

Strategies to measure poverty



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Poverty is a social problem and it has been considered as a feature of inequality in society. This view is shared by Machperson & Silburn (1998, 1), as they consider poverty as a cause of “ political and morale challenges to all societies at all times”.

Roll (1992, 7) defined poverty as a “ shortage of something which is morally unacceptable and calls for action”. Or in a more official way, poverty can be defined as “ the number of people with incomes below an arbitrary percentage of the average” Gordon et al (2000, 8).

There are two types of poverty depending on the way that it is measured, those types are: relative and absolute poverty. Absolute poverty refers to the minimum physical needs that are associated with physical survival, taking account of food, clothing, and shelter (Roll, 1992, 14).

On the other hand, relative poverty is usually related to social needs and as is a feature of income inequality and can be described as being a comparison to something else (Roll, 1992, 15). In other words it could be the inability to have stuff that most people in society think it is essential. To illustrate this and to understand public opinion on the subject of necessities, a survey carried out by 1500 people in 1999 produced the following results: over 90% of the population in each case perceive ‘ beds and bedding for everyone’, ‘ heating’, ‘ damp-free home’, ‘ visiting friends or family’ and ‘ medicine prescribed by doctor’ as items which adults should have in Britain. By contrast, less than 10 per cent sees mobile phones and internet access as necessary’ Gordon et al (2000, 18). However, nowadays, internet access and

mobile phones are considered as necessities to most people in society, so those who cannot afford them are counted in relative poverty.

There are many ways to measure poverty and they could vary from country to another. The measurement of poverty aims to help develop new policies to reduce the extent of poverty, and enables politicians to determine how many people live in poverty and what the social characteristics associated with them are, such as gender and age (MacPherson & Silburn, 1998, 8). Each measure of poverty has advantages and disadvantages, and has different influence on policy. For example, “ income thresholds approach” defines poverty as being under a specific threshold level in terms of households average income or benefit levels. In the UK, it is “ the most common measure of poverty”, and a household is said to be in poverty if its income, after taxes, is less than 60% of the UK median for that year” (Aldridge et al, 2013).

The main advantage of this approach is that it is simple as it does not require detailed data from people (Gordon et al, 2000, 74), and that “ the standard of need is implicit in the benefit levels decided by government” (Gordon et al, 2000, 74). However, there are some problems with using this approach; for example, it could be argued when the thresholds based on the average income that it is measuring the inequality of income rather than measuring poverty. Also MacPherson & Silburn (1998, 14) argued that “ the benefit rates may be set at a very low rate, well below average earning, and thus do not provide an acceptable poverty threshold measure”.

Low income is a major problem in the United Kingdom, as it is at the centre of poverty matters. It has short term as well as long term effects on individuals and society overall, as people who are in low income are more likely to have serious illnesses, for example “ Cancer mortality rates in the poorest areas (200 per 100, 000) are 50% higher than average, and have not fallen in the last decade, while the average has fallen by one-sixth” (Aldridge et al, 2013). Low income also affects the whole British economy, as British society has turned out to be controlled by material goods and market relationships and any shortage would have a great effect on the economy. This means, that measuring poverty in the right way would help to reduce the pattern on low income (Kenway et al, 2002, 18).

The cause of the rise and fall of the number of people with low income is debatable. Some consider it to be the individual’s fault because laziness and passivity. However, others see it deeper than that and put the responsibility on the government’s policies as Kenway et al (2002, 18) state that “ the chief weapons that have been used in the assault on low income over the last few years are first, reforms to the tax and benefit system and second, the national minimum wage”. For example, if the government raises taxes and cuts down on benefits, as a result, the number of people on low income will rise, as well as poverty. On the other hand, it could be argued that this weapon can be used in a positive way to decrease the number of people on low income and against poverty, by decreasing taxes and offering more/higher benefits. The same also applies for minimum wage, where it could be increased or decreased, which in turn will have an effect on the level of poverty in Britain. That’s why there are many measures of poverty,

as each measure is used to look deeper into the problem from a different angle to try and conclude where the responsibility/blame lies and the best ways to deal and solve this problem.

Another way of measuring poverty is by using ‘consensual/social indicators’. This approach is very much dependent on social surveys and on public view of necessities. Not only the UK implemented this approach of measuring poverty, but many other countries did, such as, Denmark, Sweden, Holland, Germany and Vietnam. That made it one of the most common approaches of measuring poverty. However, it has been criticised “because people’s responses are firmly based on their own subjective experience, which may be far removed from the poverty level” (MacPherson & Silburn, 1998, 12).

‘Budget standard’ is another method to measure poverty. It is based on a very basic basket of goods, the only good thing about it is, that things can be put into or taken out of a budget standard easily (Gordon et al, 2000, 75). But when it comes to weakness points, ‘budget standard’ has some, for example, it only focuses on a group of people and does not cover all types of people, such as, people from various cultures, or with special needs, as Roll (1992, 39) confirms; “the argument is that people have different spending patterns so that, even if they had the same amount of income from benefit, they would not spend it on the basket of goods”. Because of that, this approach is not used much now to measure poverty. So, other ways of measurement had to be developed such as ‘social exclusion’. This approach is used in the UK, and it focuses on the shortage of access to the types of social relations, norms and interests (Gordon et al, 2000). It refers more to ‘relative poverty’ rather than ‘absolute poverty’.

Lastly, poverty can be measured subjectively, or in other words, using ‘ subjective measures’. This method is based on categorizing the poverty thresholds by society itself without any intervention from experts or the government, making it the most democratic approach of measuring poverty, which is the best thing about it. On the other hand, it could be argued that “ subjective poverty lines tend to fluctuate over time depending on changes in the social reference group” and “ on period of reference” (Gordon et al, 2000, 73).

In conclusion, poverty is a serious issue which affects the individual as well as the whole society. Many elements are involved in it such as the place, time, income, gender, health, and benefits. And in order to take all of these into account, many approaches and methods have been developed for measuring poverty, each one being applied to a specific element. As a result, this has produced measures which look into the issue of poverty from various angles, which in turn, offer policy makers the opportunity to develop new rules and regulations to minimise poverty as much as possible.