Relative Deprivation Theory

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One of the many seminal contributions Peter Townsend made to science was a paradigm shift in poverty measurement methodology in the 1968/69 Poverty in the United Kingdom Survey.
Townsend argues that poverty can only be measured: "objectively and applied consistently only in terms of the concept of relative deprivation..... The term is understood objectively rather than subjectively. 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 society to which they belong" (1979, p 31)
Townsend’s Scientific Definitions of Poverty

Poverty can be defined as;

*Command over insufficient resources over time*

The result of poverty is *deprivation*
Universal Needs and Relative Deprivation Measurement of Poverty

The key ideas

Poverty is a sociological phenomena which can only be meaningfully measured relative to the society to which a person/household belongs.

There are certain universal needs that people require/ think of as necessities in ALL societies e.g. food, clothing, shelter/housing, health care/medicine, children’s education, leisure activities, social activities/obligations/participation such as present giving and marking major life events such as births, deaths, weddings, etc.

The exact way these universal needs are met varies from society to society but the needs remain universal
Absolute Vs Relative: Sen Vs Townsend

Sen (1983) argued that; "There is ... an irreducible absolutist core in the idea of poverty. If there is starvation and hunger then, no matter what the relative picture looks like - there clearly is poverty.’

Examples of this absolutist core are the need

‘to meet nutritional requirements, to escape avoidable disease, to be sheltered, to be clothed, to be able to travel, to be educated ... to live without shame.’

Townsend (1985) responded that this absolutist core is itself relative to society. Nutritional requirements are dependent on the work roles of people at different points of history and in different cultures. Avoidable disease is dependent upon the level of medical technology. The idea of shelter is relative not just to climate but also to what society uses shelter for. Shelter includes notions of privacy, space to cook, work and play and highly-cultured notions of warmth, humidity and segregation of particular members of the family as well as different functions of sleep, cooking, washing and excretion
Sen (1985) responded that:

“the characteristic feature of absoluteness is neither constancy over time nor invariance between societies nor concentration on food and nutrition. It is an approach to judging a person's deprivation in absolute terms (in the case of a poverty study, in terms of certain specified minimum absolute levels), rather than in purely relative terms vis à vis the levels enjoyed by others in society. But on the space of the capabilities themselves – the direct constituent of the standard of living – escape from poverty has an absolute requirement, to wit, avoidance of this type of shame. Not so much having equal shame as others, but just not being ashamed, absolutely.

If we view the problem of conceptualising poverty in this light, then there is no conflict between the irreducible absolutist element in the notion of poverty (related to capabilities and the standard of living) and the “thoroughgoing relativity” to which Peter Townsend refers, if the latter is interpreted as applying to commodities and resources.”
Sen’s semantic argument is that poverty is absolute in terms of capabilities but relative in terms of commodities, resources and incomes.

A fundamental problem with this argument is that it is non-sociological, it assumes that a person’s capabilities and functionings (i.e. what they can do) can be determined and interpreted independently of the society in which they live.

It is hard to understand what Sen means when he argues that, in order to not be poor, there is an absolute requirement to have the capability not to be ashamed, that to be equally ashamed as the rest of the people in your society would be insufficient to avoid poverty.

This argument by Sen appears to have no real meaning! People feel ashamed because they are unable to meet their social obligations or perceive themselves to have broken the rules of their culture/society i.e. the concept of shame has no meaning independent of a person’s relationships and interactions with others.
Poverty and Riches

→ Cannot explain poverty in isolation of the distribution of all resources in society.
→ There can be no understanding of poverty in a society without studying the rich.
→ Townsend continually emphasised that poverty was fundamentally ‘a problem of riches’ and argued for profound changes in the structures of power and privilege:

“The institutions which create or disadvantage the poor at the same time as they create or advantage the rich are institutions which have to be reconstructed “(1988:59).
The richest 1% continue to own more wealth than the whole of the rest of humanity

The wealth of the world’s billionaires increased by $900bn in the last year alone, or $2.5bn a day. Meanwhile the wealth of the poorest half of humanity, 3.8 billion people, fell by 11%
If current trends continue then the richest 1% will own 64% of the world's wealth by 2030

<table>
<thead>
<tr>
<th>Estimated distribution of global wealth under different scenarios, 2017-2030</th>
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<tbody>
<tr>
<td>Least wealthy</td>
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<tr>
<td>Wealthiest 1%</td>
</tr>
<tr>
<td>Share of total wealth in 2017</td>
</tr>
<tr>
<td><strong>Total wealth, annual rate of increase 2000-17</strong></td>
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<tr>
<td><strong>Total wealth, annual rate of increase 2008-17</strong></td>
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<tr>
<td>Share of total wealth in 2030</td>
</tr>
<tr>
<td>Assuming total wealth grows at 2000-17 annual rate</td>
</tr>
<tr>
<td>Assuming total wealth grows at 2008-17 annual rate</td>
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</tbody>
</table>

Note: the composition of each group will change from year to year. Someone who is in the wealthiest 1% in one year may be in the least wealthy 99% in the next.


Source: UK House of Commons Library Research: Inclusive Growth, April 2018
https://www.inclusivegrowth.co.uk/house-commons-library-research/
Changes in the distribution of income growth in the USA: 1980 & 2014

The poor and middle class used to see the largest income growth.

But now, the very affluent (the 99.999th percentile) see the largest income growth.

Note: Inflation-adjusted annual average growth using post-tax income.

Top 1% Share of UK Income: 1918-2014

Income mobility across generations

Number of generations it would take for those born in low-income families to approach the mean income in their society

Note: Low-income families refer to the bottom 10% of the income distribution, OECD average based on 24 member countries.
Source: OECD: A Broken Social Elevator? How to promote Social Mobility, Figure 1.5
URL: oecd/social-mobility-2018
Global Real Income Growth per Adult by Percentile: 1980 to 2016

- Bottom 50% captured 12% of total growth
- Top 1% captured 27% of total growth
- Prosperity of the global 1%
- Rise of emerging countries
- Squeezed bottom 90% in the US & EU

The World is Very Unequal

Figure 7. Global Income Distributed by Percentiles of the Population in 2007 (or latest available) in PPP constant 2005 international dollars*

Each horizontal band represents an equal fifth of the world’s population

Persons below $1.25/day (22%)†

Persons below $2/day (40%)†

Net outflows of money from ‘poor’ to ‘rich’ countries increased rapidly during
the 21st Century

Source: UNDESA 2015 World Economic Situation and Prospects
Poverty in the UK
Background

The 1968/69 *Poverty in the UK* project and survey launched a major 50 year research programme. Every decade since the late 1960s, UK social scientists have attempted to carry out an independent poverty survey to test out new ideas and incorporate current state of the art methods into UK poverty research.

- 1968-69 *Poverty in the UK* survey (Peter Townsend et al, 1979),
- 1983 *Poor Britain* survey (Mack & Lansley, 1985)
- 1990 *Breadline Britain* survey (Gordon & Pantazis, 1997)
- 2012 *Poverty and Social Exclusion in the UK* (Gordon et al, 2013)
## Townsend’s Deprivation Indicators, 1968-9

<table>
<thead>
<tr>
<th>Indicators</th>
<th>% of lacking</th>
</tr>
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<tbody>
<tr>
<td>Has not had a cooked breakfast most days of the week</td>
<td>67</td>
</tr>
<tr>
<td>Did not have a party on the last birthday (under 15 only)</td>
<td>57</td>
</tr>
<tr>
<td>Has not had a week’s holiday away from home in last 12 months</td>
<td>54</td>
</tr>
<tr>
<td>Had not had an afternoon/evening out for entertainment in last 2 weeks</td>
<td>47</td>
</tr>
<tr>
<td>Had not been out in the last 4 weeks to a relative or friend for a snack or meal (adults only)</td>
<td>45</td>
</tr>
<tr>
<td>Household does not have a refrigerator</td>
<td>45</td>
</tr>
<tr>
<td>Had not had a friend to play or a friend to tea in the last 4 weeks (under 15 only)</td>
<td>36</td>
</tr>
<tr>
<td>Has not had a relative or friend to the home for a meal or snack in the last 4 weeks (adults only)</td>
<td>33</td>
</tr>
<tr>
<td>Household does not usually gave a Sunday roast (3 in 4 times)</td>
<td>26</td>
</tr>
<tr>
<td>Household does have sole use of 4 amenities indoors (WC, sink, bath/shower, cooker)</td>
<td>21</td>
</tr>
<tr>
<td>Does not have fresh meat (including meals out) at least four days a week</td>
<td>19</td>
</tr>
<tr>
<td>Has gone through one or more days in the past fortnight without cooked meal</td>
<td>7</td>
</tr>
</tbody>
</table>
Modal Deprivation by Logarithm of Income as a Percentage of Supplementary Benefit Scale Rates (Townsend, 1979)
Critiques of Townsend’s Poverty in the UK survey methodology

Piachaud (1981, 1987) raised three main objections;
I. the indicators used—does having a cooked breakfast, for example, indicate choices or constraints?;
II. The existence of a threshold—is there a marked change in deprivation below a certain level or is there a continuum?;
III. the attainability of the goal of an objective, scientific measurement of poverty

Ashton (1984) and more recently McKay (2004) argues that deprived people may just have different consumption preferences to the majority of the population e.g. prefer to buy an “expensive hi-fi stereo unit” rather than have “carpets in the living room and bedroom”.

Research over the past 50 years has provided robust answers to all these criticisms.
For deciding who is poor, prayers are more relevant than calculation, because poverty, like beauty, lies in the eye of the beholder.[..]
Poverty is a value judgement; it is not something that one can verify or demonstrate” (Orshansky, 1969, p37).

“if it is not possible to state unequivocally ‘how much is enough’, it should be possible to assert with confidence how much, on average, is too little” (Orshansky, 1965, p17).

The Eye of the Beholder
Critiques of Townsend’s PiUK Methods – Research Findings

i) **Choice Vs constraint**: Mack & Lansley’s (1983) Consensual Deprivation methodology allowed choice to be separated from constraint

ii) **No threshold**: Use of the General Linear Model and Monte Carlo Simulation has shown the conditions under which a ‘Townsend’ break of slope threshold will exist. It will be present except under unusual circumstances. Item Response Theory has shown why the threshold will be present.

iii) **Scientific measurement** - Scientific measurement is not a claim of truth but a claim of methodology i.e. you can make a scientific measurement that is wrong/incorrect. Advances during the 20th Century in the philosophy of measurement (e.g. Representational Theory of Measurement (RTM)) and the practice of measurement (e.g. Classical Test Theory, Item Response Theory) have shown that Townsend’s relative deprivation theory and PiUK methodology can produce a robust, repeatable, reliable and valid measurement of deprivation.

iv) **Unusual preferences**: Reliability results have shown that the critiques of Ashton and McKay are simply incorrect i.e. people/households with high deprivation index scores are overwhelmingly deprived rather than consumers with unusual/non-standard consumption preferences.
There are a number of widely held but incorrect beliefs about science, for example:

*Science is objective.*

*Scientific knowledge is reliable knowledge because it is objectively proven knowledge.*

*Scientific theories are derived from observation of the facts or by objective experimentation.*

*Personal opinion and speculation play no part in science.*

None of these statements is true: the idea that scientific theories are based on the study of objective facts is critically flawed. The ‘inductive’ idea of science, that correct theories will somehow ‘bubble’ to the surface once enough pure facts have been generated and sifted, is untenable.
Scientific Theories

Neither scientific theories nor scientific measurement are ‘objectively true’. However, for a theory to be scientific, it must not only be logically internally consistent but also fulfil a number of strict criteria.

1. The theory must be falsifiable, e.g. it must be capable of being shown to be untrue. The existence of a Loving God and Freudian psychology are unfalsifiable theories and therefore unscientific.
2. The theory must be testable.
3. The theory must have predictive value.
4. The results of the theory must be reproducible. Other people using the same methods will reach the same results.

These criteria are known to philosophers as the Falsificationist View of science and are attributable to the work of Karl Popper (1968, 1972). They contain the idea of a logical asymmetry that a theory can never be proved only falsified. This work has been extended by Imre Lakatos (1974), who claimed that scientific research programmes must also:

1. Possess a degree of coherence that involves the mapping out of a definite programme for future research.
2. Lead to the discovery of novel phenomena, at least occasionally.
Does Relative Deprivation Theory meet the required criteria of science?

1. The relative theory of poverty can be falsified. If a survey finds that there are no people/households whose resources are so low that they are excluded from the ordinary living patterns, customs and activities of their culture, then no poverty exists. For example, it has been argues that traditional Amish and Kibbutz societies had no poverty as resources were shared and no-one was excluded.

2. Surveys, such as the Poverty & Social Exclusion studies, have provided tests of the relative poverty theory.

3. Numerous predictions are made by the relative poverty theory. For example, the ‘poor’ will experience a disproportionate ‘fear of crime’ (relative to their experience of crime) because of the greater consequences of crime for the ‘poor’.

4. Several deprivation surveys have produced similar results, both in the UK and in other countries. Conclusions based on the relative poverty theory have been shown to be reproducible.

5. Since Townsend’s (1979) initial work, extensive research on relative poverty has been carried out by many researchers in several countries. This research has extended and developed the concepts and findings of the relative poverty model.
Definition of poverty

<table>
<thead>
<tr>
<th>Income</th>
<th>Standard of Living</th>
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<tbody>
<tr>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
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- **Optimal Position of the Poverty Threshold**
  - Poverty Threshold Set Too High
  - Poverty Threshold Set Too Low

- **Not Poor**
- **Poor**
Peter Townsend’s concept of dynamic poverty

“poverty is a dynamic, not a static concept…Our general theory, then, should be that individuals and families whose resources over time fall seriously short of the resources commanded by the average individual or family in the community in which they live . . . are in poverty.”

Townsend (1962, p 219)
Theoretical model of the dynamics of poverty in rich societies

Income and Standard of Living

- Not Poor
- Sinking into poverty
- Climbing out of poverty
- Not Poor

Poverty Threshold

Time

0 1 2 3 4 5
Poverty Groups

The diagram illustrates the distribution of poverty groups based on their standard of living and income. The axes represent income (low to high) and standard of living (low to high). The categories are:

- Not Poor
- Poor
- Vulnerable
- Rising

The scatter plot shows the clustering of different groups across the income and standard of living spectrum.
95% confidence interval equivalised disposable income, by child deprivation level, EU-27

Cases weighted by Rescaled household weight for EU analyses (DB090)
Error Bar Plot of Average Household Deprivation by PSE Equivalised Income (AHC)

Cases weighted by normalised UK household weight - use this weight for household data
Using Multidimensional Poverty Measures to Make Better Policy

Example of MEXICO
Mexico: Multidimensional Poverty by Law

General Law of Social Development (LGDS): Article 36 – this legislation was passed unanimously in January 2004 – It requires that an official Multidimensional Poverty Measure must be produce which includes at least the following eight dimensions;

1. Per capita current income

2. Average gap between compulsory education and actual education at the household level (educational gap)

3. Access to Health Services

4. Access to Social Security

5. Dwelling characteristics, space and quality

6. Access to basic dwelling related services (water, sewerage, electricity, etc)

7. Access to food

8. Level of social cohesion
Rights to social development

“..to guarantee the full exercise of the social rights set forth in the Political Constitution of the United Mexican States, ensuring access to social development to the population as a whole.”

- The Law was approved unanimously by the Chambers of Deputies and Senators
- This Law can be seen as the social consensus Mexico has achieved through Congress
Total population 2008 (106,680,526)

Vulnerable people by social deprivations
- 33.0%
- 35.2 millions
- 2.0 deprivations on average

MULTIDIMENSIONAL POVERTY
- 44.2%
- 47.2 millions
- 2.7 deprivations on average

Population without deprivations and with an adequate level of economic wellbeing
- 18.3%
- 19.5 millions

Vulnerable people by income
- 4.5%
- 4.8 millions
USING THE METHODOLOGY FOR PUBLIC POLICY
What policies should be carried out?

Economic Policies:
- Economic growth
- Job creation

Social Rights
Deprivations
What policies should be carried out?

Social Policies:
- Health
- Education
- Housing
What policies should be carried out?

Targeted policies

• Social Programs for the population in poverty
What policies should be carried out?

Universal policies
- Social Security
- Education for all
- Access to health services
- Economic growth
Justice and Fairness

Where a great proportion of the people are suffered to languish in helpless misery, that country must be ill-policered and wretchedly governed: a decent provision for the poor is the true test of civilization.

- Dr. Samuel Johnson, 1770