

Defining Poverty

Sociology

Absolute against relative definitions, and what each implies for policy.

Absolute

- A fixed basket of necessities
- Threshold does not move with growth
- Compares across countries and eras
- Can fall to near zero in rich states
- Criticised as too narrow for a society

Relative

- Share below a proportion of the median
- Threshold rises as the society gets richer
- Captures exclusion from normal life
- Can fall in a recession as the median falls
- Criticised as a measure of inequality

THE DIFFERENCE THAT MATTERS

Townsend's deprivation approach asks instead which ordinary activities a household is forced to go without.

Educational reference. Neither definition is the true one. Say which is in use before comparing any two figures.