. Say if I leave, what happens if I don't make it again? I will end up having to move on. But if I stay homeless I have my friends, contacts, people I know. This is my world, why should I throw it away? It's all right for you, you've got other things. What I have may not seem much to you. It may not seem much to lose. But when you haven't got much - nothing really, then this seems a lot to lose.*

Blackman, 1997

Some of them had made progress in the past by finding jobs or more secure accommodation, only to lose them and end up in an even worse situation. This was very dispiriting and discouraged them from taking a chance on the same happening again.

### Surviving homelessness

The homeless in Brighton did engage in some types of behaviour which have been seen as being typical of the underclass. However, Blackman argues that such behaviour was a consequence of their homelessness, not a cause of it. It was a way of coping with their situation. For example, some of those studied did work illegally in the informal economy while claiming benefits. As we have seen above, though, this was hardly surprising given the lack of stable employment in the formal economy and the nature of the benefits system. In many cases, employers would only take them on if they did undeclared work. They were left with little choice other than to accept these jobs if they wanted to work at all.

Another example is that they would 'destruct a giro'. This involved going on a binge after receiving a giro cheque from the DSS. They would usually drink heavily, some took drugs, and they would spend all their money before they received their next payment.

Blackman found that some were ashamed of public drunkenness and other behaviour, but destructing a giro gave them a sense of autonomy and control that helped bolster their flagging self-esteem. For once they could consume products like other members of society. It was a particular source of

pride if they could buy one of their friends a drink. Nevertheless, it could be self-defeating since it 'served to reinforce their feelings of social and economic dislocation, as they were cut free from the time discipline of the workplace or even their own more standard everyday routine'.

A few of the homeless did get involved in crime and prostitution, 'but such actions were not generally part of an organised activity and seemed more related to an individual's immediate economic circumstances'. When they were desperate their bodies were the last assets they had to exploit, so prostitution became their last resort. Few of them became involved in using hard drugs, and any drug dealing or property crime was haphazard rather than a systematic way of earning a living.

### The homeless and the underclass

To outsiders the homeless in Brighton might have seemed dangerous, drunken and lazy. They appeared to be people who were making little effort to help themselves. Through his ethnographic research, Blackman was able to understand their behaviour from their point of view, and to see that it was largely a reaction to their situation rather than a way of life they chose. Blackman says, 'they were experiencing multiple problems in bleak cultural locations ... They had become submerged in a localised subculture with specific strategies for coping with the difficulties in their everyday lives.'

In contradiction of Charles Murray's and similar theories of the underclass, they did not reject society's values. What made them different was that they had no stake in society and they shared the stigma of being homeless. What they needed was not a different culture, but jobs and homes. A few individuals in the study did find reasonably secure homes and Blackman found that this soon 'gave young people greater confidence to use the telephone to respond to jobs and housing advertisements' and their mental health improved. Blackman therefore rejected the underclass theory, arguing that it is an ideological device used to deny society's responsibility to the disadvantaged by claiming that some people are undeserving of government support. At the same time, it is used as a weapon to warn the respectable working class of their likely fate if they stop conforming and working hard. Like a number of other writers, Blackman sees members of the so-called 'underclass' as victims of society whose behaviour changes when they are given genuine opportunities to improve their lot.



## Conflict theories of poverty

The sociology of poverty has increasingly come to be studied within a conflict perspective. Those working within this perspective argue that it is the failure of society to allocate its resources fairly that explains the continued existence of poverty. Poverty is not held to be the responsibility of those who suffer from it. Instead they are seen as the 'victims'.

To some extent conflict theorists disagree about the reasons why society has failed to eradicate poverty:

- 1 Some regard poverty as primarily the consequence of the failings of the welfare state.
- 2 Others place more emphasis on the lack of power and weak bargaining position of the poor which places them at a disadvantage in the labour market. The poor are either unable to sell their labour, or are prevented from receiving sufficient rewards from it to lift themselves out of poverty.
- 3 Many conflict theorists relate the existence of poverty to wider structural forces in society, in particular the existence of a stratification system.
- 4 Marxists tend to believe poverty is an inherent and inevitable consequence of capitalism. They cannot envisage the defeat of poverty without the total transformation of society.

Thus, although there are broad similarities between the sociologists we will look at in the following sections, there are also some areas of disagreement.

## Poverty and the welfare state

Recent studies of poverty have found that those who rely upon state benefits for their income are among the largest groups of the poor. If poverty is defined in relative terms, and the definition that is advanced means that benefit levels do not raise the recipient above the poverty line, then a great deal of poverty can simply be attributed to inadequate benefits.

Nevertheless, it might be argued that the welfare state still makes a major contribution to reducing poverty, or at least to improving the relative position of those who are poor. It is widely assumed that one effect of the welfare state is to redistribute resources from the rich to the poor as, at first sight, it appears that both taxation and welfare payments do this.

### Taxation

This view has been challenged by some conflict sociologists. Some taxes are certainly progressive, that is, they lead to the better-off paying a greater proportion of their income to the government than

the lower income groups pay. Direct taxes, such as income tax, are levied at different levels according to income, and those on very low pay may not even reach the threshold at which tax must be paid.

However, indirect taxation (taxes levied on the purchase of goods) tends to be regressive. Taxes such as VAT (Value Added Tax) and duties on alcohol and tobacco tend to take up a greater proportion of the income of poorer sections of the community than richer ones.

Since 1978-9, the tax burden on the low-paid has increased, while the burden on the high-paid has been reduced. Direct taxation has become less progressive, indirect taxation has increased, and the relative position of those on low incomes has worsened. Official statistics showed that between 1979 and 1993-4, the real income of the poorest 10 per cent of the population fell by 13 per cent after housing costs, whereas for the richest 10 per cent it increased by 65 per cent. For the population as a whole, average real income growth, after housing costs, was 40 per cent (quoted in Oppenheim, 1997).

Christopher Giles and Paul Johnson (1994) have examined the effects of tax changes between 1985 and 1995 in a study for the Institute for Fiscal Studies. Table 5.7 shows the results. It divides the population into tenths or 'deciles', decile 1 being the poorest and decile 10 the richest. It shows that as a

Table 5.7 Impact of tax changes 1985-95, by decile group

Decile	Percentage losing	Percentage gaining	Average gain/loss at new rates	Average gain/loss at old rates
1	66	7	-3.00	-2.9
2	44	13	-1.40	-1.4
3	47	23	-1.80	-1.5
4	43	40	-1.10	-0.8
5	37	50	0.70	0.4
6	33	57	1.60	0.7
7	29	64	3.10	1.2
8	25	69	4.40	1.5
9	23	72	6.30	1.8
10	20	76	31.30	5.8
All	37	47	4.10	1.7

Source: C. Giles and P. Johnson (1994) *Taxes Down, Taxes Up: The Effects of a Decade of Tax Changes*. The Institute for Fiscal Studies, London, p. 11.

result of tax changes the poorest decile has lost an average of £3 per week or 2.9 per cent of their income, while the richest decile has gained £31.30 or 5.5 per cent of their income.

### *The Strategy of Equality*

Undoubtedly some welfare benefits primarily benefit those on the lowest incomes: income support, unemployment benefit and family credit are all directed at the poorest members of society. However, while they may prevent absolute poverty, some sociologists argue that welfare benefits do little to eradicate relative poverty.

Writing in 1982, Julian Le Grand suggested that the *Strategy of Equality* through the provision of social services had failed. From an examination of education, healthcare, housing and transport subsidies, he argued that the better-off members of British society had benefited considerably more than the poor. In education, the children of top income groups were more likely to stay on in education after the age of 16, and more likely to go to university. He calculated that the families in the top 20 per cent of income groups received nearly three times as much expenditure on their children's education as those in the bottom fifth.

In the field of healthcare, Le Grand claimed that those on higher incomes, again, benefit more from the services provided. The actual amounts spent on different income groups did not vary a great deal; however, lower socio-economic groups were more likely to suffer from illness, and therefore needed more medical care than the higher groups. It was this extra care that they did not receive. Le Grand found that 'the evidence suggests that the top socio-economic group receives 40 per cent more NHS expenditure per person reporting illness than the bottom one'.

The DHSS *Inequalities in Health Working Group Report*, better known as the *Black Report*, published in 1981, reached similar conclusions. It confirmed the inverse care law: those whose need is less get more resources, while those with a greater need tend to get less. For example, it found that doctors tend to spend more time with middle-class patients, and middle-class areas tend to have more doctors per head of the population than working-class areas.

Le Grand found a similar picture in relation to housing expenditure:

- 1 Poorer households received substantially greater benefits than richer ones from various forms of direct expenditure on housing. General subsidies on the supervision and maintenance of council housing and rent rebates and allowances (now replaced by housing benefits) favoured lower-income groups.
- 2 However, higher-income groups benefited considerably more from indirect expenditure. In

particular, tax relief on mortgage interest payments provided a major saving for those homeowners who had mortgages.

- 3 Furthermore, capital gains tax was not charged on homes which were sold at a profit.
- 4 Improvement grants for houses were one form of direct expenditure which favoured the better-off.

Le Grand concluded that from housing policy, 'the richest group receives nearly twice as much as public subsidy per household as the poorest group'.

Writing in 1987, Le Grand argued that changes since the 1970s had done little to alter the overall picture:

- 1 Some changes resulted in improvements and services benefiting higher-income groups even more than they had done in the past: subsidies to council housing had been cut while mortgage tax relief had been expanded.
- 2 On the other hand, the replacement of rent rebates and allowances with housing benefits (which are means-tested) was likely to have benefited the poor.
- 3 The expansion of private education might also have cut state expenditure on the education of higher-income groups.

These changes more or less balanced each other out.

Le Grand reached a startling conclusion on the effects of expenditure on the social services, which is quite contrary to widely held assumptions. He said:

*It has failed to achieve full equality of whatever kind for most of the services reviewed. In those areas where data are available it has failed to achieve greater equality over time; and, in some cases, it is likely that there would be greater equality if there was no public expenditure on the services concerned.*

Le Grand, 1987

### More recent changes in welfare

In recent years, some of the benefits enjoyed by the more wealthy have been removed or reduced. For example, privatization has limited the amount of subsidy paid by government and local authorities for public transport. Tax relief on mortgage interest payments was limited to the first £30,000 and the percentage relief was gradually reduced and eventually abolished. Taxation of company cars has been tightened up. In other areas, however, there is little evidence that changes have benefited the poor.

New ways have been introduced for the affluent to limit their tax bills. These took the form of TESSAs (Tax Exempt Special Savings Accounts) and PEPs (Personal Equity Plans), both of which are exempt from taxation. In 1999, the Labour government

replaced these two schemes with a single scheme – the ISA (Individual Savings Account) – which restricts tax-free savings to an investment of £5,000 per year. This does make access to tax-free savings easier for the less affluent since money can be withdrawn without the loss of tax-free status. However, this is of little use to those who are too poor to have any money to save anyway.

Writing in 1997, George Smith, Teresa Smith and Gemma Wright noted some inequalities in education spending. The Additional Educational Needs formula used by the government tries to allow for the extra needs of children in poor areas. This affected about 17 per cent of the budget for schools in 1996, a fall from 24 per cent in 1990. However, the formula seems to work in inconsistent ways. For example, according to the formula, Harrow (a prosperous London suburb) had greater needs than Barnsley (a relatively poor Yorkshire town). Furthermore, due to a cut in 1994 in the allowance for areas with a large ethnic minority population, inner-city areas received reduced levels of funding. The poor have also lost out because of cuts in the provision of school meals and because local authorities no longer have the discretion to give free school meals to poor children whose families do not receive income support. According to Smith *et al.*, the children of the poor are more likely to be excluded from school than other children.

Norman Ginsburg (1997) notes that recent housing policy has been designed to encourage home ownership. The consequence has been that spending on new council housing has been severely restricted, and by 1996 some 1.7 million council or housing association homes had been sold to their tenants. The Conservative governments between 1979 and 1997 also pushed for increases in council rents towards market levels. Rents rose 36 per cent in real terms between 1988–9 and 1993–4. This was designed to encourage private landlords to rent out properties as well as to increase public revenues. However, the result has been increasing expenditure on housing benefit as the government has had to help the poorest meet these increased costs. This is despite cuts in the level and scope of housing benefit. Ginsburg notes that 'the government has capped housing benefit for private tenants, thereby pushing some households below the poverty line and even making some households homeless'.

Michaela Benzeval (1997) has found a growing health gap between the rich and poor in Britain. She says that 'throughout the 1980s and 1990s a considerable body of evidence accumulated that showed the poor health experience in terms of premature mortality and excess morbidity of people living in disadvantaged circumstances'. She quotes a variety of studies showing these inequalities. She argues that

Conservative government policies towards health focused on introducing 'market mechanisms' into the NHS and showed very little concern for health inequalities.

Overall, there is little reason to believe that government policies do any more now to redistribute resources to the poor than they did when Le Grand first discussed the failure of the *Strategy of Equality*. Indeed, Pete Alcock (1997) suggests that the Conservative governments of 1979–97 actively pursued a 'strategy of inequality'. They encouraged greater inequality between rich and poor. In doing so, they increased poverty and social exclusion. This was also reflected in changes in the labour market.

## Poverty, the labour market and power

Not all of those who experience poverty in countries such as Britain and the USA rely on state benefits for their income. Nor can their poverty be primarily attributed to the failure of the social services to redistribute resources. A considerable proportion of the poor are employed, but receive wages that are so low that they are insufficient to meet their needs. In this section we examine the explanations that have been provided for some workers getting paid significantly less than even the average for manual work.

### Market situation and poverty

In part the low wages of some groups can be explained in Weberian terms. Weber argued that a person's class position is dependent upon his or her market situation (Weber, 1947). It depends upon the ability of individuals and groups to influence the labour market in their own favour so as to maximize the rewards they receive.

The following explanations have been put forward to account for the market situation of the low-paid:

- 1 In advanced industrial societies, with increasing demand for specialized skills and training, the unemployed and underemployed tend to be unskilled with low educational qualifications. Liebow's 'streetcorner' men, with few skills or qualifications, can command little reward on the labour market.
- 2 With increasing mechanization and automation, the demand for unskilled labour is steadily contracting.
- 3 Competition from manufacturers in low-wage 'Third World' economies tends to force wages in Britain down.
- 4 Many, though by no means all, low-paid workers are employed either in declining and contracting industries or labour-intensive industries such as catering. It has been argued that the narrow profit margins of many such industries maintain low wage levels.

## The dual labour market

Some sociologists and economists now argue that there are two labour markets. The dual labour market theory sees jobs in the primary labour market offering job security, promotion prospects, training opportunities and relatively high wages. By comparison, the secondary labour market offers little job security, few possibilities for promotion or training, and low wages.

The primary labour market tends to be found in large and prosperous corporations which to some extent can protect themselves against competition from smaller firms. The smaller companies may depend heavily on the corporations for business. They are in a weaker position and so cannot offer their employees the same advantages. Women and members of ethnic minority groups may be particularly concentrated in the secondary labour market and as a consequence are over-represented in low-paid jobs. (For further details and evaluation of the dual labour market theory see pp. 93–4 and 168–9.)

## Changes in the labour market

Hartley Dean and Peter Taylor-Gooby (1992) argue that there were a number of changes in the labour market during the 1980s and early 1990s which made more people in Britain vulnerable to poverty:

- 1 Manufacturing industry declined. The proportion of GDP (gross domestic product – the total value of goods and services) produced by the manufacturing sector fell from 28 per cent in 1979 to 22 per cent in 1989. There was a corresponding increase in the service sector.
- 2 A considerable number of the new service sector jobs do not provide economic security. Many of the jobs are part-time and have low pay and little job security. Dean and Taylor-Gooby suggest that about one-third of the labour force was employed in 'peripheral' jobs in the mid-1980s. The idea of peripheral jobs is similar to the idea of jobs in the secondary labour market.
- 3 Economic change has affected particular parts of the country at different times, leading to regional unemployment and poverty. Unemployment rose in the North, Scotland, Wales, the Midlands and Northern Ireland in the early 1980s, but the South-East did not experience particular problems until the end of that decade and the start of the 1990s.
- 4 The decline of unionism has reduced the ability of workers to defend their rights and thereby ensure that their employment prevents them from falling into poverty. Union membership has declined, partly as a consequence of the increased employment of part-time workers who are less likely to be in unions. High unemployment and government legislation have also reduced union power. This is reflected in a fall in the number of days lost in strikes. (See Chapter 10 for a detailed discussion of unions in Britain.)

Dean and Taylor-Gooby sum up by saying that these changes have 'created a pattern of employment that increases the vulnerability to dependency on last-resort social welfare of those unable to gain access to secure and well-paid jobs'.

## Post-Fordism, globalization and poverty

Writing about poverty in all advanced industrial countries, Enzo Mingione (1996) argues that increases in poverty are linked to changes in the world economic system. He argues that there has been a shift from Fordist to post-Fordist production in the world economy. This involves a decline in heavy industry and mass production, and a shift to the service sector and those companies making smaller production runs of more specialized products. This results in a reduction in the number of full-time staff with secure employment and an increase in casual, insecure and temporary employment. (See Chapter 10 for a full account of post-Fordism.)

Globalization involves a reduction in the importance of national boundaries, a willingness of companies to shift investment overseas in search of cheap labour and freer trade, and consequently greater international competition. At the same time, there has been an increase in the number of women working or seeking employment. Together, such changes have made growing numbers of people vulnerable to poverty. Fewer people rely upon keeping their jobs over many years. With more women working, the idea of the family wage – a man earning enough to support a whole family – has decreased in importance. More families today rely upon having two earners. Unskilled female workers generally find it easier than men to secure jobs in the growing service sector. Mingione comments that 'the balance between the loss of stable manufacturing jobs and the growth in services is having a serious negative impact, particularly in de-industrializing cities'.

Secure jobs have also become harder to find as a result of the privatization of many welfare services. Subcontractors are less likely than local authority employers to provide workers with permanent jobs, partly because they have no guarantee of keeping contracts indefinitely. The problems of those who are poor are worsened by welfare systems that were designed when the advanced economies provided more permanent jobs. They tend to be ineffective at ensuring that people avoid poverty and social exclusion when their circumstances change quickly. Mingione also argues that the fragility of marriage in many countries, and the 'weakening of kinship networks', have reduced the 'community solidarity' which in earlier times helped people through such periods of hardship.



## Poverty and power

The question of the power of the poor was examined by Ralph Miliband in an article entitled 'Politics and Poverty' (Miliband, 1974). In it, he argued that, in terms of power, the poor are the weakest group competing for the scarce and valued resources in society. Miliband stated that 'the poor are part of the working class but they are largely excluded from the organizations which have developed to defend the interests of the working class'. There are no organizations with the power of trade unions to represent the interests of the unemployed, the aged, the chronically sick or single-parent families. Because of their lack of income the poor do not have the resources to form powerful groups and sustain pressure.

Even if they were able to finance well-organized interest groups, the poor lack the economic sanctions to bring pressure to bear. Apart from low-paid workers, the main groups in poverty cannot take strike action and so threaten the interests of the powerful.

Their bargaining position is weakened still further by their inability to mobilize widespread working-class support, since non-poor members of the working class tend not to see their interests and those of the poor as similar. In fact, there is a tendency for members of the working class to see certain groups in poverty, such as the unemployed, as 'scroungers' and 'layabouts'. Efforts by the poor to promote their interests and secure public support are weakened by the 'shame of poverty', a stigma which remains alive and well.

Compared to other interests in society which are represented by pressure groups such as employers' federations, trade unions, ratepayers' associations and motoring organizations, the poor are largely unseen and unheard. More often than not they have to rely on others championing their cause, for example, organizations such as Shelter and the Child Poverty Action Group.

Ralph Miliband concludes that the key to the weak bargaining position of the poor is simply their poverty. He states that 'economic deprivation is a source of political deprivation; and political deprivation in turn helps to maintain and confirm economic deprivation'.

## Poverty and stratification

Most conflict theorists move beyond explaining why particular individuals and groups are poor in an attempt to relate poverty to the organization of society as a whole. They claim that poverty is rooted in the very structure of society. The key concept used in this explanation is that of class, but some conflict

theorists see class and poverty as less closely connected than others.

### Peter Townsend – poverty, class and status

In the conclusion to *Poverty in the United Kingdom* (Townsend, 1979), Peter Townsend states 'the theoretical approach developed in this book is one rooted in class relations'. In particular, he sees class as a major factor determining 'the production, distribution and redistribution of resources', or, in other words, who gets what. However, according to his definition, poverty is also related to the cultural patterns of a society, the lifestyles which govern 'the expectations attaching to membership of society'. The relationship between different classes is not a sufficient explanation of poverty because it does not entirely explain how lifestyles develop and certain types of social behaviour become expected.

Townsend's use of the word 'class' is closer to that of Weber than of Marx. He argues that the distribution of resources is not always directly related to the interests of capital and capitalists. Some agencies of the state, he claims, act in their own interests, or act as checks on the operations of capitalists, and not simply as committees for handling the affairs of the bourgeoisie. For example, the civil service might be more concerned with preserving its own status and power than with maximizing profits for capitalists. Agencies such as the Health and Safety Executive, which is concerned with implementing the legislation governing health and safety at work and elsewhere, may limit the behaviour that is allowed in the pursuit of profit. The labour market, Townsend points out, is not just influenced by individuals and groups competing for higher pay, but also by institutions such as the Equal Opportunities Commission. They therefore also have an effect on the extent of poverty.

Townsend uses the Weberian concept of status to explain the poverty of those reliant on state benefits. The poor are a group who, in addition to lacking wealth, lack prestige. To Townsend, the low-status groups include retired elderly people, the disabled, the chronically sick, one-parent families and the long-term unemployed. As a consequence of their low status, their opportunities for access to paid employment are severely restricted. (These views are similar to Frank Field's arguments about the underclass, which we discussed on pp. 328–9.)

### The internationalization of poverty

In his more recent writing (Townsend, 1993), Townsend has stressed the international dimension of poverty. International agencies such as the World Bank and the International Monetary Fund influence the distribution of resources in the world. The International Monetary Fund can impose conditions



on governments which borrow money from it, which affect the poor. For example, they can ask governments to cut public expenditure by reducing the welfare programmes on which the poor rely.

Although these institutions mainly affect the poor in the 'Third World', others, such as the EC, have an important impact on the poor in the First World. For example, European employment legislation affects the rights of low-paid and part-time workers in member countries.

Furthermore, the internationalization of industry affects poverty in the First and Third Worlds alike. Cheap labour in Third World countries may be paid poverty wages. This can also create poverty in the First World as jobs are transferred from the high-wage economies of Europe, North America and Japan to low-wage economies, and, as a result, unemployment rises in the First World. Alternatively, First World workers may be forced to take pay cuts as a consequence of competition from low-wage economies in Africa, Asia and South America. These pay cuts may push them into poverty.

Townsend argues, therefore, that poverty can no longer be explained or understood by examining any one country in isolation.

### Marxism, class and poverty

Marxist theories of poverty place less emphasis than most on differentiating the poor from other members of the working class. Rather than seeing them as a separate group, Ralph Miliband (1974) believes they are simply the most disadvantaged section of the working class. Westergaard and Resler go further, claiming that concentrating on the special disadvantages of the poor 'diverts attention from the larger structure of inequality in which poverty is embedded' (Westergaard and Resler, 1976). Marxists would see Townsend as failing to emphasize these wider structures sufficiently. Miliband concludes:

*The basic fact is that the poor are an integral part of the working class – its poorest and most disadvantaged stratum. They need to be seen as such, as part of a continuum, the more so as many workers who are not 'deprived' in the official sense live in permanent danger of entering the ranks of the deprived; and that they share in any case many of the disadvantages which afflict the deprived. Poverty is a class thing, closely linked to a general situation of class inequality.*

Miliband, 1974

### Poverty and the capitalist system

To many Marxists, poverty can be explained in terms of how it benefits the ruling class. Poverty exists because it serves the interests of those who

own the means of production. It allows them to maintain the capitalist system and to maximize their profits.

### Poverty and the labour market

Members of the subject class own only their labour which they must sell in return for wages on the open market. Capitalism requires a highly motivated workforce. Since the motivation to work is based primarily on monetary return, those whose services are not required by the economy, such as the aged and the unemployed, must receive a lower income than wage earners. If this were not the case, there would be little incentive to work.

The motivation of the workforce is also maintained by unequal rewards for work. Workers compete with each other as individuals and groups for income in a highly competitive society. In this respect, the low-wage sector forms the base of a competitive wage structure. Low wages help to reduce the wage demands of the workforce as a whole, since workers tend to assess their incomes in terms of the baseline provided by the low-paid. J.C. Kincaid argues that 'standards of pay and conditions of work at the bottom of the heap influence the pattern of wages farther up the scale' (Kincaid, 1973). He maintains that low wages are essential to a capitalist economy since:

*from the point of view of capitalism, the low-wage sector helps to underpin and stabilize the whole structure of wages and the conditions of employment of the working class. The employers can tolerate no serious threat to the disciplines of the labour market and the competitive values which support the very existence of capitalism.*

Kincaid, 1973

If the low-wage sector were abolished by an increase in the real value of the wages of the low-paid, several of the possible consequences would be harmful to the capitalist class:

- 1 The delicate balance of pay differentials would be shattered. Other groups of workers might well demand, and possibly receive, real increases in their wages. This would reduce profit margins.
- 2 Wages within the working class might become increasingly similar. This might tend to unite a working class, previously fragmented and divided by groups of workers competing against each other for higher wages. A move towards unity within the working class might well pose a threat to the capitalist class.
- 3 If the real value of the wages of the low-paid were increased, the pool of cheap labour, on which many labour-intensive capitalist industries depend for profit, might disappear.

### Containment and the working class

Since, from a Marxist perspective, the state in capitalist society reflects the interests of the ruling class, government measures can be expected to do little except reduce the harsher effects of poverty. Thus Kincaid argues that 'it is not to be expected that any government whose main concern is with the efficiency of a capitalist economy is going to take effective steps to abolish the low-wage sector'.

Despite claims to the contrary, there is little evidence that the welfare state has led to a major redistribution of wealth from the rich to the poor. Westergaard and Resler (1976) dismiss the theory that the welfare state, by using the power of the state to modify the workings of market forces, has created a more equal distribution of wealth. They argue that:

*The state's social services are financed largely from the wages of those for whose security they are primarily designed. They make for little redistribution from capital and top salaries ... they reshuffle resources far more within classes – between earners and dependants, healthy people and the sick, households of different composition, from one point in the individual's life cycle to another – than they do between classes*

Westergaard and Resler, 1976

The bulk of monies received by members of the working class have been paid or will be paid in the form of taxes by themselves or other members of that class.

Westergaard and Resler argue that the ruling class has responded to the demands of the labour movement by allowing the creation of the welfare state, but the system operates 'within a framework of institutions and assumptions that remain capitalist'. In their view, 'the keyword is "containment"'; the demands of the labour movement have been contained within the existing system. Westergaard and Resler argue that poverty exists because of the operation of a capitalist economic system which prevents the poor from obtaining the financial

resources to become non-poor. In recent writing, John Westergaard argues that the welfare state continues to be subservient to the imperatives of a market economy. He argues that none of the changes that have been introduced to the welfare state in Britain 'have involved any breach of principle with the distributive logic of capitalism, and nor have they subverted the overall gearing of economic activity to property and labour market imperatives' (Westergaard, 1994). Indeed, from his point of view, the 1980s and early 1990s saw an intensification of the hold of market forces in Britain and a virtual abandonment of even the aim of redistributing wealth through the welfare state.

Kincaid summarizes the situation in the following way: 'It is not simply that there are rich and poor. It is rather that some are rich because some are poor.' Thus poverty can be understood only in terms of the operation of the class system as a whole since the question 'Why poverty?' is basically the same question as 'Why wealth?' Therefore, from a Marxist perspective, poverty, like wealth, is an inevitable consequence of a capitalist system.

Although the Marxist views of poverty discussed above were first advanced decades ago, they still provide one credible explanation for why poverty exists in capitalist societies. Indeed, with the increased emphasis on market forces in societies such as Britain, Westergaard may be right to assert that Marxist theories are more relevant than ever (Westergaard, 1994). However, they are less successful than other conflict approaches in explaining why particular groups and individuals become poor. They are not particularly sensitive to variations in income within the working class, and fail to differentiate clearly the poor from other members of the working class, or to provide an explanation for their poverty.

We have now outlined various responses to the first three questions posed at the beginning of this chapter. In the final section we will turn our attention to the fourth question: 'What are the solutions to poverty?'

## Poverty and social exclusion – solutions and values

### The culture of poverty and policies in the USA

Initially, we will consider government measures to deal with poverty and proposals to solve poverty, together with the ideologies that underlie them. First, the ideological aspects of the culture of poverty thesis will be examined. This theory provided the basis for

US anti-poverty policies more than 30 years ago. However, the war on poverty that followed from it has some similarities with current 'New Labour' policies in Britain.

Like all members of society, sociologists see the world in terms of their own values and political beliefs, despite their attempts to be objective. This is particularly apparent in the area of poverty research.

Gans has suggested that 'perhaps the most significant fact about poverty research is that it is being carried out entirely by middle-class researchers who differ – in class, culture, and political power – from the people they are studying' (Gans, 1973).

Some observers argue that the picture of the poor presented by many social scientists is largely a reflection of middle-class value judgements. In particular, the idea of a culture of poverty has been strongly criticized as a product of middle-class prejudice. Charles A. Valentine in *Culture and Poverty*, a forceful attack on bias in poverty research, stated:

*Scarcely a description can be found that does not dwell on the noxiousness, pathology, distortion, disorganization, instability or incompleteness of poverty culture as compared to the life of the middle classes.*

Valentine, 1968

From this viewpoint, the poor themselves are a major obstacle to the removal of poverty. Therefore, it may be that at least a part of the solution to poverty is to change the poor, as, by implication, they are partly to blame for their situation. The direction in which the poor must be changed is also influenced by middle-class values: they must adopt middle-class norms and values. In short, as Valentine put it, 'the poor must become "middle class"'.

### The war on poverty

Many observers argue that this line of reasoning formed the basis of the US government's policy towards poverty. In 1964, President Lyndon B. Johnson declared a war on poverty with the passing of the Economic Opportunity Act and the formation of the Office of Economic Opportunity to coordinate measures to fight poverty. The comments of the American anthropologist Thomas Gladwin represent the verdict of many social scientists on this campaign:

*The whole conception of the war on poverty rests upon a definition of poverty as a way of life. The intellectual climate in which it was nurtured was created by studies of the culture of poverty, notably those of Oscar Lewis ... [which] provide the basis for programs at the national level designed very explicitly to correct the social, occupational and psychological deficits of people born and raised to a life of poverty.*

Gladwin, 1967

The Office of Economic Opportunity created a series of programmes designed to re-socialize the poor and remove their presumed deficiencies:

- 1 The Job Corps set up residential camps in wilderness areas for unemployed, inner-city youth with the aim of 'building character' and fostering initiative and determination.
- 2 Many 'work experience' programmes were developed to instil 'work habits'.
- 3 The Neighbourhood Youth Corps created part-time and holiday jobs for young people.
- 4 A multitude of job training schemes were started to encourage the 'work incentive' and provide the skills required for employment.

The aim of many of these schemes was to undo the presumed effect of the culture of poverty by fostering ambition, motivation and initiative.

To counter the culture of poverty at an earlier age, government money was pumped into schools in low-income districts with the aim of raising educational standards. Operation Head Start, begun in January 1965, was intended to nip the culture of poverty in the bud. It was an extensive programme of pre-school education for the children of low-income families.

Much of the effort of the Office of Economic Opportunity was directed towards community action, the idea of local community self-help. The Office encouraged and financed self-help organizations run by the poor which covered a range of projects from job training and community business ventures to legal services and youth clubs. The idea was for the poor, with help, to pull themselves up by their own bootstraps, to throw aside the culture of poverty and become enterprising and full of initiative like their middle-class mentors.

In comparison with the above programmes, direct aid in the form of cash payments to the poor received a low priority. Edward James, in *America Against Poverty*, a study of the 1960s war on poverty, states that direct aid was the 'least popular anti-poverty strategy in America' (James, 1970).

### Why the war on poverty was lost

The war on poverty was not designed to eradicate poverty by providing the poor with sufficient income to raise them above the poverty line. By changing the poor it was hoped to provide them with the opportunity to become upwardly mobile.

The war on poverty was a typically American solution reflecting the values of American culture with its emphasis on individual achievement in the land of opportunity. As Walter B. Miller neatly put it, 'nothing could be more impeccably American than the concept of opportunity' (Miller, 1962). The poor must make their own way: they must achieve the status of being non-poor, they must seize the opportunities that are available like every other respectable American.

By the late 1960s, many social scientists felt that the war on poverty had failed, as did the poor if the following comment by a welfare recipient is typical: 'It's great stuff this war on poverty! Where do I surrender?' (quoted in James, 1970). The poor

remained stubbornly poor despite the energy and resolve of the Office of Economic Opportunity. Sociologists increasingly argued that solutions to poverty must be developed from stratification theory rather than the culture of poverty theory.

From this perspective, Miller and Roby argued that 'poverty programs should be recognized as efforts to engineer changes in the stratification profiles of the United States' (Miller and Roby, 1970). They and others argued that the very concept of poverty and the way in which it spotlights and isolates the poor disguised the true nature of inequality, and was counterproductive in providing solutions.

Once poverty is recognized as an aspect of inequality, and not merely a problem of the poor, solutions involve restructuring society as a whole. It can now be argued that the main obstacle to the eradication of poverty is not the behaviour of the poor but the self-interest of the rich.

## Stratification and solutions to poverty

From the perspective of stratification theory, the solution to poverty involves a change in the stratification system. This war on poverty would be far harder to wage than the previous one since it would require considerable sacrifice by the rich and powerful.

The degree of change required is debatable and proposals reflect to some degree the values and political bias of the researchers. The suggestions put forward by Miller and Roby were rather vague. They advocated 'a re-allocation of American wealth to meet a reasonable set of priorities, a redistribution of goods and power to benefit the bottom half of the population'. However, they hastened to add 'we are not implicitly arguing the case for complete equality'.

Miller and Roby did not propose an alternative to the capitalist economic system. They assumed that the changes they proposed could take place within the context of American capitalism.

The war on poverty had its basis in traditional American liberalism.

- 1 It was American because of its insistence on individual initiative, its emphasis on opportunity and its distaste for direct provision of cash payments to the poor.
- 2 It was liberal because the reforms it attempted did not seek to alter the basic structure of society: American capitalism was taken for granted and any change in the situation of the poor must take place within its framework.

While the solutions to poverty proposed by American sociologists such as Miller and Roby were more radical and would involve modifications to the

structure of society, they remain basically liberal. They would take place within the framework of capitalism and would not involve a fundamental change in the structure of society. Even so, they had little influence on the policies followed by Presidents Reagan, Bush and Clinton in the 1980s and 1990s.

## The policies of Reagan, Bush and Clinton

According to Richard H. Ropers, the policies of Reagan and Bush involved drastic cuts in programmes for those on low incomes, increases in taxation for the low-paid and reductions for the wealthiest. James H. Johnson (1996) identifies four key aspects of these policies:

- 1 The government encouraged a laissez-faire business climate. This made it easier for businesses to shift production to different parts of the country or abroad. This led to the relocation of many jobs away from the inner cities leaving poor blacks and Hispanics in particular with few work opportunities.
- 2 There were very large cuts in federal aid to inner-city areas, particularly through cuts in resources allocated to community-based organizations. In Los Angeles, for example, aid was reduced from \$370 million in 1977 to \$60 million in 1990.
- 3 Criminal justice policy also disadvantaged the poor and socially excluded. Drastic sentences (such as a minimum five years in prison for using crack cocaine) and a crackdown on drug offences have led to more and more socially excluded people getting prison records. The records have only increased their exclusion as their chances of finding work have been further reduced.
- 4 A new emphasis on testing in the education system has led to increasing numbers of poor American children being put in special education classes. This has greatly increased the drop-out rate from education among those from poor backgrounds and so affected their long-term prospects. Again, black and Hispanic groups have been particularly badly affected.

Reagan and Bush's policies were based on New Right theories which were also influential in Britain. These are discussed in the next section. Reagan and Bush were both Republican Presidents, and Republicans are generally seen as more right wing and conservative than Democrats. In 1996, Bush was replaced by Bill Clinton of the Democratic Party, traditionally a party with greater sympathy for the poor. During his first presidential election campaign, Clinton pledged to 'end welfare as we know it' (quoted in Besharov, 1996) by giving the poor the training, education and childcare they needed to find work. However, during his 1996 campaign for re-election, he also promised 'an end to something for nothing' (quoted in Wattenburg, 1996) in the American welfare system.



By this he meant that families would receive government aid for two years only unless they went to work.

According to Lawrence M. Mead (1996), Clinton's approach embraces somewhat contradictory policies reflecting the values of American conservatives on the one hand and liberals on the other. He says 'conservatives would have the government *tell* the poor how to live, whereas liberals want to offer them the *chance* to get ahead'. Similar contradictions are also found in the policies of the 'New Labour' government of Tony Blair in Britain, which came to power in 1997.

## Poverty and the expansion of welfare in Britain

In Britain, governments have not declared war on poverty. Between 1945 and 1979 successive governments were less averse than their American counterparts to providing cash payments to the poor, and to providing universal services (such as education and healthcare) to everyone regardless of ability to pay. Governments added to the provisions of the welfare state, partly with the aim of alleviating poverty. Critics argue that these developments were inadequate. According to Kincaid, benefits to the poor were 'pitifully low' and 'left millions in poverty' (Kincaid, 1973). The harsher edges of poverty may have been blunted by the welfare state, but poverty, at least in relative terms, remained. Welfare professionals may have cushioned some of the misery produced by poverty, but they had not solved the problem.

### New Right solutions

After 1979, the Conservative governments of Margaret Thatcher and John Major followed a rather different course. Inspired by the ideas of the New Right, they decided to try to reduce welfare expenditure, move away from universal benefits and services, and target resources on the poor.

The intention was to free economic resources to create a more dynamic economy. As the economy grew, and living standards rose, economic success would 'trickle down' to those on low incomes so that their living standards would rise along with everyone else's. Reducing or replacing universal benefits would destroy the dependency culture which made people rely too heavily on state hand-outs. Means-tested benefits, such as income support, would go only to those who were not in a position to help themselves and who were in genuine need.

The welfare system was reformed in line with these policies in April 1987. Supplementary benefit was replaced by income support. Before 1987, the single-payments system allowed those on a low

income to claim money for necessities such as household equipment, furniture, clothing and bedding, which they could not otherwise afford. This system was replaced by the social fund, under which loans rather than grants for such necessities became the norm. These loans had to be paid back out of benefits received. Only those who could afford to pay back the loans were offered them: some individuals were too poor to be given loans. The government argued that this system would make claimants more responsible and encourage them to plan ahead in managing household budgets. The government also cut the amount spent on housing benefit. Much of the money saved by the latter measure was spent on replacing family income supplement with family credit. Both were means-tested benefits designed to boost the incomes of those with low incomes, but family credit was more generous.

In September 1988, the Conservative government raised the age at which people became entitled to income support from 16 to 18. The intention was to prevent the young becoming victims of the dependency culture. In theory, all 16- and 17-year olds were guaranteed a place on a Youth Training Scheme that would provide them with an income.

Between 1992 and 1997 a whole range of further measures and changes were introduced. Marilyn Howard has outlined the main ones (Howard, 1997). In 1996, the Jobseeker's Allowance was introduced for the unemployed. Under this scheme, an unemployed person receives benefit only if they sign a Jobseeker's Agreement detailing how they intend to search for work. Those who do not comply can be instructed to undertake training schemes. The Jobseeker's Allowance lasts for only six months, whereas unemployment benefit could be claimed for a year. In 1995, Invalidity Benefit was replaced by Incapacity Benefit, designed to make it more difficult for people to claim that they are unfit for work and therefore eligible for the benefit. In 1990, full-time students lost their right to unemployment benefit and other means-tested benefits during their holidays. In 1994, a habitual residence test was introduced which has made it more difficult for people who have recently moved to Britain to receive benefit. Earnings-related elements, where benefits depend on previous earnings, have virtually disappeared from the benefits system. The Child Support Agency, introduced in 1993, has tried to shift the burden for supporting lone mothers from the state to absent fathers, who must now pay child maintenance. The government has also shifted much of the burden of responsibility for sickness benefits from themselves to employers. The Labour government has also increased its efforts to eradicate benefit fraud.



### Criticisms of New Right policies

Critics argue that, far from reducing poverty, these measures increased it. Many of those reliant on welfare had their income cut. With the replacement of single payments by the social fund, some people were unable to buy necessities. The Child Poverty Action Group claimed that there were insufficient YTS places for all 16- and 17-year olds. Those who were not supported by their families and who could not find employment or a place on a training scheme could end up destitute and homeless.

The Conservative government claimed, however, that its policies benefited those on low incomes. According to government figures, the average income of the poorest 20 per cent of the population rose by 5.5 per cent in real terms between 1979 and 1985. This, the government claimed, supported its view that the benefits of economic growth would trickle down to those on low incomes.

However, the economist John Hills (1995) points out that the government's figures did not take account of changes in indirect taxes such as VAT and duties on petrol, alcohol and tobacco. Hills claims that when these are taken into account the real income of the poorest 20 per cent of households actually fell by 6 per cent between 1979 and 1986. Over the same period the richest 20 per cent of households saw their real income rise by 26 per cent. If his figures are correct, they seem to undermine the New Right's claim that prosperity will automatically solve the problem of poverty.

Most of the evidence contained in earlier sections of this chapter suggests that poverty increased from the late 1980s until 1997, again indicating that New Right policies may have added to the problem rather than solving it. Carey Oppenheim (1997) found no evidence of a 'trickle down' effect. In the introduction to the Child Poverty Action Group's 1997 book, *Britain Divided*, Alan Walker summarizes the effect of Conservative policies in the following way:

*The fact is that many thousands of poor families can trace the start of their misfortune back to the recession of the early 1980s, a recession that was deepened and prolonged by government policies, and subsequent changes of administration have not improved their position but, rather, have been responsible for worsening it. As this book shows, poverty and social exclusion have increased remorselessly over the last 18 years and not one of the four Conservative Governments have had an explicit policy to combat them.*

Walker and Walker, 1997, p. 1

The policies of the Labour government elected in 1997 will be examined on pp. 345-6

### Welfare and redistribution as solutions to poverty

Some feel that the answer to poverty is to be found in improving welfare provisions. Mack and Lansley (1985) claimed that raising benefit levels can have a significant impact. To 'solve' the problem they estimated that supplementary benefit (now income support) would need to rise to 150 per cent of its then level, but the problem could be reduced by lower rises. On the basis of their opinion poll evidence they concluded 'People do accept that the problems of the poor should be tackled, and that the state has a responsibility to tackle them.'

Furthermore, the majority of the public declared themselves willing to make sacrifices to achieve this objective. Some 74 per cent said they would accept a 1 penny in the pound increase in income tax in order to help the poor. However, only 34 per cent were prepared to support a 5 pence in the pound increase for the same purpose, which would, according to Mack and Lansley, lift between one-third and one-half of the poor out of poverty. Mack and Lansley admit that poverty could not be eradicated in the lifetime of one parliament, but despite this they believe it is possible to make major inroads into the problem. There is enough public support for a policy to help the poor for a government to at least make a start without losing popularity.

Peter Townsend (1997) sees the solution to poverty resting on a wider range of measures. He argues that there is a need for a national plan to eradicate poverty. This would be in line with an agreement signed by the Conservative government at the United Nations Copenhagen Summit on Social Development in 1995. This agreement called for the signatories to eliminate absolute poverty, to greatly reduce relative poverty and to tackle the structural causes behind poverty.

Townsend believes that such a plan might ultimately require the development of a kind of international welfare state. With the progress of globalization it is increasingly difficult for individual countries to increase taxes and risk discouraging inward investment. Under such a framework national governments would then be able to:

- 1 Introduce limits on wealth and earnings and ensure that there were adequate benefits for the unemployed.
- 2 Ensure there was a link between benefit levels and average earnings to make sure that the relatively poor shared in increased prosperity.
- 3 Make sure that taxation was progressive, thus redistributing wealth from the rich to the poor.
- 4 Implement policies of job creation through the use of grants and by taking more government employees so that unemployment was greatly reduced.

Despite the radical nature of the changes he proposes, he stops short of suggesting revolutionary change. He says that 'it would be wrong to suggest that any of this is easy or even likely. The citadels of wealth and privilege are deeply entrenched and have shown a tenacious capacity to withstand assaults.'

Carol Walker and Alan Walker (1994) also argue for a wide range of measures to tackle poverty:

- 1 They criticize recent government emphasis in Britain on using means-tested benefit. They claim that such benefits as income support and housing benefit are difficult and costly to administer, tend to create disincentives to work and remain unclaimed by a sizeable minority of those who are entitled to them.
- 2 Walker and Walker would prefer a greater emphasis on universal benefits which, they claim, although expensive, are more effective at reducing poverty and encouraging people to escape from dependence on welfare.
- 3 To them, it is 'incomprehensible' that some people being paid benefits also have to pay tax. An integration of the tax and benefits systems could remove such anomalies and help ensure that everybody has the means to avoid poverty.
- 4 They would also like to see more policies aimed at preventing people from falling into poverty. In particular, they would like governments to have an 'active employment strategy' that would provide work for the unemployed and help to give disabled people and lone parents the opportunity to earn their own living.

Pete Alcock (1997) puts particular stress on the Walkers' final point in arguing that tackling poverty and social exclusion cannot be separated from governments' overall economic and social policies. He maintains that the purpose of the welfare state is not just to provide a safety net, or even to redistribute wealth. Rather, it is an integral part of maintaining the whole social and economic system. He says:

*the introduction of state welfare is the product of the process of economic adjustment within capitalist society in which state intervention in the reproduction and maintenance of major services, such as health and education, has become a necessary means of ensuring the continuation of existing economic forces, just as much as a means of redistributing resources to the poor.*

Alcock, 1997, p. 62

Capitalist societies such as Britain cannot do without welfare states, and the rich as well as the less fortunate benefit from the way the welfare state produces and reproduces workers. Those who see welfare simply as a way of redistributing wealth have missed the point that state policies can have a big impact by influencing the initial distribution of

wealth. Thus policies on wealth, income, investment and employment can help to avoid the need for redistribution by preventing individuals from falling into poverty or suffering from social exclusion.

## Marxist solutions

Given the sort of difficulties that Townsend mentions (see above), some Marxist sociologists do not accept that such changes are possible within a capitalist system. While capitalism remains, significant changes in the provisions of the welfare state are impossible. The 'walls of the citadels of wealth and privilege' will not be breached without a full-scale assault which seeks not merely to breach them, but to destroy them altogether. Because Marxists see poverty as simply one aspect of inequality, the solution to poverty does not involve reforms in the social security system, in the provision of additional payments or services to those defined as poor. Instead, it requires a radical change in the structure of society. Thus, Ralph Miliband argues that poverty will only be eradicated with the removal of inequality in general which 'requires the transformation of the economic structures in which it is embedded' (Miliband, 1974).

Westergaard and Resler (1976) take a similar view, maintaining that no substantial redistribution of wealth can occur until capitalism is replaced by a socialist society in which the forces of production are communally owned. As long as the free market system of capitalism determines the allocation of reward, they argue that inequality will remain largely unchanged.

Clearly Marxist views are ideologically based. Sociologists who adopt them are committed to the principles of socialism and equality. They regard capitalism as an exploitative system and condemn the inequality it generates. However, there seems little immediate prospect that the changes they propose will take place in Britain, the USA or other capitalist countries. A communist revolution does not seem imminent and neither former nor the few remaining communist countries have eradicated poverty altogether. Furthermore, the British Labour government elected in 1997 embarked on policies which are far removed from the radical proposals of Marxists.

## 'New Labour' – 'A hand up, not a hand-out'

The 'New Labour' government which took office in Britain in 1997 claimed that it had policies that would combat the problems of poverty and social exclusion. Tony Blair argued that what the poor needed was a 'hand up, not a hand-out'. In other

words, they needed to be given the support they required to help themselves rather than simply depending on state benefits. Among the early policies introduced were the following:

- 1 The launch of a Social Exclusion Unit designed to help the socially excluded reintegrate into society. According to Patrick Wintour and Nick Cohen, the unit was to try to tackle truancy, discourage drug dependency by withdrawing benefits for those who refused drug rehabilitation courses, and allow tenants more control over big estates (Wintour and Cohen, 1997).
- 2 The money from a 'Windfall Tax' on the profits of privatized utilities, such as gas and electricity companies, was spent on providing more training and job opportunities for the young unemployed. This 'Welfare to Work' scheme gave people under the age of 25 who had been unemployed for more than six months one of four options. These were, first, subsidized employment with businesses (the companies getting £60 a week and £750 for training). Second, for those without qualifications, up to 12 months' full-time study. Third, six months' employment with a voluntary sector employer. Fourth, six months' work with the environmental taskforce. Those unwilling to take part risked losing their entitlement to benefit.
- 3 A scheme was introduced to give lone parents, who wanted it, advice and guidance on how to get back to work.
- 4 Another scheme was the introduction of after-school homework clubs designed for children who found it difficult to study at home.

### Evaluation of New Labour policies

While all these changes offered new opportunities for poor and socially excluded people, some contained an element of compulsion because of the threat of lost benefits. Furthermore, the Blair government, in its early years in office at least, showed little willingness to increase benefits to raise the living standards of the poor. Its most controversial early measure was to reduce the benefits available to single parents in line with a policy the Conservative government had

intended to implement before it was voted out of office. 'New Labour' was elected promising that it would not exceed the previous government's spending plans and was therefore reluctant to commit itself to extra spending on the large welfare budget.

It was also elected promising there would be no increase in income tax rates. As a consequence it seems unlikely that the Labour government will initiate a significant redistribution of resources from rich to poor, or provide sufficient resources to lift those who remain dependent on welfare out of poverty. While some will benefit from improved opportunities, the success of policies such as those on unemployment may depend on whether the economy grows. In early 1998, Anthony Barnett and Patrick Wintour argued that, 'if the economy falters later this summer just as the New Deal starts, will the vacancies dry up? Only then will the entire experiment be truly put to the test' (Barnett and Wintour, 1998).

Whether or not the new policies will be successful remains to be seen. They do, however, seem to be based upon a mixture of ideological influences. On the one hand, Labour's policies appear to be based on the view that the poor and excluded need opportunities and that they will be willing to take advantage of these once they have the training, education, work experiences or childcare facilities they need. On the other hand, at least some claimants needed to be compelled to take advantage of the opportunities by the threat of lost benefit. While the former policies are associated with more left-wing sociologists, such as Peter Townsend, the latter are more typical of New Right theories and writers, such as Charles Murray.

If this novel mixture of contradictory ideologies produces policies that greatly reduce poverty and social exclusion, then it will have achieved more than the policies of the previous 30 years. However, if much of the research reviewed in this chapter is to be believed, it is difficult to see how these policies can be successful in achieving such aims without more resources being made available for those who, for one reason or another, are unable to work.