

Poverty and social exclusion in Britain

A new national survey reveals the extent of poverty and social exclusion in Britain. This study was undertaken by researchers at the Universities of Bristol, Loughborough, York and Heriot-Watt with fieldwork undertaken by the Office for National Statistics (ONS). It is the most comprehensive and scientifically rigorous survey of this type ever undertaken. It provides unparalleled detail about the material and social deprivation and exclusion among the British population at the close of the twentieth century. It employs a variety of measures of poverty in addition to income, including the lack of socially perceived 'necessities' and subjective measures. It is also the first national study to attempt to measure social exclusion.

f The survey confirms the picture, based on government low income data, that poverty rates have risen sharply. In 1983 14% of households lacked three or more necessities because they could not afford them. That proportion had increased to 21% in 1990 and to over 24% by 1999. (Items defined as necessities are those that more than 50% of the population believes 'all adults should be able to afford and which they should not have to do without'.)

f By the end of 1999 a quarter (26%) of the British population were living in poverty, measured in terms of low income and multiple deprivation of necessities.

f Roughly 9.5 million people in Britain today cannot afford adequate housing conditions. About 8 million cannot afford one or more essential household goods. Almost 7.5 million people are too poor to engage in common social activities considered necessary by the majority of the population. About 2 million British children go without at least two things they need. About 6.5 million adults go without essential clothing. Around 4 million are not properly fed by today's standards. Over 10.5 million suffer from financial insecurity.

f One in six people (17%) considered themselves and their families to be living in 'absolute poverty' as defined by the United Nations.

f Over 90% of the population think that beds and bedding for everyone, heating to warm living areas of the home, a damp-free home, the ability to visit family and friends in hospital, two meals a day, and medicines prescribed by the doctor are necessities which adults should not have to do without because they cannot afford them.

f Less than 10% of the population sees a dishwasher, a mobile phone, Internet access or satellite television as necessities.

Socially perceived necessities

Table 1 ranks the percentage of respondents identifying different adult items as 'necessary, which all adults should be able to afford and which they should not have to do without' in 1999. Out of 54 adult items and activities, 35 were thought necessary by more than 50% of the population. Since goods introduced into the market often start as luxuries and, in later years, become necessities, the researchers were anxious to test opinion about certain items that today are still only accessed by a minority. It is clear from the results in Table 1 that the general public holds ideas about the necessities of life that are more wide-ranging, or multi-dimensional, than is ordinarily represented in expert or political assessments. People of all ages and walks of life do not restrict their interpretation of 'necessities' to the basic material needs of a subsistence diet, shelter, clothing and fuel. There are *social customs, obligations* and *activities* that substantial majorities of the population also identify as among the top necessities of life.

Among the *customs* are 'celebrations on special occasions such as Christmas' (83%) and 'attending weddings, funerals' (80%). There are 'presents for friends/family once a year' (56%). There are regular events to do with food, like a 'roast joint/vegetarian equivalent once a week' (56%) which extend our ideas of dietary needs well beyond the provision of the minimal calories required for physiological efficiency. The expression of clothing needs extend ideas about basic cover to include a 'warm waterproof coat' (85%) and 'two pairs of all-weather shoes' (64%).

Among the *obligations* and *activities* described as necessary are not just those which seem on the face of it to satisfy individual physiological survival and individual occupation – like a 'hobby or leisure activity' (78%). They also include joint activities with friends and within families such as 'visits to friends or family' (84%), especially those in hospital (92%). They involve reciprocation and care of, or service for, others. People recognise the need to have 'friends or family round for a meal' (64%), for example.

Lacking socially perceived necessities

For those items that the majority of the population thought were necessities, the Poverty and Social Exclusion (PSE) survey identified how many people have them and how many cannot afford them. The results are summarised in the third and fourth

columns of Table 1. It is to be expected that those items the population are less likely to nominate as necessities are those that respondents were most likely to say that they 'don't have, don't want' and 'don't have, can't afford'. But four items were each owned by at least 80% of respondents even though they were not considered necessities by the majority: 'new not second-hand clothes', a video cassette recorder, a dressing gown and a microwave oven. Clearly, even though these are not considered necessary, most people want and possess them.

Conversely, there were some items which at least three-quarters of people consider necessary, but significant numbers are unable to afford: 6% cannot afford a 'damp-free home', 12% to 'replace or repair broken electrical goods', 14% 'money to keep home in a decent state of decoration', or 8% contents insurance. However, of all the items considered a necessity by the majority of the population, the greatest proportion of people, 25%, cannot afford 'regular savings (of £10 per month) for rainy days or retirement', followed by 18% who cannot afford a 'holiday away from home once a year not with relatives'.

From the list of items, the researchers selected the 35 items considered by 50% or more respondents as necessary for an acceptable standard of living in Britain at the end of twentieth century.

- 58% of the population lacked none of these items;
- Overall 26% were 'poor' (lacking two or more items and having a low income) and 10% were 'vulnerable to poverty' (not lacking two or more items but having a low income).

The proportion of people in poverty is higher amongst:

- lone-parent households;
- households dependent on Income Support/Jobseeker's Allowance;
- households with no paid workers;
- local authority and housing association tenants;
- large families;
- separated/divorced households;
- families with a child under 11;
- adults living in one-person households, including single pensioners;
- children;
- young people;
- those who left school at 16 or under;
- women.

The poverty rate in terms of low income and multiple deprivation of necessities was 66% and 62% respectively for lone parents with one or two children. It was 77% for unemployed people, and 61% for disabled or long-term sick people, in households where no one was in paid work.

The survey allows poverty to be described not just as an aggregate statistic but also in terms of the real conditions that people face. For example, out of the population of Britain today:

- Roughly 17% of households cannot afford adequate housing conditions as perceived by the majority of the population. That is, they cannot afford to keep their home adequately heated, free from damp or in a decent state of decoration.
- About 13% cannot afford two or more essential household goods, like a refrigerator, a telephone or carpets for living areas, or to repair electrical goods or furniture when they break or wear out.
- Almost 14% are too poor to be able to engage in two or more common social activities considered necessary: visiting friends and family, attending weddings and funerals or having celebrations on special occasions.
- About 33% of British children go without at least one of the things they need, like three meals a day, toys, out of school activities or adequate clothing. Eighteen per cent of children go without two or more items or activities defined as necessities by the majority of the population.
- About 11% of adults go without essential clothing, such as a 'warm, waterproof coat', because of lack of money.
- Around 7% of the population are not properly fed by today's standards. They do not have enough money to afford fresh fruit and vegetables, or two meals a day, for example.
- Over 28% of people in households suffer from some financial insecurity. They cannot afford to save, or insure their house contents or spend money on themselves.

Poverty and children

Socially perceived necessities for children were determined by parents who took part in the Omnibus Survey. Of the 30 children's items and activities, all but three were thought to be necessities by over 50% of parents. Of the remaining items and activities, over half were thought to be necessities by at least 75% of parents. In general, items essential for the physical well-being of the child – food, clothing, and

household items – were believed to be necessities by larger proportions than items for the child's social or educational development.

Only a small proportion of children were deprived of each necessity. Generally, the higher the proportion of parents who thought an item to be necessary, the smaller the number of children who went without it. Although nearly all parents thought that 'new, properly fitted shoes'; 'a warm, waterproof coat'; and 'fresh fruit and vegetables daily' were necessities, one in every 50 children went without them. Two deprivation thresholds were used to determine the extent of children's poverty, a lack of one or more item and two or more items. Using these thresholds, the proportions in poverty were 34% and 18% respectively.

The poverty rates of children, using either threshold, were higher amongst those:

- in households without any workers;
- in lone-parent families;
- with a larger number of siblings;
- with household members suffering a long-standing illness;
- of non-white ethnicity;
- living in local authority housing;
- in households in receipt of Jobseeker's Allowance or Income Support.

Poverty over time

The PSE survey was the third in the past two decades to measure how many people in Britain are unable to afford socially perceived necessities. Using the same criteria employed in the Breadline Britain Survey in 1983 the researchers found that between 1983 and 1990, the proportion of households which lacked at least three of these necessities because they could not afford them increased by half – from 14% to 21%. Poverty continued to increase during the 1990s and, by 1999, the proportion of households lacking at least three necessities because they could not afford them had again increased, to over 24%. This dramatic rise in poverty occurred while the majority of the British population became richer. Poverty appears to have become more widespread but not to have deepened over the 1990s. Between 1990 and 1999 the proportion of households living in chronic long-term poverty (lacking three or more necessities and classifying themselves as genuinely poor now 'all the time' and also having lived in poverty in the past either 'often' or 'most of the time') fell, from 4% of households to 2.5% of households.

Table 1: Perception of adult necessities and how many people lack them (All figures show % of adult population)

	<i>Omnibus Survey: Items considered</i>		<i>Main stage survey: Items that respondents</i>	
	Necessary	Not necessary	Don't have don't want	Don't have can't afford
Beds and bedding for everyone	95	4	0.2	1
Heating to warm living areas of the home	94	5	0.4	1
Damp-free home	93	6	3	6
Visiting friends or family in hospital	92	7	8	3
Two meals a day	91	9	3	1
Medicines prescribed by doctor	90	9	5	1
Refrigerator	89	11	1	0.1
Fresh fruit and vegetables daily	86	13	7	4
Warm, waterproof coat	85	14	2	4
Replace or repair broken electrical goods	85	14	6	12
Visits to friends or family	84	15	3	2
Celebrations on special occasions such as Christmas	83	16	2	2
Money to keep home in a decent state of decoration	82	17	2	14
Visits to school, e.g. sports day	81	17	33	2
Attending weddings, funerals	80	19	3	3
Meat, fish or vegetarian equivalent every other day	79	19	4	3
Insurance of contents of dwelling	79	20	5	8
Hobby or leisure activity	78	20	12	7
Washing machine	76	22	3	1
Collect children from school	75	23	36	2
Telephone	71	28	1	1
Appropriate clothes for job interviews	69	28	13	4
Deep freezer/fridge freezer	68	30	3	2
Carpets in living rooms and bedrooms	67	31	2	3
Regular savings (of £10 per month) for rainy days or retirement	66	32	7	25
Two pairs of all-weather shoes	64	34	4	5
Friends or family round for a meal	64	34	10	6
A small amount of money to spend on self weekly not on family	59	39	3	13
Television	56	43	1	1
Roast joint/vegetarian equivalent once a week	56	41	11	3
Presents for friends/family once a year	56	42	1	3
A holiday away from home once a year not with relatives	55	43	14	18
Replace worn-out furniture	54	43	6	12
Dictionary	53	44	6	5
An outfit for social occasions	51	46	4	4
New, not second-hand, clothes	48	49	4	5
Attending place of worship	42	55	65	1
Car	38	59	12	10
Coach/train fares to visit friends/ family quarterly	38	58	49	16
An evening out once a fortnight	37	56	22	15
Dressing gown	34	63	12	6
Having a daily newspaper	30	66	37	4
A meal in a restaurant/pub monthly	26	71	20	18
Microwave oven	23	73	16	3
Tumble dryer	20	75	33	7
Going to the pub once a fortnight	20	76	42	10
Video cassette recorder	19	78	7	2
Holidays abroad once a year	19	77	25	27
CD player	12	84	19	7
Home computer	11	85	42	15
Dishwasher	7	88	57	11
Mobile phone	7	88	48	7
Access to the Internet	6	89	54	16
Satellite television	5	90	56	7

Absolute and overall poverty

This report also used subjective measures to estimate how many people consider themselves to be in 'absolute' and 'overall poverty' – according to definitions given by the UN. The result was 17% and 26% respectively. The definitions are included in a declaration and programme of action agreed by governments following the 1995 World Summit for Social Development in Copenhagen. This represents a first attempt to apply a definition that can compare poverty consistently across countries.

People themselves were invited to say what they meant by a poverty line and whether their incomes were above or below the level of income perceived as being the 'absolute' and 'overall' poverty line. The percentages of different types of households identifying themselves as in poverty by these measures were highest in the case of lone parents, and higher than average in the case of single pensioners and couples with one child.

Social exclusion

The PSE survey distinguishes four dimensions of exclusion: impoverishment, or exclusion from adequate income or resources; labour market exclusion; service exclusion; and exclusion from social relations. This analysis has concentrated on the three dimensions that are distinct from poverty itself, with particular emphasis on exclusion from social relations.

Labour market exclusion

We should be cautious about treating non-participation in paid work or living in a jobless household as constituting social exclusion because:

- 43% of adults have no paid work.
- Over one in three of the population lives in a household without paid work: in which all adults are either pensioners or jobless non-pensioners.

However, labour market exclusion remains an important risk factor for both service exclusion and some aspects of exclusion from social relations.

Service exclusion

- More than one in twenty people have been disconnected from water, gas, electricity or telephone and over one in ten have used less than they need because of cost.
- About one in fourteen are excluded from four or more of a list of essential public and private services and nearly one in four from two or more because the services are either unaffordable or unavailable.
- Non-availability of services ('collective exclusion') is a bigger barrier than non-affordability ('individual exclusion').
- Only about half the population has access to the full range of services.

Exclusion from social relations

- Of a list of common social activities, one in ten people in the survey is excluded by cost from five or more activities and one in five from three or more.
- Lack of time due to caring responsibilities, to paid work and to disability also excludes people from socially necessary activities.
- One in eight has neither a family member nor a friend outside their household with whom they are in contact on a daily basis.
- Economic inactivity and living in a jobless household do not necessarily increase social isolation and, in some cases, reduce it.
- Men living alone have a high risk of social isolation.
- Nearly 11% of the population have very poor personal support available in times of need and a further 12% have poor support.
- One in ten of the population has no civic engagement at all.

Conclusions

There is no doubt that lack of paid work is an important factor in causing both poverty and social exclusion. However, even if full employment were achieved, poverty and exclusion would not disappear. Earnings can be too low unless there are minimally adequate child benefit and other allowances to complement them and unless minimally adequate benefits are available for all pensioners and all disabled people. People who cannot work require adequate incomes to meet their needs. High quality, affordable services in

every part of the country will also be needed if poverty and social exclusion are to be eliminated.

During the 1980s incomes substantially diverged and in the late 1990s there are signs that the income gap is again widening. Problems of dislocation, insecurity, multiple deprivation, conflict, divided loyalties and divided activities all result. Major questions are being posed for the future of social cohesion. High rates of poverty and social exclusion have the effects of worsening health, education, skills in the changing labour market, relationships within the family, between ethnic groups and in society generally. The structural problem has to be addressed with a concerted national strategy. The construction of a scientific consensus - to improve measurement, explain the severity and cause of poverty so that the right policies are selected, and show how the role of public and private services can be extended to underpin national life - is a key step in achieving the objectives set by the Government.

About the study

The study was undertaken by David Gordon, Peter Townsend, Ruth Levitas, Christina Pantazis, Sarah Payne and Demi Patsios at the University of Bristol, Sue Middleton, Karl Ashworth and Laura Adelman at the University of Loughborough, Jonathan Bradshaw and Julie Williams at the University of York and Glen Bramley at Heriot-Watt University. It used three sets of data from surveys carried out by Social Survey Division of ONS:

1. The General Household Survey (GHS) for 1998-9 provided data on the socio-economic circumstances of the respondents, including their incomes.
2. The ONS Omnibus Survey in June 1999 included questions designed to establish from a sample of the general population what items and activities they consider to be necessities.
3. A follow-up survey of a sub-sample of respondents (weighted towards those with lower incomes) to the 1998-9 GHS were interviewed in September/October 1999 to establish how many lacked items identified as necessities and also to collect other information on poverty and social exclusion.

The full report gives details of how the measures of poverty were defined.

How to get further information

The full report, **Poverty and social exclusion in Britain** by David Gordon et al., is published by the Joseph Rowntree Foundation (ISBN 1 85935 059 3, price £15.95). It is available from York Publishing Services Ltd, 64 Hallfield Road, Layerthorpe, York YO31 7ZQ, Tel: 01904 430033, Fax: 01904 430868, email: orders@yps.ymn.co.uk. Please add £2.00 p&p per order.

Further information on this project including working papers is available on the project website (www.bristol.ac.uk/poverty/pse). A book based on the project will be published by The Policy Press in Spring 2001.

The following *Findings* look at related issues:

- **The incomes of ethnic minorities**, Nov 98 (Ref: N48)
- **Monitoring poverty and social exclusion**, Dec 98 (Ref: D48)
- **Ethnic groups and low income distribution**, Feb 99 (Ref: 249)
- **Understanding and combating 'financial exclusion'**, Mar 99 (Ref: 369)
- **The experiences and attitudes of children from low-income families towards money**, Mar 99 (Ref: 379)
- **Child poverty and its consequences**, Mar 99 (Ref: 389)
- **Income, wealth and the lifecycle**, Jul 99 (Ref: 759)
- **Monitoring poverty and social exclusion 1999**, Dec 99 (Ref: D29)
- **Planning for the future: the difficulties people face**, May 00 (Ref: 570)

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