

2 Conceptualising Poverty

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Perceptions of Poverty

A number of different meanings have been given to 'poverty'. A major task of the social sciences is to establish a thorough-going conceptualisation which stands up to international usage. Little attempt has been made to consider how far poverty deserves to be treated as a scientific phenomenon with universal application. A striking fact is the divorce between analyses of poverty in rich and poor societies. Books on poverty in the Third World tend to be more critical, and theoretically more radical, than those about poverty in the First World. (Compare recent examples, such as Hayter 1981 and Hoogvelt 1982, or the less radical accounts of Third World Problems, such as the Brandt Report 1980 or Fields 1980, with Fiegehen, Lansley and Smith 1977, Beckerman 1979a and Beckerman 1979b, Berthoud and Brown with Cooper 1980, Organisation for Economic Co-operation and Development 1976, Commission of the European Communities 1981 – and some of the reports on individual countries, such as those for Germany and France (see *Poverty Study for the European Commission* 1981 and *Contre la Précarité et la Pauvreté* 1981).) There are many reasons for this, including the nationality of the investigators or national conditions, and a tendency of left-wing intellectual traditions of the social sciences in Europe and North America to deal with inequality rather than poverty at home and with poverty rather than with inequality overseas.

Thus, First World studies are predominantly preoccupied with the distribution of personal incomes within single, mainly industrial, societies and may be said to reflect above all a concern with the distribution of individual characteristics and skills, and the identification and exposition of community sub-cultures. These studies draw on classical and neo-classical economic theory, on functionalist and sub-cultural theories in sociology and on liberal-pluralist theories

in political science. These three theoretical traditions have a long history in the Western world. Their assumptions, values and interests have much in common. They have tended to shape perceptions, explanations and policies simultaneously.

This statement may be difficult to accept or even understand, and deserves to be illustrated briefly, as a necessary preliminary to the study of poverty. There are crucial terms or concepts which are used to characterise social structure and conditions — not only a term like ‘poverty’, but also ‘inequality’, ‘class’, ‘community’, ‘family’ and so on. The meanings we attach to these terms generally come from our upbringing and conventional usage. Social reality may be very different both from the meanings which society has taught us to attach to the ideas used to describe that reality and even from the perceptions we have of that reality through our own individual senses. We often ‘see’ only what we are conditioned to expect to see.

Examples arise from the meaning of ‘poverty’. Studies of random samples of a national population have shown that different images are held. Thus among a national sample of the population in the United Kingdom in 1968—69 the condition of ‘poverty’ was interpreted variously as: (i) starvation; (ii) inability to achieve subsistence; (iii) inability to meet minimum or basic needs; (iv) living conditions of minority groups; (v) a condition experienced by past generations; (vi) inability to share standard of living common today (Townsend 1979: Chapter 6). Those who took a minimalist view, for example, that poverty implied a condition of starvation or near-starvation, or rock-bottom experiences of destitution as in industrial societies 30 or 50 years previously, were inclined to say there was no poverty in Britain today. The existence of such views, sometimes held by substantial sections of a population, was also established in a survey of a random sample in each of the member states of the EEC (Commission of the European Communities 1977).

Popular views often reflect those expressed and reiterated by government leaders and other opinion-formers. It would be difficult to explain the distribution of perceptions of poverty except by reference to the definitions adopted institutionally.

At the present time there can be said to be in Europe three alternative established or professionally supported conceptions of poverty which deserve close study and

discussion, namely the subsistence, basic needs and relative deprivation standards. I will discuss these three conceptions in the remainder of this chapter. Much will necessarily be left unsaid about the development of a modern theory of poverty. Interested readers may like to consult two other recent papers (Townsend 1983 and 1984).

The Idea of Subsistence

The income needs of the poor came gradually to be defined by governments and ruling groups during the nineteenth century. The driving force was first of all the framing of the new Poor Law and its administration. Because of interest in minimising the cost of workhouses there was pressure to define the minimum needs of each institutional inmate. The early work of nutritionists in Germany, the United States and Britain was addressed to such questions. In Germany, for example, this has been documented in the work of Kuczynski and Zuntz (Leibfried 1982). A number of social scientists were drawn into the debate, which extended to the adequacy of the incomes of those unable to obtain paid employment or who were incapable of such employment. Towards the end of the nineteenth century and early in the twentieth century methods were explored of legitimating the relative living standards of institutional inmates, non-institutional non-employed poor and employed poor. Because ruling groups, supported by classical economic theorists, wanted to maintain those out of work at poorer living standards, in order to ensure incentives to take low-paid employment, there was considerable interest not only in depressing institutional 'incomes' but also in depressing non-institutional incomes of those on 'outdoor relief. Once public assistance and later social security incomes came to be defined in law and administrative practice they were used implicitly if not explicitly, in turn, as standards against which wages could also be compared. Connections of this kind were made by social scientists (an example is Rowntree 1918, whose 'subsistence' standard was taken over in the Beveridge Report in Britain and used to fix social security benefit rates) and are still being made. The wages of blacks in South Africa are partly legitimated according to the 'poverty datum line' (Pillay 1973; Maasdorp and Humphreys 1975). Different Third World governments still draw heavily on the subsistence conceptualisation in framing their development plans (*Five*

Year Plan 1978–83 (India); *Third Malaysia Plan 1976–80*). Both in rich and poor countries the idea is used to justify low wage rates as well as low social security benefit rates. In the United States ‘subsistence’ remains the kernel of the US government’s measure of poverty (United States Department of Health, Education and Welfare 1976). The historical and contemporary importance of the idea of ‘subsistence’, which was taken up by social scientists, is therefore considerable.

While it is possible to trace variations in the precise definition of the subsistence standard within countries as well as between countries the core of meaning has continued to be that expressed at the turn of the century. Families were in poverty when their incomes were ‘sufficient to obtain the minimum necessities for the maintenance of merely physical efficiency’ (Rowntree 1901: 86). A family was treated as being in poverty if its income minus rent fell short of the poverty line. The poverty line defined in Britain in the 1890s for a family of married couple and three children amounted to 12s 9d a week for food, 2s 3d for clothing, 1s 10d for fuel and 10d for household sundries, making 17s 8d altogether, with actual rent in addition.

In the last 20 years the approach has been heavily criticised. (See Rein in Townsend 1970, for example.) However, it is still subscribed to officially in a number of countries (for example, Fendler and Orshansky 1979) and, with some qualifications, continues to be put forward by social scientists as the most practicable method of defining the basis for rates of social security (for example, Piachaud 1981a).

Many other social scientists evade the issue or do not recognise its importance in shaping institutional perspectives as well as policies, or they convert it into a measurement function of inequality. This applies particularly to economists working in the orthodox neo-classical economic tradition. Because ‘poverty’ is recognised to be a problematic and not just a subtle concept many adopt an arbitrary cut-off of income or earnings by which to examine the 10 per cent or 25 per cent of households or income units with relatively the lowest incomes. The task of identifying criteria for a ‘cut-off on an income scale for families of the same type (or treating a particular income for one type of family as equivalent to a particular income for another type of family) is dodged. (See, for example, Sawyer and Wassermann 1976; Roberti 1979; Organisation for Economic Co-operation and

Development 1976; Beckerman et al. 1979b; Sen 1982.) A particularly interesting example of the way in which a study of the 'causes of poverty' is transposed into one of low incomes is Layard, R., Piachaud, D. and Stewart, M. 1978. See also Royal Commission 1978.)

The main problem of the 'subsistence' concept can be summarised as being that human needs are interpreted as being physical needs – for food, shelter and clothing – rather than as being social needs, and yet the crucial fact about human beings is that they are social beings rather than physical beings. It is through social relationships and social roles that needs arise. This comes from being parents, partners, neighbours, friends and citizens, for example. People are not only consumers, therefore, but leaders, active participants and producers. Moreover, this criticism cannot be regarded as implying mere amendments of the subsistence approach to definition – as some commentators have supposed (see Piachaud 1981b and the rejoinder, Townsend 1981). It implies that a different approach in principle has to be adopted.

Basic Needs

Another influential, and indeed related, formulation is that of 'basic needs'. Although this formulation also has a long history, including a post-war history in reports emanating from international agencies (for example, Drewnowski and Scott 1966), it was adopted formally at the International Labour Office's World Employment Conference, Geneva, 1976. Basic needs were said to include two elements:

First, they include certain minimum requirements of a family for private consumption: adequate food, shelter and clothing, as well as certain household furniture and equipment. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport and health, education and cultural facilities... The concept of basic needs should be placed within a context of a nation's overall economic and social development. In no circumstances should it be taken to mean merely the minimum necessary for subsistence; it should be placed within a context of national independence, the dignity of individuals and peoples and their freedom to chart

their destiny without hindrance. (International Labour Office 1976: 24–5)

Much of the rhetoric within which the concept is set in a number of reports has served the purpose of enlisting enthusiasm for broadly stated objectives, but has not been translated into specific proposals. The importance of the concept lies in the seriousness with which it has been treated in a succession of national plans (see, for example, Ghai *et al.* 1979, for Kenya) and international reports including the Brandt Report 1980 (see also the subtle treatment in a report by United Nations Educational, Scientific and Cultural Organisation 1978) rather than in any care with which it has been applied to different cross-national situations. It remains open to the destructive criticisms already made of the subsistence concept, and differs only in the stress on certain minimum facilities loosely laid down for local communities. The needs of populations cannot be defined adequately in terms of the physical needs of individuals *and* the needs of local communities for an extremely limited, and arbitrary, list of physical facilities and services. That is a very incomplete coverage of human needs. The *social* roles and relationships of individuals as citizens of large nation states as well as parents, partners, workers and friends in local communities are not acknowledged. The disproportionate poverty and deprivation experienced by tribal groups, ethnic minorities, women, the elderly, children and people with disabilities are not properly acknowledged, or anticipated, in the formulation.

The treatment of ‘poverty’ is as ambiguous and unspecific in the Brandt Report as it is in the International Labour Office reports. In some passages of the former, for example, it is argued that the elimination of absolute poverty and improvements in basic services can be obtained ‘only’ through economic growth (for example, Brandt Report 1980; 58–9). In other passages the problem is recognised to be more complex and to imply more far-reaching anti-poverty strategies – including the creation of new institutions to ensure better distribution of augmented resources (p. 128). (See also Ghai *et al.* 1977.)

The ideological struggle over the concept of ‘basic needs’ is rather like the struggle over ‘subsistence’ in a nation state. If people can be persuaded to accept as a legitimate standard

a *fixed* low income, then conflict to reduce inequality and secure a major redistribution of existing wealth and income can be avoided or at least postponed, because economic growth will gradually reduce the numbers living below that historically fixed or absolute income.

Relative Deprivation

An alternative formulation is therefore necessary. The concept must be 'social' and therefore 'relative' in a thorough-going way. Poverty must be conceived in the present, in relation to the conditions, obligations, expectations and customs of today, and not some absolute standard of the past. Ironically enough, when the Council of Ministers of the European Community resolved to establish a social action programme within which a modest poverty programme was *to* be included, they adopted the following definition of poverty: 'Persons beset by poverty: individuals or families whose resources are so small as to exclude them from the minimum acceptable way of life of the member state in which they live. Resources: goods, cash income, plus services from public and private sources' (22 July 1975). This formulation is significant in three respects. The implied poverty line or threshold is *relative* to the contemporaneous conditions or resources in particular national societies; it is also drawn in principle according to a criterion, that is, 'the minimum acceptable way of life', rather than at an arbitrary point below the mean on a scale of ranked personal or household income; and, finally, the concept of 'resources' rather than income is used in recognition of the contribution made to standards of living by income in kind from various sources.

This approach needed, and still needs, to be spelt out. Fundamentally it must depend on the exposition and analysis of class relations. One attempt to give an exact formulation of the 'relative deprivation' approach is given, and discussed at length, in Townsend 1979 (p. 1 and Chapters 1, 6 and 26). People are relatively deprived if they cannot obtain, at all or sufficiently, the conditions of life, that is, the diets, amenities, standards and services, which allow them to play the roles, participate in the relationships and follow the customs which are expected of them by virtue of their membership of society. If they lack or are denied resources to obtain access to these conditions of life and so fulfil membership of society they are in poverty. Deprivation can arise in any or all of the

major spheres of life: at work where the means largely determining one's position in other spheres are earned; at home, in neighbourhood and family; in travel; in a range of social and individual activities outside work and home or neighbourhood; and in performing a variety of roles in fulfilment of social obligations. In principle there could be extreme divergencies in the experience of different kinds of deprivation. In practice, there appears to be a systematic relationship between deprivation and level of resources.

Historically the 'relativity' of poverty has long been asserted. Adam Smith (1812), for example, gave the example of the labourer's shirt in describing 'necessities' which were defined by custom. Seebom Rowntree also widened his 1899 definition to include newspapers and trade union subscriptions, for example, when he came to measure poverty in York for a second time in 1936. As already shown, the same is true more recently of the International Labour Office, and the Brandt Commission, in putting forward the idea of 'basic needs'. But concessions only were made to a true relativity. The perception of need has remained restricted within the narrow formulations of neo-classical economics and the pluralist consensus about a national minimum income.

This can be illustrated from the current debate about poverty. Some neo-classical economists and neo-functional sociologists do not accept, and may even not understand, a thoroughgoing social definition of poverty, as in the 'relative deprivation' approach (see, for example, Fieghen et al. 1977; Henderson 1980; Klanberg 1982; Marshall 1981; Piachaud 1981b; Plotnick and Skidmore 1975; Sen 1982). And, rather sadly, the European Commission in their final report made a dog's breakfast of the promising idea with which they had started in 1975. In reproducing the definition at the start of the final report a confused series of comments was made about the variation in the *absolute* level of poverty – the impossibility of giving a specific definition; the difficulty anyway of giving it on a standardised basis; the difficulty of sorting out long-term and short-term poor; and so on (Commission of the European Communities 1981: 9). The national research teams did very little original research and 'drew extensively on official statistical material'. Not surprisingly the gaps in official statistics 'not only created difficulties in preparing the National Reports but were a serious handicap in the process of producing comparable European inform-

ation' (ibid.: 79). To produce some comparable statistics a relative income standard was selected – defined as less than half average net income per person. 'The choice of a 50% line is relatively arbitrary, but it was the level agreed by the majority of the national independent experts . . .' 'It must not be assumed that the relative income poverty line which has been selected corresponds in any precise way to the Council definition.' (Ibid.: 81.) It is arguable that the gradual substitution of measures of inequality for concepts of poverty is not just the best quantitative approximation of the scale of the problem which can be provided. It muddies the problem of comparability: for example, by failing to measure income in kind the problems of countries with substantial agricultural populations, and of countries with substantial schemes of employer welfare subsidies, are artificially enlarged. It also reinvoles traditional discussion of the relationship between personal characteristics and earned incomes – so encouraging the restoration of non-institutional or market theories of poverty.

It would be wrong to complete this brief review of theoretical approaches to meaning without making clear that traditional Marxian work has not identified an exact alternative conception to the 'subsistence' and 'basic needs' approaches to the meaning of poverty. (This is expressed, for example, by Gubbay 1981: 37.) Indeed, in some respects, Marxian as distinct from some other forms of 'radical' analysis have tended, on the contrary, to reinforce conservative prescriptions. Marx himself was, of course, a relativist. Thus, 'our needs and enjoyments spring from society ; we measure them, therefore, by society and not by the objects of their satisfaction. Because they are of a social nature, they are of a relative nature' (Marx 1946: 268–9). But there were differences in standards of living among working-class families in the nineteenth century as well as today and differences among capitalist countries and between capitalist and non-capitalist countries in the extent of both inequality and poverty which contemporary Marxian theory does not readily explain.

This is evident from the work today of Marxian writers on poverty and social policy. Thus, one critic recognises that the conceptualisation of human needs 'within a materialist historical framework' is inadequate and remains to be attempted (Gough 1981: 326). This is not a particularly

strong position. The same writer suggests that too much must not be expected either of theory or empirical observation: 'It is predominantly in collective struggle against new deprivations and oppressions that new needs will be defined and hence deprivation reassessed by these groups of people themselves' (ibid.: 327). But the importance of scientific definition and assessment must not be underestimated. I doubt whether reality should be regarded fundamentally as what people make of it. This is to confuse consciousness with the external construction of events. A distinction has to be made between subjective perceptions and objective structures and relationships, even when knowledge of that external reality is necessarily filtered through human perceptions. What has to be recognised is that this is admittedly a philosophical issue but it is also simultaneously a scientific and political issue. It is scientific because the identification and explanation of social conditions is of profound importance irrespective of the level of public interest or concern about such questions. It is political because there always have been differences between observable social conditions and public interpretation of those conditions which have implications for policy and action. Oppressive conditions may be condoned by ruling elites or complacently accepted by the masses until they are exposed and explained after scientific inquiry and publication. Needs which are trivial or minor may be given more attention than those which are severe until certain scientific criteria are worked out and applied, so providing a means of correcting the original distorted or unbalanced perceptions. I appreciate that social science cannot be regarded as intrinsically impartial and ideologically pure. Too often it reinforces the state, or at least the social status quo. Too often it neglects the experiences of the masses (which is perhaps a point often being made implicitly by Marxian theorists). But the fact that 'needs' may be defined too often in the interests of ruling elites or the rich does not mean that they *have* to be defined in that way. A radical and still scientific or objective definition of 'need' or of 'poverty' remains possible.

This may help to explain the wave of interest among social scientists and others in a dynamic and relativistic approach to deprivation. But the theoretical framework within which the issue may be handled so that it bears on policy issues has still to be worked out.

To conclude: the alternative conceptions of poverty which are currently most widespread in Europe differ more in their political implications than first meets the eye. If we strongly advocate the objective and relative approach, this is certainly partly because it is the widest concept, taking into account that human beings are not only physical, but also social and psychological, beings. Our principal reason is, though, that other conceptions of poverty tend to be reconciled and tend to coexist with a strict market logic, with competitive ethics, and with the acceptance of any extent and type of inequalities, while the concept of objective relative deprivation does not stop at counting the poor. The concept also suggests explicitly or implicitly policies to deal with poverty, because it points to the structural issues involved, and, ultimately, to the necessity of transforming the actual structure.

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As a result of the recent crisis in Indonesia, the question of how to conceptualize poverty is on the forefront of the nation's social and political agenda. Through an in-depth look inside the Indonesian household, this paper explores the continual tension in the poverty literature between the "reductionists" who confine poverty to a limited set of variables, and the "generalists" who believe that poverty is a broader, more complex phenomena. Conceptualizing and Measuring Poverty. 31. subject of debate as well as further empirical research, the fact of a sweeping poverty reduction is not under dispute. In fact, China is recognized to be the principal factor behind whatever downward trend that can be seen in the incidence of poverty in the world as a whole. Indeed, the trend of world poverty looks totally different depending on whether or not China is included in the world statistics. There are, however, great uncertainties about the appropriate way of conceptualising poverty in the richer countries, and some questions have been repeatedly posed. Should the focus be on "absolute" poverty or "relative" poverty? Should poverty be estimated with a cut-off line that reflects a level below which people are in some sense "absolutely impoverished". or a level that reflects standards of living "common to that country" in particular?