

**Conceptualizing, Defining and Measuring Poverty
in South Africa:
An Argument for a Consensual Approach**

**Michael Noble
Andrew Ratcliffe
Gemma Wright**

**Centre for the Analysis of South African Social Policy
University of Oxford**



Conceptualizing, Defining and Measuring Poverty in South Africa – An Argument for a Consensual Approach

Authors

Michael Noble is Professor of Social Policy and Director of the Centre for the Analysis of South African Social Policy at the University of Oxford

Andrew Ratcliffe is a Research Officer at the Centre for the Analysis of South African Social Policy at the University of Oxford

Gemma Wright is Senior Research Fellow and Deputy Director of the Centre for the Analysis of South African Social Policy at the University of Oxford

Postal address

Centre for the Analysis of South African Social Policy (CASASP),
Department of Social Policy and Social Work, University of Oxford, Barnett House,
Wellington Square, Oxford, OX1 2ER, England.

E-mail

michael.noble@socres.ox.ac.uk, andrew.ratcliffe@socres.ox.ac.uk,
gemma.wright@socres.ox.ac.uk.

Acknowledgements

The authors would like to thank the following people for their helpful contributions to this paper: Jonathan Bradshaw (University of York), Charles Meth (University of KwaZulu-Natal), Fran Bennett, Wiseman Magasela and George Smith (Department of Social Policy and Social Work, University of Oxford).

© CASASP 2004

November 2004

Conceptualizing, Defining and Measuring Poverty in South Africa – An Argument for a Consensual Approach

Abstract

This paper argues for a rigorous distinction between the conceptualisation, definition and measurement of poverty in South Africa. Conceptual frameworks and definitions of poverty are briefly reviewed in both the international and South African contexts. Whilst acknowledging the immediate need for a concept and definition of poverty which addresses basic human needs in line with the Copenhagen Declaration of 1995, this paper argues that there is also a need for a parallel definition which is based on a conceptualisation of relative poverty. It is argued that the most appropriate definition of poverty which is consistent with democratic South Africa and the transformation agenda is based on a consensual approach – relative poverty defined by reference to socially perceived necessities in terms of activities, possessions and access to services. The paper discusses the difficulties of such an approach but concludes that such an approach will address long-term goals of an inclusive, unified, multi-cultural society.

Introduction

“Endemic and widespread poverty continues to disfigure the face of our country. It will always be impossible for us to say that we have fully restored the dignity of all our people as long as this situation persists. For this reason the struggle to eradicate poverty has been and will continue to be a central part of the national effort to build the new South Africa” (Mbeki, 2004).

It is currently ten years since the end of apartheid in South Africa. Politicians are taking stock of progress made so far, and are formulating goals for the next ten years. As can be seen from President Thabo Mbeki’s 2004 Inauguration Address, tackling poverty remains at the forefront of the political agenda. To date, democratic South Africa has not adopted any official definitions of poverty. However, there is now much discussion within the Government’s Social Cluster about the need to establish a poverty line (or lines) against which progress towards the eradication of poverty can be measured. In particular, the Department of Social Development, the National Treasury and Statistics South Africa are leading the debate.

This paper argues that it is essential for that debate to be informed by clear theoretical considerations and that any poverty lines or definitions adopted as ‘official’ should be conceptually clear and appropriate for a new South Africa. If everyone agrees that there is a problem of poverty in South Africa, do we need to worry about how the problem is conceptualised, defined and measured? One of the few points of agreement in the international academic debate on poverty is that poverty is a contested concept; but it is contested with good reason. Arguments over how poverty should be conceptualised and defined go beyond semantics and academic hair-splitting. “Poverty is inherently a political concept- and thus inherently a contested one” (Alcock, 1993, p3) because “poverty is not just a state of affairs, it is an *unacceptable* state of affairs- it implicitly contains the question, what are we going to do about it?”

(Alcock 1993, p3, Italics in original). The concept and definition of poverty in a society is like a mirror-image of the ideals of that society: in conceptualising and defining what is unacceptable in a society we are also saying a great deal about the way we would like things to be. It is therefore vital that a concept and definition of poverty, as well as being theoretically robust, is appropriate to the society in which it is to be applied. Having agreed on a definition or definitions, the method of measurement must appropriately operationalise the definition.

One of the problems in South Africa, and indeed in many other developing and developed countries, is the absence of clear distinctions between conceptualising, defining and measuring poverty.¹ How can we distinguish between them? By ‘concepts’, we follow Lister (forthcoming) and mean the general parameters out of which definitions are developed. These parameters are themselves informed by competing ideologies. ‘Definitions’ distinguish ‘the poor’ from the ‘non-poor’, within the framework of the concepts. ‘Measurements’ operationalise the ‘definition’. Table 1 illustrates these distinctions.

Table 1 Examples of Concepts, Definitions and Measurements of Poverty

Concept	Definition	Measurement
Absolute – an approach characterised by the absence of a reference group. Sometimes thought of as scientific and unchanging over time. Applies equally to any society.	1) Rowntree Primary Poverty 2) Copenhagen Declaration Absolute Poverty 3) US Poverty Line (Orshansky, 1965) 4) South Africa PDL or HSL (see examples in Woolard, (Woolard, 1997)	1) 3) 4) Budget standards approaches
Relative – characterised by defining poverty 1) in relation to living standards of a reference group; or 2) in terms of resources required to participate fully in society; or	1) ‘Low cost but acceptable’ definitions (Parker, 1998); The Cost of A Child (Oldfield & Yu, 1993) 2) Townsend Participation Index (Townsend, 1979); Lack of socially perceived (or consensually defined) necessities (Gordon et al., 2000; Mack & Lansley, 1985; Pantazis, Townsend, & Gordon, 1999); Proportional Deprivation Index (Hallerod, Bradshaw, & Holmes, 1997; Hallerod, 1994)	1) Budget standards approach 2) Normative judgement (Townsend), survey of socially perceived necessities (Gordon et al., 2000; Mack & Lansley, 1985; Pantazis, Townsend, & Gordon, 1999); Proportional Deprivation Index (Hallerod, Bradshaw, & Holmes, 1997; Hallerod, 1994)

¹ We are indebted to Professor Ruth Lister for encouraging us to distinguish between concepts and definitions, as presented in her forthcoming book ‘Poverty’ to be published by Polity Press in October 2004.

3) more narrowly by reference to the national income/expenditure distribution.	3) Children living in households in the bottom deciles of the income/expenditure distribution; children living in households below 60% median equivalised household income (Bradbury & Jantti, 1999, May, 1998).	3) Income/expenditure Surveys.
Capabilities and Commodities – framing poverty in terms of human capacity. Poverty absolute in the space of capabilities and relative in the space of commodities or resources (Sen, 1983; Sen, 1985; Sen 1997; Sen, 1999)	1) Capability list (Desai, 1995; Nussbaum, 2000) 2) Basic needs approach (Doyal & Gough, 1991)	Surveys.
Social exclusion – widening poverty to encompass the capacity to function as a fully participating member of society (has close affinity with Townsend’s Relative Deprivation (Townsend, 1979)). Key elements of social exclusion are multiple deprivation, relativity, agency and dynamics (Atkinson & Hills 1998)	1) Researcher judgement (Gordon et al., 2000) 2) Consensual Definitions (Indicators of Poverty and Social Exclusion project, Noble et al, ongoing)	1) Survey. 2) Focus groups and survey.

This table is not exhaustive, nor are the concepts as neatly mutually exclusive as shown, but in our view an important key characteristic of an effective measurement of poverty is one which flows from a rigorous conceptualisation and definition of poverty. Not all do. So for example, measurement of poverty by reference to a country’s income or expenditure distribution has, in our view, only a weak conceptual underpinning.

Given the fact that a significant proportion of the population lack sufficient basic needs including food, housing, education, safety and health provision, there is no doubt that there is a need for a measurement of poverty (or poverty line) for South Africa based on an absolute concept and defined, perhaps, by reference to the Copenhagen Declaration (1995).

However, there is also a pressing need for a carefully thought out relative measure of poverty. In this paper we argue that a ‘consensual’ or ‘democratic’ definition of poverty in South Africa is the most appropriate approach to help the country overcome the deep social divisions that are apartheid’s legacy and become a more equal and unified society. This position is defended on two fronts: firstly, it will be argued that consensual definitions of poverty have a firmer theoretical basis than the alternatives; and secondly, that such definitions are appropriate in the South African context.

This paper begins with a section outlining the international debate around the concept of poverty, which will place consensual definitions in a theoretical context. This will be followed by a brief overview of the main approaches to the definition of poverty which have been applied to modern South Africa. The need for a consensual approach to poverty definition in South Africa will then be outlined before the paper ends with some closing remarks.

Concepts and Definitions of Poverty: the international context

Concepts of poverty in *industrialised* nations have developed over the years from ‘absolute’ concepts which are frequently defined in terms of minimum subsistence levels, to ‘relative’ concepts which relate poverty to notions of exclusion from participation in ‘mainstream’ society. This section gives a brief account of the academic debate on this subject.

‘Absolute’ Concepts and Subsistence Definitions of Poverty

The concept of ‘absolute’ poverty refers to poverty that exists independently of any reference group. It does not depend on the general living standards of the society in which it is conceived and nor does it vary over time.² The literature frequently conflates the concept of ‘absolute’ poverty with its usual subsistence definition and so the concept of ‘absolute’ poverty becomes synonymous with subsistence poverty.

The concept of ‘absolute’ poverty and its definition as some kind of minimum subsistence level is strongly associated with the late nineteenth-century British social reformers Charles Booth and Seebohm Rowntree. To be poor was to be unable to attain those things necessary for survival. Rowntree defines his ‘primary poverty’ thus: ‘Families whose total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency’ (Rowntree, 1901 p. 86)

The absolute notion of poverty (or at any rate, the subsistence definition associated with it) has been heavily criticised by advocates of ‘relative’ approaches to the concept of poverty. However, subsistence definitions of poverty are far from extinct. New Right thinkers from the late-1970s onwards have adopted absolute definitions of poverty. For example: ‘A family is poor if it cannot afford to eat ... By any absolute standards there is very little poverty in Britain today’ (Joseph, 1976).

Further, and of particular relevance to South Africa, the World Bank adopted an absolute approach and subsistence definition when conceptualising poverty in the international development context:

‘In a classic study first published in 1901, Seebohm Rowntree calculated that 10 percent of the population of the English city of York in 1899 was living in poverty (below minimum needed expenditures). As we enter the next century, the World Bank calculates that a fourth of the population of the developing world—about 1.2 billion people—is living in poverty (below \$1 a day). These two calculations of income

² In practice, though, almost all so-called ‘absolute’ concepts do relate in some respects to the general living standards of society at any given time (Alcock, 1993, page 70).

poverty are separated by a century and have very different coverage. Nevertheless, the basic concepts and methods they embody have strong similarities'. (World Bank, 2000, p.17)

An alternative – and more multi-dimensional - definition of 'absolute' poverty was given at the World Summit for Social Development in Copenhagen in 1995 as follows:

"a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services" (World Summit for Social Development, 1995).

Subsistence definitions can be 'cashed out' using a budgets standard approach (see Bradshaw 1993; Innes, 1990) and can then be readily turned into 'poverty lines'. These then allow for both headcount and depth of poverty measures, and when individuals are tracked over time enable the dynamics of absolute poverty to be assessed. Though methodologically more challenging, definitions flowing from relative concepts can also be cashed and converted to poverty lines or, alternatively, expressed in terms of deprivation indicators.

'Relative' Concepts and Consensual Definitions of Poverty

"Absolute poverty is claimed to be an objective, even a scientific notion" (Alcock, 1993 p68) but in fact even the earliest subsistence definitions can be shown to contain some element of 'relativity'; that is, including some items in their definition of poverty that are not strictly nutritional necessities. Alcock (1993 p70) rightly points out that Rowntree included tea as a necessity in his first poverty study despite it being of negligible nutritional value. Rowntree therefore departed from a subsistence definition of poverty by recognising that tea was (and perhaps still is) viewed as a necessity in British society. By the time of his 1936 study Rowntree had included owning a radio and being able to buy a daily newspaper as necessities, tacitly accepting that what it is to be poor changes as society changes.

It seems that any definition of poverty must make some allowances for prevailing tastes and so must, to some degree, be relative. This can be seen in the fact that if a diet is constructed to provide the necessary nutritional minimum at the lowest cost it will invariably be so monotonous that no-one would consider it really adequate. The concept of 'need' upon which the concept of absolute poverty depends is so ambiguous that arbitrariness seems to inevitably creep in when it comes to deciding where to draw the poverty line.

Over the course of the 20th Century academics became increasingly aware of the limitations of absolute concepts and subsistence definitions of poverty. By the mid 1960s commentators in western industrialised societies had begun to articulate concepts of poverty which took into account what might now be thought of as elements of exclusion from mainstream society, or indeed citizenship (e.g. Townsend and Abel Smith 1965)³. In the words of Townsend:

³ Both Sen and Alcock argue that Marx and Adam Smith had relative definitions of poverty; relative poverty as a concept therefore has a history going back before the 1960s.

'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 which are customary, or at least widely encouraged or approved, in societies to which they belong. Their resources are so seriously below those commanded by the average family or individual that they are in effect excluded from ordinary living patterns, customs and activities'. (Townsend, 1979, p.31)

In Britain, critics of this definition have been concerned that the notion of 'relative poverty' might mean that some groups of people will always be 'poor' compared to others, as there will never be absolute equality (Sen, 1983). It is clearly a perversion of the notion of poverty for it to become synonymous with inequality (although the two are strongly and inextricably linked). For example, in a world where everyone owns two Rolls Royces a person who only owned one would not be poor. However, Townsend is careful to elucidate that if certain conditions of 'normal' participation are met, then those able to participate are not in poverty.

However, this criticism is much less relevant to the conditions of South Africa, where the social and economic divides are much more stark than in an affluent western European country. Indeed, other critics of the relative approach pointed out that the application of a relative approach in a country where the majority were near starvation would produce anomalous results, as it would result in a poverty line that was too 'low'. This is the converse case to the world of Rolls Royces mentioned above; if poverty is associated too closely with inequality then a country in which inequality fell because of famine (everyone is *equally* starving) would be described as experiencing a reduction in poverty, a perverse outcome (Sen 1983, p. 157).

Such considerations caused Sen to state that an adequate concept of poverty should always contain an absolute component:

'There is, I would argue, an irreducible absolutist core in the idea of poverty. One element of that absolutist core is obvious enough ... If there is starvation and hunger, then-no matter what the relative picture looks like - there clearly is poverty.....' (Sen, 1983, p.159)

He went on to develop his now widely accepted 'capabilities approach'. This approach conceived of poverty as being absolute in the space of 'capabilities' but relative in the space of 'commodities, resources and income'.

'Capabilities' include such things as nutrition, shelter, and the capacity to move from A to B, and should be defined in absolute terms; the 'commodities' required to meet them will be relative and depend on a particular society at a particular time. Sen also touches on notions of participation in mainstream society when he talks about the capability of avoiding shame:

'An absolute approach in the space of capabilities translates into a relative approach in the space of commodities, resources and income if dealing with some important capabilities, such as avoiding shame from failure to meet social conventions, participating in social activities, and retaining self-respect.' (Sen, 1983, p.167)

There have been many approaches to determine and so define what the ‘participation’ threshold should be. Townsend built his ‘Index of Participation’ using his own values and standards which although innovative, was much criticised (see Piachaud, 1981). A major problem with Townsend’s approach was that it depended upon an ‘expert’ (Townsend himself) defining what were social necessities and could therefore be accused of arbitrariness in the same way that Rowntree could be criticised for including tea as a necessity in his studies.

A different approach was pioneered by Mack and Lansley in their *Breadline Britain Survey* (Mack and Lansley, 1985). This has become known as the ‘consensual’ approach to assessing or defining relative poverty. In this approach, a survey is undertaken of the general population to determine an inventory of ‘socially perceived necessities’. These are effectively a list of the goods and activities which are regarded as essential for participation in contemporary society. There is an implicit assumption in this method that all groups in society aspire to the same lifestyle and so have broadly similar views as to what comprise necessities.

‘The validity of [this] approach rests on an assumption – that is empirically verifiable – that there are not wide variations in the definition of necessities among different groups of society. Otherwise, the definition of an unacceptable standard of living just becomes contested and the opinion of one group against another argued again and again.’ (Pantazis *et al*, 2000, p.4)

This is also implied in Townsend’s work which has been criticised for assuming cultural homogeneity (Piachaud, 1987).

In 1985 Mack and Lansley found that such a consensus was empirically evident in the UK⁴:

‘The homogeneity of views shown by people both from very different personal circumstances and also holding very different political ideologies suggests that judgements are being made on the basis of a cohesive view of the kind of society we ought to live in. There is, it seems, a general cultural ethos about what is sufficient and proper.’ (Mack and Lansley, 1985, p.83)

Table 2 shows some of the items socially perceived as necessities in the UK in 2000, from the Millennium Poverty and Social Exclusion Survey (Pantazis *et al*, 2000, p.9)

⁴ Though see McKay 2004 for evidence to the contrary

Table 2 Percent of people claiming item or activity as necessary

	Necessary	Desirable	D/K
Beds and bedding for everyone	95	4	
Heating to warm living areas	94	5	
Damp free home	93	6	1
Two meals a day	91	9	1
Refrigerator	89	11	1
Fresh fruit and vegetables daily	86	13	1
A warm waterproof coat	85	14	1
Replace broken electrical goods	85	14	2
Celebrations on special occasions	83	16	2
Attending weddings, funerals	80	19	1
Meat, fish or vegetarian equivalent	79	19	1
Insurance of contents of dwelling	79	20	1
A hobby or leisure activity	78	20	1
A washing machine	76	22	1
Telephone	71	28	1
Deep freezer/fridge freezer	68	30	2
Carpets in living rooms and bedrooms	67	31	2
Regular savings for rainy days	66	32	2
Two pairs of all weather shoes	64	34	2
Friends or family round for a meal	64	34	2
Money to spend on self weekly	59	39	2
A television	56	43	2
Presents for friends/family yearly	56	42	2
A holiday away from home	55	43	3

Note: weight a (individual weight); analysis excludes those who refused to answer question.

Pantazis *et al* (2000) checked the extent to which the overall results were consistent across different sub groups in society. Figures 1-3 show the results for White people compared to Black/Asian people; manual compared to non manual; and richest compared to poorest.

Figure 1: Perception of necessities in the UK: White and the Black/Asian populations

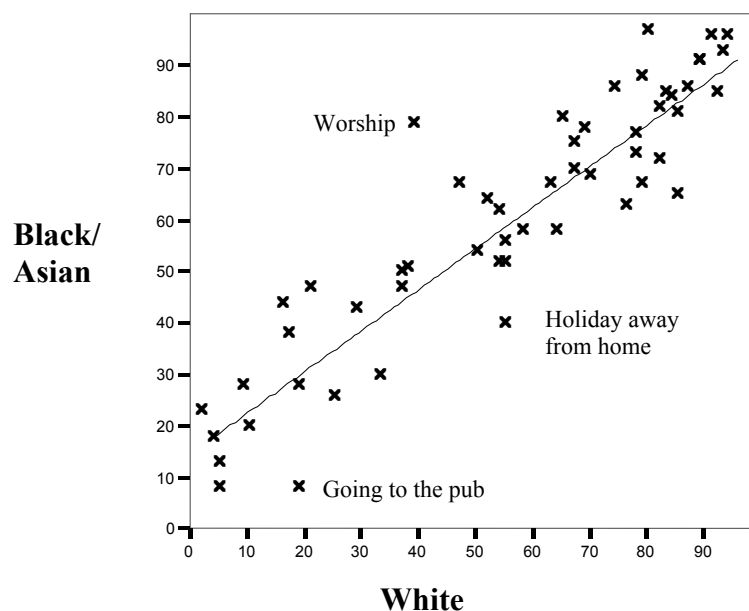


Figure 2: Perception of necessities in the UK: comparing the manual and non-manual workers

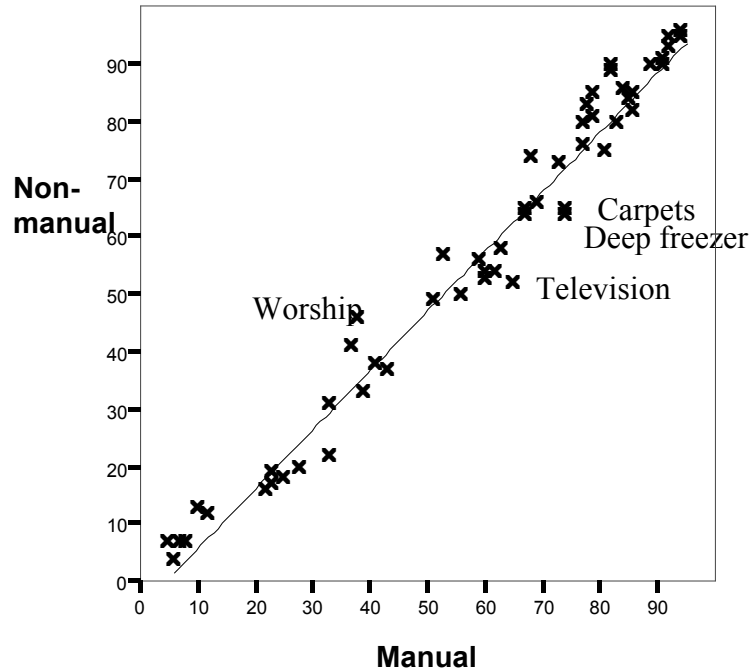
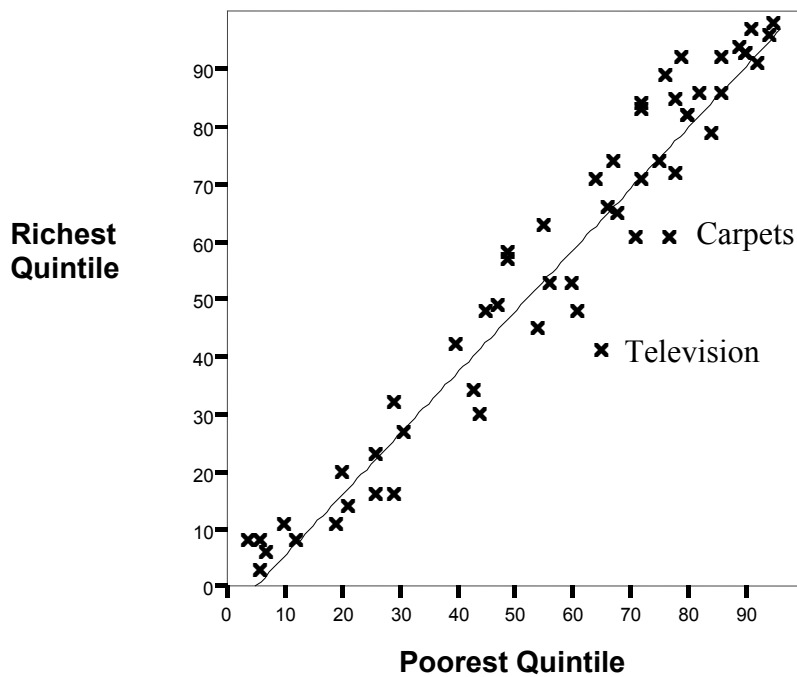


Figure 3: Perception of necessities in the UK: comparing the richest and poorest quintile groups



With a few explicable exceptions - for instance, Muslims did not consider going to the pub regularly to be a necessity - a general consensus exists between these different subgroups in the UK, showing that it may be possible to establish a broad consensus on what are socially perceived necessities across a society.

The question remains whether such a consensus exists within South African society. One of the many challenges in defining poverty in South Africa is that little or no empirical research has been undertaken to gauge whether such a consensus exists within South Africa.

A consensual definition of relative poverty based on socially perceived necessities has a number of advantages. Firstly, it can allow for both the relative nature of poverty and the 'absolute core' because although as society changes socially perceived necessities will change, it is not the case that eradicating poverty depends on achieving total equality because all that is required to avoid poverty is 'normal' participation. Secondly, consensual definitions can avoid some of the arbitrariness of other definitions of poverty because there is a systematic way of deciding what constitutes a necessity. Thirdly, consensual definitions are in a sense 'democratic' in that poverty is defined by the views of the people as a whole (at least as represented in a sample survey) rather than by elite 'experts'.

Social Exclusion and Consensual Definitions of Poverty

The most significant innovation in the recent poverty literature in the developed world is the emergence of the concept of 'Social Exclusion' (Room, 1995; Cousins, 1998; Atkinson, and Hills, 1998; Byrne, 1999; Hills, Le Grand and Piachaud (eds), 2002; Gordon *et al*, 2000; Levitas, 1998). It is not possible here to engage fully with the debate surrounding the relationship (both conceptual and empirical) between poverty and social exclusion. However, it is worth noting that a consensual definition of poverty can encompass many of the elements of social exclusion. For example, the list of socially perceived necessities underpinning a consensual definition of poverty could include social activities as well as goods and resources. Attending weddings and funerals are activities which may be considered essential in attaining social inclusion; these activities are also likely to be 'socially perceived necessities' under a consensual definition of poverty. This is not to say that poverty, under a consensual definition, will be identical with social exclusion, but a consensual approach can capture more aspects of social exclusion than minimal, absolute approaches (Bradshaw, 2003).

Concepts and Definitions of Poverty: South Africa

In October 1995 the government began the process of commissioning a report on poverty and inequality which resulted in the Poverty and Inequality Report (PIR) published in 1998 (May, 1998). The PIR contains one of the most comprehensive reviews of both the various concepts of poverty and their operationalisation through poverty datum lines. It concludes that:

'the emerging consensus sees poverty as generally being characterised by the inability of individuals, households, or entire communities, to command sufficient

resources to satisfy a socially acceptable minimum standard of living. (May, 1998, p.3)

This characterisation is consistent with a 'relative' concept of poverty. However, this 'socially acceptable minimum standard' has not been defined.

It is acknowledged in the PIR that there is a problem in quantifying poverty using anything other than easily measurable items. For practical reasons the PIR uses household expenditure levels as a *proxy* for poverty. However, the selection of the monetary level for the datum line was arbitrary. It was not determined either theoretically or empirically but rather drew on the definition used by the Reconstruction and Development Programme initiated by the government in 1995:

'Recognising that poverty lines will differ over time and space and that deciding where to draw the poverty line is ultimately something of an arbitrary decision, the practice adopted by the earlier RDP study has been followed. 'Poor' has been defined as the poorest 40% of households and 'ultra poor' as the poorest 20% of households.' (May, 1998, p.27)

This is a clear example of measurement that does not follow from a concept and definition employed. However, the PIR is not unique in finding difficulty in operationalising its preferred definition of poverty, nor is it alone in setting a poverty line by reference to the national income (or expenditure) distribution. In OECD countries, for example, poverty is frequently defined as proportions of households falling below some fraction of mean or median equivalised household income (see, for example, OECD, 2001). This is now an accepted approach across the European Union (Social Protection Committee, 2001). However, the approach frequently adopted in South Africa is to define the bottom two deciles of the distribution as 'poor' without reference to the mean or median. This approach has drawn particular criticism (Sen, 1983, p157). Such an approach may be criticised not just because of arbitrariness but also on the basis that it is not clear what quality of life an income which places you in the bottom two deciles in the income distribution can buy. In a very poor country such a definition would clearly be inadequate because people with incomes placing them above the 4th income decile might be clearly poor in some absolute sense (see the above discussion of Sen's 'absolute core'), for example, they might be malnourished.

By contrast the Stats SA Report 'Measuring Poverty in South Africa' (Hirschowitz, 2000) adopted a definition of poverty derived from The United Nations Development Programme:

'In this report, poverty is reviewed, in common with the United Nations development reports in a broader perspective than merely the extent of low income or low expenditure in the country. It is seen here as "the denial of opportunities and choices most basic to human development to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others."' (Hirschowitz, 2000, p.54)

These notions of a 'decent standard of living', 'freedom' and 'dignity' could all be seen to be consistent with a definition flowing from a 'relative' concept of poverty.

However, in the report itself this definition is operationalised using expenditure bands (monthly household expenditure in 1996 of R600 or less = very poor; monthly expenditure R 600-R1000 = poor) (Hirschowitz, 2000, p.55). To put this into perspective R1000 a month amounts to just 8.4% mean White monthly expenditure and would be consistent with subsistence definitions which necessarily flow from an absolute conceptualisation of poverty.

The report of the Taylor Committee of Inquiry into a Comprehensive System of Social Security for South Africa remarked on the need within South Africa for a nationally agreed poverty line (Taylor Committee, 2002, p.56). The Report of the Committee identified the need to include measures of poverty which derived from absolute concepts, as well as indicators of social exclusion which suggest issues pertaining to relative poverty. The Committee states:

'...a conceptually sound and an empirically based understanding of poverty indicators and measures of well-being is critical'. (Taylor Committee, 2002, p.56)

Current South African poverty studies tend predominantly to be based around subsistence income or expenditure measures which do not necessarily have any firm definitional or conceptual underpinnings (see May et al. 1997; May 1998 and Aliber, 2001 for discussions and for examples of measures used). Some studies have, however, emphasised aspects of poverty other than simply lack of income. Klasen (2000) has stressed the multidimensionality of poverty but whilst this is valuable in helping move the debate away from income alone, this work is open to the same criticism that was made of Townsend's Index of Participation (e.g. Piachaud, 1981) namely that the choice of elements and cut-off points are essentially arbitrary relying as they do on 'expert' definition.

Overall, however, most of the work investigating poverty centres on quite minimal income/expenditure-based measures. The general advantages of moving to a consensual definition of poverty have already been outlined. The following section discusses the appropriateness of a consensual approach for South Africa and how such an approach might be operationalised.

A consensual definition of poverty for South Africa

In addition to the general theoretical arguments outlined above, there are a number of reasons why a consensual definition of poverty is particularly appropriate for South Africa. The experience of apartheid has left South Africa with an exceptionally divided society, with extensive social and economic inequality (May, 1998; Hirschowitz, 2000). In such a context it is crucial that a definition of poverty is found which reflects the common aspirations of all citizens. Whilst no-one would deny the vital importance of raising all South Africans up to the subsistence levels articulated in minimal definitions such as the World Bank's \$1 a day, this goal could conceivably be achieved without fundamentally altering the social polarisation which is apartheid's legacy. A consensual definition of poverty would provide a truer reflection of what most South Africans think of as an acceptable standard. A pro-poor policy agenda based on such a definition would be a useful tool for helping South Africa move towards the objective contained in its constitution to: "Improve the

quality of life of all citizens and free the potential of each person; and build a united and democratic South Africa.”

By agreeing to a common definition of poverty, South Africans would also be saying a great deal about the kind of society they wanted South Africa to become. This could be an important part of the articulation and definition of what the emerging unified and de-racialised South Africa is to be like.

Furthermore, a consensual definition of poverty would have the stamp of democratic legitimacy in a way that ‘expert’ definitions, no matter how theoretically acute, do not. In a newly-democratic country a bottom-up poverty measure, reflecting the views of most South Africans could prove important in influencing the direction of policy.

Of course, if any definition of poverty is to significantly influence the policy-making process it is vital that it can be adequately operationalised. One of the main reasons for the continued use of crude income definitions of poverty is that they are relatively easy to measure. Operationalising a consensual definition of poverty has two stages. To begin with, a list of socially perceived necessities must be created: this could be achieved using a methodology similar to that used in the Millennium Poverty and Social Exclusion survey in the UK (described above). The next stage of the process would be to create measures based on the list of socially perceived necessities.

There are two main options for measuring poverty in terms of socially perceived necessities which are mutually compatible. The first is to directly measure (for example using a large-scale sample survey) the numbers of people who are unable to acquire socially perceived necessities. A second approach would be to create a poverty line in terms of the income (or expenditure) necessary to attain the socially perceived necessities. This poverty line could be created using a budget standards approach where all socially perceived necessities are costed in monetary terms (Bradshaw, 1993).

Creating a socially perceived necessities poverty line in monetary terms has much to be said for it over and above the arguments in favour of a consensual definition of poverty per se. Firstly, a monetary measure could be easily accommodated within existing data collection systems within South Africa (for example the Income and Expenditure Survey). This would allow the new definition of poverty to be quickly absorbed into existing policy-making and management information systems, alongside a more absolute and minimalist poverty line. Secondly, expressing the consensual definition of poverty in financial terms would allow it to be compared with other poverty definitions (for example \$1 a day) already in use in South Africa.

If we leave aside the array of technical difficulties which are inevitably associated with any social research, there are three central problems which emerge when operationalising a consensual definition of poverty in South Africa.

First, in a western industrialised society such as the UK the general populace can be asked what it considers to be the necessary set of commodities and activities to be a fully participating citizen. In the UK, almost everyone has at some point or other either participated fully in, or lived close to, mainstream society, and the vast majority are currently ‘fully paid up members’. Consequently, the ‘excluded’ form a minority,

many of whom will have been members of mainstream society in the past. Because of this close contact with mainstream society, the excluded as well as the included broadly agree on the 'rules' for inclusion i.e. what the socially perceived necessities are.

However, in South Africa the definition of what constitutes the 'mainstream society' is not nearly so clear. While in the UK the majority of the population are members of 'mainstream society', in South Africa the majority of the population continue to live in what one might describe as 'marginalized society'. The majority of the population still live in townships and former homelands. Could the lifestyles in such areas be regarded as representing 'mainstream society'? On the other hand, could the lifestyles enjoyed by the privileged minority be regarded as representing marginalized society?

As a direct consequence of this, there is a possibility that a consensus might not exist. If there were substantial systematic differences in what different social groups perceived of as necessities, to such an extent that no common core could be identified, then it might prove impossible to construct poverty measures based on socially perceived necessities. This possibility is real in the case of South Africa given that the apartheid regime led to multiple divisions (e.g. economic, social, geographic etc.) and separation of different racial groups.

If research into a consensual definition of poverty for South Africa were to find that no 'common core' of shared beliefs existed upon which to base such a definition, this would make it very difficult to generate meaningful poverty measures. However, if research were to reveal no consensus around what constitute 'necessities' in South Africa this would, in itself, be a valuable, if worrying, insight. Such a result would imply that fundamental social divisions exist and that these go beyond social and economic inequalities to the level of perceptions and perhaps ideology (in its broadest sense). So, whilst we would hope that research would reveal a consensus that could provide the basis of a common, unified (and unifying) policy direction, if such a consensus did not exist then revealing this would justify carrying the research out in the first place.

A third area of difficulty for consensual definitions of poverty is 'bounded realities'. That is, the problem that what one conceives of as necessary will be influenced by one's knowledge of how others live. So, for instance, it is conceivable that extremely poor people living in isolated areas will have very minimal ideas of what is necessary because they have only been exposed to a very minimal lifestyle. In one sense this is unproblematic; part of the justification for using relative definitions of poverty is that the definitions can change as a society, and norms and expectations within that society, change. So, definitions of poverty will change as those goods (in the broadest sense of the term, including activities and services) required for 'normal participation' in society change. For example, in 1983, 43% of British respondents to a survey regarded a telephone as a necessity; by 1999, this had risen to 72% (Gordon *et al*, 2000). However, bounded realities may be considered a problem where a lack of resources and structural inequalities mean that some groups are so marginalised from what is 'normal' in the wider society that they cannot imagine what such normality looks like. This is the point Bradshaw was making when he argued that 'felt need' may underestimate 'real need' because felt need is limited by the perceptions of the individual. One example of this disjuncture between felt need and real need can be

seen in societies where women are severely repressed. In such societies it will often be the case that the dominant (negative) view of women will be internalised by women themselves and so they will not necessarily *feel* the need for all the freedoms and dignities that they may be said to need from other perspectives. Bounded realities are potentially a major problem in South Africa where the social, economic, and geographical distance between groups was deliberately widened under the apartheid system.

Deciding that people need things other than what they feel (or are willing to say⁵) that they need is very problematic and in the present context brings with it the danger of imposing the 'expert' definitions of need that the consensual approach was designed to avoid. Ultimately this problem must be tackled through a careful research design which contains a qualitative dimension to probe people's ideas of 'necessities'. Consideration needs to be given as to which people or groups of people the interviewees are taking as their reference points, and where it may be appropriate to make some allowance for the epistemological boundaries which often map onto social and economic boundaries. There are limits to what social research can achieve in this regard, leading questions must be avoided for example, but careful and methodologically sound qualitative work should help to remove some of the difficulties associated with bounded realities.

Concluding Remarks

This paper has argued that poverty measurement needs to be firmly rooted in clear concepts and definitions. The measures should be fit for the purpose for which they are intended and should be as direct as possible and, in particular, proxies should be avoided. We have attempted to illustrate the difference between concepts, definitions and measurement of poverty, and have argued that in addition to the definitions flowing from 'absolute' concepts of poverty, it is important to consider definitions that might flow from 'relative' concepts, in parallel. The economic position in South Africa is such that the timescales needed to eliminate poverty as identified by these two different approaches will necessarily differ. However, we have further argued that, in the long-run, a consensual definition of relative poverty is the most appropriate for democratic South Africa, and have outlined the challenges to operationalising such a definition.

⁵ Bradshaw includes 'Expressed Need' alongside 'felt', 'normative', and 'comparative' need in his taxonomy of social need (Bradshaw, 1981).

References

- ALCOCK, P, 1993. *Understanding Poverty*. Basingstoke: McMillan.
- ALIBER, M, 2001. *Study of the Incidence and Nature of Chronic Poverty and Development Policy in South Africa: An Overview*. Programme for Land and Agrarian Studies, School of Government, University of the Western Cape, South Africa.
- ATKINSON, AB & HILLS, J (Eds), 1998. *Exclusion, Employment and Opportunity*. CASE Paper 4. London: Centre for Analysis of Social Exclusion, London School of Economics.
- BRADSHAW, J, 1981. A taxonomy of social need. In Henderson, P & Thomas, DN (Eds), *Readings in Community Work*. London: George Allen & Unwin.
- BRADSHAW, J, 1993. *Budget Standards for the United Kingdom*. Aldershot: Ashgate.
- BRADSHAW, J, 2003 *How Has The Notion of Social Exclusion Developed In The European Discourse?* Plenary Paper for the, Australian Social Policy Conference 2003, Sydney, July 10
- BYRNE, D, 1999. *Social Exclusion*. Buckingham: Open University Press.
- CENTRE FOR THE ANALYSIS OF SOUTH AFRICAN SOCIAL POLICY, 2004. *Indicators of Poverty and Social Exclusion*. Project Briefing Paper. Oxford: Department of Social Policy.
- COUSINS, C, 1998. Social exclusion in Europe: paradigms of social disadvantage in Germany, Spain, Sweden and the United Kingdom. *Policy and Politics* 26:127-146.
- DEPARTMENT FOR WORK AND PENSIONS, 2003. *Opportunity for All: Fifth Annual Report 2003*. London: DWP.
- DESAI, M, 1995. Poverty and Capability: Towards an Empirically Implementable Measure. In Desai, M (Ed), *Poverty, Famine and Economic Development: The Selected Essays of Meghnad Desai, Volume 2*. Aldershot: Edward Elgar.
- DOYAL, L & GOUGH, I, 1991. *A Theory of Human Need*. London: Macmillan.
- GORDON, D, PANTAZIS, C & TOWNSEND, P, 1999. *Changing Necessities of Life: 1983 to 1999*. Working Paper No. 3. Townsend Centre for International Poverty Research: University of Bristol.
- GORDON, D, LEVITAS, R, PANTAZIS, C, PATSIOS, D, PAYNE, S, TOWNSEND, P, ADELMAN, L, ASHWORTH, K, MIDDLETON, S, BRADSHAW, J & WILLIAMS, J, 2000. *Poverty and Social Exclusion in Britain*. York: Joseph Rowntree Foundation.

- HALLEROD, D, 1994. *A New Approach to the direct consensual measurement of poverty*. Discussion Paper No 5, York Social Policy Research Centre. York: University of York.
- HILLS, J, LE GRAND, J & PIACHAUD, D (Eds) 2002. *Understanding Social Exclusion*. Oxford: Oxford University Press.
- HIRSCHOWITZ, R, 2000. *Measuring Poverty in South Africa*. Statistics South Africa.
- INNES, JE, 1990. *Knowledge and Public Policy: The Search for Meaningful Indicators*. New Brunswick, New Jersey: Transaction Publishers.
- JOSEPH, K, 1976. Speech by the former Secretary of State for Social Services, UK.
- KAYIZZI-MUGERWA, S, WHITE, H, KILLICK, T & SAVANE, M, 2001. *African Poverty at the Millenium: Causes, complexities, and challenges*. The World Bank: Washington, D.C..
- KLASEN, S, 2000. Measuring Poverty and Deprivation in South Africa. *Review of Income and Wealth*, 46(1):33-58.
- LEVITAS, R, 1998. *The Inclusive Society? Social exclusion and New Labour*. Basingstoke: Macmillan.
- LISTER, R, (forthcoming). *Poverty*. London: Polity Press.
- MACK, J & LANSLEY, S, 1985. *Poor Britain*. London: George Allen and Unwin.
- McKAY, S 2004 'Poverty or Preference: What Do 'Concensual Deprivation Indicators' Really Measure' *Fiscal Studies* vol 25 no 2 pp 201-223
- MAY, J, 1998. *Poverty and Inequality in South Africa*. Durban: Praxis Publishing.
- MAY, J, WOOLARD, I & KLASEN, S, 1997. *Draft Chapter Prepared for the Poverty and Inequality Report*.
- MBEKI, T, 2004. Address by the President of South Africa, Mr Thabo Mbeki, on the occasion of his inauguration and the 10th anniversary of freedom. Pretoria. 27 April.
- NARAYAN, D, PATEL, R, SCHAFFT, K & RADEMACHER, A, 1999. *Can Anyone Hear Us ? Voices From 47 Countries*. The World Bank: Washington D.C..
- NUSSBAUM, M, 2000. *Women and Human Development: A Study in Human Capabilities*. Cambridge: Cambridge University Press.
- OLDFIELD, N & YU, A, 1993. *The Cost of A Child: Living standards for the 1990s*: Child Poverty Action Group.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, 2001. *OECD Employment Outlook - June 2001*. Paris: OECD.

ORSHANSKY, M, 1965. Counting the Poor: Another Look at the Poverty Profile. *Social Security Bulletin*, 28(1):3-29.

PANTAZIS, C, TOWNSEND, P & GORDON, D, 2000. *The Necessities Of Life In Britain*. Working Paper No 1. Bristol: University of Bristol.

PARKER, H, Ed., 1998. *Low Cost but Acceptable: A minimum income standard for the UK: Families with young children*. Bristol: Policy Press.

PIACHAUD, D, 1981. Peter Townsend and the Holy Grail. *New Society*, 10 September.

PIACHAUD, D, 1987. Problems in the definition and measurement of poverty. *Journal of Social Policy*, 16(2):147-164.

ROOM, G, 1995. *Beyond the Threshold: The measurement and analysis of social exclusion*. Bristol: The Policy Press.

ROWNTREE, S, 1901. *Poverty: a Study of Town Life*. Macmillan: London.

SEN, AK, 1983. Poor, Relatively Speaking. *Oxford Economic Papers*. New Series 35(2):153-169.

SEN, AK, 1985. *Commodities and Capabilities*. Amsterdam: North-Holland.

SEN, AK, 1997. *On Economic Inequality*. Oxford: Clarendon.

SEN, AK, 1999. *Development is Freedom*. Oxford: OUP.

SOCIAL PROTECTION COMMITTEE, 2001 *Report on Indicators in the field of poverty and social exclusion*

TAYLOR COMMITTEE, 2002. *Transforming the Present - Protecting the Future: Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa* March 2002.

TOWNSEND, P & ABEL-SMITH, B, 1965. *The Poor and the Poorest*. London: Bell.

TOWNSEND, P, 1979. *Poverty in the United Kingdom*. Harmondsworth: Penguin.

WOOLARD, I, 1997. *A Comparison of Urban Poverty*. Input document prepared for the PIR. Port Elizabeth: University of Port Elizabeth.

WORLD BANK, 2000. *World Development Report 2000/2001: Attacking Poverty*. World Bank: Washington D.C..

WORLD SUMMIT FOR SOCIAL DEVELOPMENT, 1995. Programme of Action of the World Summit for Social Development. Copenhagen: WSSD.



Centre for the Analysis of South African Social Policy
Department of Social Policy and Social Work
University of Oxford
Barnett House
Wellington Square
Oxford OX1 2ER
United Kingdom
(+44) 1865 270325

www.casasp.ox.ac.uk