

**JRF Programme Paper**  
**Anti-poverty strategies for the UK**

## A DEFINITION OF POVERTY

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This paper:

- explains the JRF definition of poverty and the terms used;
- sets out some of the challenges in defining poverty;
- considers the difference between poverty and associated concepts.

**The Joseph Rowntree Foundation (JRF) commissioned this paper as part of its programme on anti-poverty strategies for the UK, which aims to produce the first evidenced anti-poverty strategy for all age groups and each UK nation.**

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# Introduction

The basic definition JRF uses in its anti-poverty strategy was broadly defined in the original Trustees paper in September 2012:

**‘When a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).’**

This paper breaks down and expands on this definition and sets out some principles and challenges. It is important to differentiate between concepts, definitions and measures (Lister, 2004). This paper focuses on definitional issues rather than measurement, which will be looked at separately.

## In this definition, what is meant by...?

### Needs

There is no universally agreed set or definition of human needs. They have been said to include abstract terms such as subsistence, protection, participation and leisure (Doyal and Gough, 1991). But being unable to meet *any* need is not necessarily a feature of poverty; not all human needs require access to *material* resources (e.g. affection). However a wide range of needs, like social participation and leisure, do require such access. Being unable to meet a range of needs is therefore a feature of poverty in any society. If people have access to resources and choose not to use them to meet their needs in terms of participation, then that is not poverty – it arises from an [enforced lack of necessities](#).

Poverty means being unable to afford to meet the *minimum* needs that are deemed reasonable by the standards of the society in question (Ravallion, 1992). Our definition of poverty implies there are needs for basic goods and services alongside social participation. The *cost* of a minimum standard of living within any society depends on (a) the extent to which goods and services are provided by the state or the market; (b) social norms; and (c) the price of food and other goods. These can each change over time, meaning poverty also changes with the wider economic context. So, participation includes being able to conform to minimum norms such as buying birthday presents for relatives, or social activities for children. What is considered to be the minimum has risen over time in the UK, although recent evidence from the Minimum Income Standard (MIS) project

shows that the public's perceptions can also fall (they expect people to be thriftier in response to the recession). This shift is also borne out in the latest [poverty and social exclusion](#) survey.

## Resources

Resources are what people can use to meet their needs. A central issue is that access to resources is determined by power relations within families, households and society in general. There are many dimensions of such resources (psychological, social, cultural, etc); these are important for how poverty is experienced but in terms of a poverty definition, it is material resources that matter. These can be split into (a) the material possessions and finances that a person controls, and (b) in-kind goods, commodities or services. These can both derive from formal or informal sources. They also interact with one another: for example people may have to rely on informal resources if they do not have sufficient income or other material assets.

The level of *direct financial* resources and assets that people own or control are the main determinant of whether or not they are defined as being in poverty.

These include:

- income (from employment, benefits, pension, interest on savings, gifts);
- financial assets (savings, a home);
- material goods (e.g. washing machine, car, computer).

Formal *in-kind goods and services* (universal or means-tested), can include:

- most health services;
- children's education;
- passported benefits (additional benefits that some groups of people are automatically entitled to as a result of receiving an initial benefit), for example free school meals.

*Informal* resources are those accessed via family, friends, neighbours, faith groups, community organisations or other social networks. These informal resources can encompass:

- financial (e.g. borrowing money from family or receiving a cash payment from a charity);
- in-kind (e.g. informal childcare, help with household repairs or gardening, borrowing items)

There are other factors that affect the relationship between material resources and needs. These relate to the relationships people have, the neighbourhoods and places where they live and the services and markets that they can access. As part of its anti-poverty programme, JRF is developing a 'conceptual map' of causes, consequences and solutions to poverty, which will define these and the links between them.

## **Sufficient**

Whether people's resources are sufficient to fulfil their needs depends on three factors.

1. *The range, sustainability, quantity and quality of those resources* – taking into account not only material, but also in-kind and informal resources. However, significant reliance on informal or indirect resources should be a matter of policy concern, given their insecure and arbitrary nature.
2. *Their personal circumstances and characteristics* – even if in theory human needs are all the same, they differ according to age, health status, family circumstances, etc. For example, a person who is disabled is likely to need more resources than a non-disabled person on average. Family and household circumstances, and the power relations therein, also determine economies of scale and how resources get allocated and used.
3. *The choices people make* – for example, if a person, no matter what their level of income, is spending their available resources on non-essentials, then they may neglect their own or their family's needs. But it is important not to over-emphasise this point and recognise that the choices available to people living in poverty are generally much more constrained than those available to others. Furthermore, there is some movement over time between what are considered essentials and non-essentials.

## **Principles, challenges and strategic implications**

### **Poverty is dynamic**

Poverty is not a static condition. Resources rise and fall as do needs and people's ability to meet them. Individuals can move in and out of poverty over time – so it may be temporary, recurrent or persistent over longer periods. Though the *risk* of experiencing poverty exists for many more than are *in poverty*

at any one point in time, some people and groups are far more vulnerable to poverty than others. Thinking about poverty in a dynamic way implies a focus on preventing poverty as well as routes out of it.

There needs to be a strong emphasis on interventions that are likely to have the most substantial and lasting impact on those who have the fewest resources.

## **Individuals and households**

Poverty should be thought of at the level of the individual as well as the family or household. Individuals have, and meet, their own needs but these can also be met through relationships with others. For example, a child's needs are usually largely met through their parents' resources, or a couple can share some of their resources to better meet their needs. A household can range from a single adult to more complex multi-family arrangements. Within families and households, however, each adult requires access to, and power over, resources sufficient to meet their needs in order to avoid poverty. It cannot be assumed that resources are shared evenly; for example, research suggests women can get less than a fair share while children's needs are often prioritised.

Thinking about poverty in terms of resources and needs helps to us to understand the situation of people who do not live in households and therefore do not have a 'household income'. This might include, for example, homeless people, children in care, prisoners or people living in hospitals or care homes. There should be consideration of the resources people in these groups need to meet daily living needs as well as to enable social participation, bearing in mind the other aims of the institution.

## **Causes and symptoms**

It is clear from the definition above that the experience of poverty is about more than just income, although income is the major, most flexible resource that people can use to meet their needs. The cost, availability and quality of essential goods and services also matters. The factors that determine income and costs need to be addressed directly. Different kinds of material resources may matter more at different stages in life. A look at expenditure, as well as income, can help to better understand issues such as debt or the longevity of poverty.

This means there is an interest in all of the following (but a need to distinguish between them):

- routes into/causes of poverty (e.g. loss of adequately paid employment) and the route out/whether that route is secure;
- the experience/impacts of poverty (e.g. stigmatisation);
- other forms of exclusion/lack of well-being closely related to poverty (e.g. some health problems);
- barriers to future life chances of those who are living in/at risk of poverty (e.g. lower educational levels).

These four are closely related (poor skills may be both a cause of poverty and a barrier to future life chances; lack of material resources is also a barrier to future life chances), but it is wrong to conflate them. There should be a focus on what is poverty today but *also* on the other issues and how they relate.

In terms of measurement, the indicators that may be most robust for benchmarking overall progress over time, or against other countries, may well differ from those that would be used in designing policy – either to identify those in poverty today, or to tackle the causes of future poverty. Measuring outcomes is different from designing policy (but at the same time, it should be recognised that setting targets is a political act (Atkinson *et al.*, 2002).

This implies a need to consider:

- reducing the long-term causes of poverty (investment in skills, incentivise creation of better jobs, reducing negative stereotypes about poverty etc);
- reducing the short-term causes (increasing cash benefits etc);
- mitigating the short-term consequences (service provision, community support, etc);
- mitigating the long-term consequences (focusing on improving children's life chances, how caring is valued in society etc).

### **Focusing on poverty (not social mobility, well-being or inequality)**

A society could have plenty of social mobility but also persistent poverty, or no social mobility but substantially reduced poverty. It would be easy to make the mistake of thinking that all good things go together, not simply as a conceptual or philosophical question, but in terms of thinking about policy interventions and making sure measures relate to anti-poverty policies. At the same time, attention should be paid to understanding the relationships that do exist between these concepts.

The definition of poverty should not be broadened out too far. Otherwise an anti-poverty strategy risks becoming diluted (e.g. into well-being) or diverted (e.g. onto mental health or drugs). It should be grounded in material conditions and minimum standards. Poverty is centrally defined by a general lack of sufficient material resources, so it is not the same as 'food poverty', 'water poverty', 'fuel poverty' and so on. These are just facets of the central problem of poverty.

The experience of poverty can also be cut across by different forms of inequalities (gender, ethnicity, disability and age, among others), which make the experience of living in poverty different for different groups.

In order to tackle poverty, the whole distribution of resources (material, in-kind and informal) across society needs examination. It is also important to understand why some people and groups are rarely, if ever, likely to experience poverty. It is probable that a greater degree of resource redistribution will be needed – whatever the means – to be compatible with low levels of poverty in the UK. However, this must be balanced with an understanding of how to increase or maintain the total resources available, while not assuming that economic growth alone will do the job.

## References

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