
Conclusion II: The Explanation and Elimination of Poverty

Our evidence shows that poverty is a national phenomenon which is structurally pervasive and of major dimensions. But its extent and effects tend to be greatly underestimated and its causes wrongly, or weakly, identified. Some of the reasons for this need to be traced if the resources and organizational capacities of Britain are to be harnessed on behalf of what must be regarded as a task of national regeneration.

The limitations of our data must be recognized. Any single study must be handicapped by virtue of its methodology. Some of these limitations are described in Chapter 3 (pages 111-15). By selecting a principal method of research, other methods are necessarily ignored or abbreviated. For example, the principal method used in this study was the nationally representative sample survey. This method cannot permit sufficient weight to be given to personal histories of poverty and observations of the physical, material and emotional consequences, including illness and death, of the phenomenon. Nor can an account of structural changes in the production, accumulation and distribution of resources and changes in desired and approved styles of living, which control the definition, extent and severity of poverty, be developed, except indirectly. These questions will have to be pursued more directly elsewhere.

The object of this book has been to define, measure and, in part, explain the extent of poverty in the United Kingdom. Ultimately, these three activities cannot be undertaken and described in isolation from each other. Whatever ideas and words are chosen for each of the three, they carry assumptions if not specific prescriptions for the other two. Their necessary conjunction or interaction needs to be emphasized, because that paves the way for a clearer understanding of the functions and likely success of policies to relieve or abolish poverty.

Definition of Poverty

Perceptions of poverty are one source of underestimation of its extent and severity. Individuals in any population hold different specific or general ideas of its nature. As noted earlier (Chapter 6, page 237), some people think of poverty as a condition

in which families go hungry or starve, and others as a condition relative to standards enjoyed on average or by most people in society. But the majority take the view that poverty is a condition under which people are unable to obtain subsistence, or the basic necessities of life, or is a condition which applies to particular low-income minorities, such as pensioners or the unemployed.

Their conceptions reflect those held by major groups and classes in society, and indeed by the state itself, as expressed in its legislation and central and local administration. Ministerial speeches, government publications, annual reviews by the Trades Union Congress, and studies by influential voluntary associations and academic investigators could all be quoted in substantiation. In this book I have consequently treated *society's* definition of poverty as being, with certain qualifications, the basic rates paid by the Supplementary Benefits Commission to families of different composition. This is the state's poverty line or standard. The advantage of this treatment is that it can, in principle, be applied in many different societies to demonstrate the effectiveness of policy. The British supplementary benefit scheme resembles the public assistance schemes of other countries. According to the International Labour Office, there were, by 1967, forty-four countries in their list of sixty-one, ranging from Australia, through Israel, Kenya, Nicaragua, Sweden and the United States to Yugoslavia, with public assistance schemes paying cash allowances of a standard kind to poor families on test of means.¹ The standards of different countries for different types of beneficiary, and the numbers in the population having incomes of less than the prescribed amounts, can be estimated and compared.

Public opinion can therefore be sampled, or administrative practice analysed by the social scientist, to demonstrate conventional conceptions and operational definitions of poverty. Nevertheless, one country's definition is certainly not the only, and is unlikely to be an objective, definition of poverty. There are variations between societies which have to be accounted for. There are also variations within any single society in history. Thus, in Britain since 1948, the ordinary rate of national assistance or supplementary benefit for a single householder has fluctuated from 15 to 21 per cent of average male industrial earnings. There are, therefore, difficulties both in using a *social* poverty standard to make comparisons between different years in the same country and in using different national poverty standards to make comparisons between different societies. Both exercises are rewarding, only in so far as the meaning of the standards being used can be clarified in relation to the distribution of income, mean income and social structure.

The state's (and the public's) conception of subsistence poverty is different from, and more generous than, starvation poverty. Yet it is none the less a severely limited conception of need, fostered by motives of condescension and self-interest as well as duty by the rich. Ideas of 'need' are socially conditioned, and scientific substantiation of such ideas may be non-existent or insufficient. This is independent

¹ International Labour Office, *The Cost of Social Security*, Geneva, 1969, pp. 316-22.

of the fact that objective needs are socially determined. Our study has suggested that the traditional conceptions of 'subsistence' poverty restrict people's understanding of modern social conditions as well as their willingness to act generously. On the one hand, they are encouraged to believe that 'subsistence' represents the limit of basic human needs, and this tends to restrict their assessment of what individual rights or entitlements could be introduced and guaranteed. A limited definition of need leads to a limited appreciation of rights. On the other hand, needs other than those included in the conception of 'subsistence' are denied full acknowledgement. There are goods, amenities and services which men and women are impelled to seek and do seek, and which by the tests of both subjective choice and behaviour are therefore social necessities, that have traditionally been excluded from consideration in devising poverty standards. People do not live by bread alone, and sometimes they are prepared to forego bread to meet a more pressing social need.

I have suggested that an alternative, and more objective, conception might be founded on 'relative deprivation' - by which I mean the absence or inadequacy of those diets, amenities, standards, services and activities which are common or customary in society. People are deprived of the conditions of life which ordinarily define 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; and in a range of social and individual activities outside work and home or neighbourhood. In principle, there could be extreme divergencies in the experience of different kinds of deprivation. In practice, there is a systematic relationship between deprivation and level of resources. The 'subsistence' approach ignores major spheres of life in which deprivation can arise. A physically efficient diet is regarded as the basis of subsistence or a national minimum, which then provides the rationale for Britain's income maintenance system. It could be argued that this preoccupation with nutritional deprivation as the centrally evident problem of meeting need in society has, first, to be extended logically to *dietary* deprivation, thereby putting stress on the *kind* of food and drink which people actually consume (and the distribution of the budgets from which they purchase it), as well as the amount and quality of nutrients which they absorb, so acknowledging the *social* definition of dietary need. Secondly, membership of society involves the satisfaction of a range of other needs which are socially defined. The necessities of life are not fixed. They are continuously being adapted and augmented as changes take place in a society and its products. Increasing stratification and a developing division of labour, as well as the growth of powerful new organizations, create, as well as reconstitute, 'need'. In particular, the rich set fashions of consumption which gradually become diffused.

When attempts are made to express these conceptions in an operational form for purposes of measurement, and then are applied, rather different conclusions about

the extent and nature of the problem are reached. By the deprivation standard, more people are found to be in poverty than by the state's standard, with the implication, for example, that the scale rates of the Supplementary Benefits Commission have been drawn too low, especially for households with older children, and that they should be raised.

But the implications for the development of explanations of poverty and policies to eliminate poverty do not rest there. An attempt to apply either standard over the different periods of time to the same populations shows that, contrary to much supposition, the poor are not a separate and relatively fixed section of society. This can be demonstrated first by tracing changes during the year. At any particular time there are households who, because of demotion, unemployment, sickness, disablement, retirement or increase in dependency, have recently fallen into poverty, just as there are households who, because of promotion, engagement or re-engagement at work, recovery from sickness or decrease in dependency, have just emerged from poverty.

This affects our exposition of the nature of the phenomenon, and hence our explanation. During the early stages of the life-cycle, incomes and other resources are low; children put claims on the resources of the young adults who are their parents; the costs of housing and establishing a home are considerable; and the parents have jobs which are relatively insecure and paid below average. During middle or late middle life, a peak of prosperity is reached; the numbers of dependants and housing costs diminish just when resources actually increase or are at least maintained; earnings for a standard number of hours often increase because of promotion or seniority, and assets are accumulated or invested. In the later stages of life, there is a descent into austerity or poverty: before retirement, incomes are already reduced, and people who reach an advanced age (a) have greater needs as a consequence of disablement, (b) find that their share of the fruits of economic growth - for example, in new forms of state and occupational pension scheme - are smaller than average, and (c) tend to be less well protected than younger age groups from inflation. Assets and employer welfare benefits in particular augment the advantage of the middle aged over younger and older groups. Figure 7.2 (page 287) provides a summary of these changes over life.

From infancy onwards, therefore, the risks of being in poverty vary according to, and depend crucially upon, the employment status of adults in the income unit or household, the ratio of dependants to earners, form of tenure, value of assets, individual disablement and, related to all of these, occupational class.

Explanations of Poverty

What therefore is the explanation of widespread poverty? The theoretical approach developed in this book is one rooted in class relations. Some account has to be given of allocative principles and mechanisms and developments in the pattern of social

life and consumption. In all societies, there is a crucial relationship between the production, distribution and redistribution of resources on the one hand and the creation or sponsorship of style of living on the other. One governs the resources which come to be in the control of individuals and families. The other governs the 'ordinary' conditions and expectations attaching to membership of society, the denial or lack of which represents deprivation. The two are in constant interaction and explain at any given moment historically both the level and extent of poverty.

Institutions arise to control both the production and allocation of resources. These are predominantly institutions concerned with the productive process - of capital, management and labour. Hierarchical organizations, with elaborate ranks of privilege and preferment, evolve, and induce gradations of acknowledged status and not just different levels of profit and income. The relationships typified in the productive process tend to be reproduced in the processes of distribution. Salaries might be differentiated from wages - for example, occupational welfare from public welfare - and bank deposit accounts from Post Office savings. Markets arise to correspond with different levels of wealth. But increasingly, and partly through the establishment of intermediary institutions, some processes of distribution and redistribution originate from, and are impelled by, wider or external interests and values.

The growth of organizations and associations not directly linked with production exerts considerable influence. Their relative independence may stem from their own bureaucratic or professional power, or from specialized groups of consumers whom they serve. Some agencies of the distribution of resources become separated from those of production. These interests are not necessarily more public spirited. Some writers treat agencies of the state, for example, as subordinate to the interests of a private capitalist economy. Large parts of the operations currently of the Departments of Trade, Industry, Energy, Employment, Agriculture and Prices and Consumer Protection, for example, could be so construed. But this hegemony is too crudely described and needs to be examined closely.

There are agencies of the state which are only indirectly related to the interests of capital as historically and restrictedly defined. They simultaneously serve diffuse political, intellectual or consumer interests as well as those of the private market. Sometimes they act more for self-aggrandizement than to advance the immediate interests of the market, and may act to create a larger inequality of resources and power than that which otherwise exists in a market society. Even if they are tied in principle to the fortunes of the economy, it is an economy which they are helping to shape. There are also agencies of the state which, though they can be said to be closely identified with the interests of the private market, act at least in large measure as checks on their operations and try to guide and control them. And there are agencies or groups participating in the market who are constantly seeking to modify or change it.

All this has to be borne in mind in developing an explanation of unequal earnings. The unions, the boards of the nationalized industries, and the government, principally through its incomes and fiscal policies, but also through a network of agencies like the Wages Councils and the Equal Opportunities Commission, and wage-negotiation machinery like the Whitley Council and the Review Body on Top Salaries, contribute to the evolution of the wage and salary system. It would be absurd to exclude them from any part of the explanation of inequality of earnings. One part of our task in explaining the unequal distribution of resources is therefore to trace the weight and influence of these different institutions in defining wage and salary rates and influencing decisions about increases.

It is not just a question of how incomes come to be graded or resources distributed, but how access is decided. We have to identify the rules of access which govern the scope or exclusiveness of structures, and not just the rules which control their internal differentiation. With the evolution and internal differentiation of resource systems, including the wage system, people have problems of access to these resources. The idea of admission or selection carries with it the corresponding idea of exclusion or rejection - even if that seems irrelevant or unintended. This double-sidedness of the operation of institutions which distribute resources is crucial to the explanation of poverty. There are sets of rules which, for example, control entry, define and organize queues, categorize entrants by type and determine specific amounts to which they are entitled. Others have called attention to the 'neglected' problems of access to resources in poor countries.¹ But the concept of access is also helpful in explaining the unequal distribution of resources in relatively rich countries.

The wage system itself breaks down into a differentiated structure of mini-systems. This corresponds not so much with a 'dual' as with a highly stratified labour market. Thus, as shown in Chapter 12, occupational class is correlated with graduated forms of work deprivation and with scope and value of employer welfare benefits as well as with earnings. There are elaborate rules of professional associations and trade unions, as well as of private firms and public services, including employment agencies and educational institutions, which control access of numbers and social characteristics of individuals. With each new differentiation within the system, new rules of access are devised; a new basis for establishing rights and making claims is laid, personnel appointed to supervise the application of the rules, and through the assertion of a kind of preferment excluded groups consigned to the risks of deprivation. The form taken by the hierarchy of occupational classes, the differentiated work conditions, status and fringe benefits as well as earnings of those classes, and the institutions controlling access to different

¹ For example, Schaffer, B., and Wen-hsien, H., 'Distribution and the Theory of Access', Institute of Development Studies, University of Sussex, May 1973; Schaffer, B., 'Easiness of Access : A Concept of Queues', Institute of Development Studies, University of Sussex, 1972.

levels and sanctioning the conditions associated with each stratum, must comprise a major part of any explanation of inequality. Certainly, the survey on which this report is based confirms in some detail the existence, and surprisingly regular form, of this structure. Large sections of the population are denied access to work which has good pay, security and otherwise good conditions. Their numbers, and the relative level of resources which they do attain (or to which they fall), are a function of both the hierarchical structure which exists *above* their class and of the resources which ascending strata succeed in attracting. In this respect, therefore, the direct implication is that, if poverty is to be reduced, there must be less differentiation hierarchically of the employed population *and* a smaller proportionate share of total national resources by higher groups.

So far we have been speaking as if inequality of incomes, and the poverty of those at the foot of the scale, corresponded solely with the differentiation of the earnings system and of the work force. Two major modifications now require to be introduced. One is that people holding different positions in the occupational scale have varied numbers of dependants. The significant question is not whether they have more dependants than their wage can support, or what level of wage supports a 'reasonable' number of dependants, but why different types of dependant are denied access to a wage, or why such a high proportion of the national resources available for distribution (proportionate, that is, to the number of wage-earners) is channelled through the individual wage system rather than through the child benefit and social security systems and, say, an income scheme for married women working in the home. Children have gradually been excluded from the wage-force and compulsorily required to attend school, currently up to 16, without access to income. Their parents have rights, after the child reaches the age of 16, only to a derisory level of educational maintenance grants, and a low rate of child benefit - unless they qualify for national insurance dependants' benefit because of inability to work. Married women who stay at home receive no income other than that allowed by their husbands from the wage, irrespective of their work in bringing up children and maintaining a home and family. Their husbands are allowed additional tax relief. Other adult dependants, mostly disabled and elderly persons, are nearly all entitled to contributory or non-contributory social security benefits, but at levels which, even allowing for the numbers which a wage is sometimes expected to support, are below the wages of unskilled manual workers. These three forms of restriction of access to resources have to be traced historically. They depend on the social meanings given respectively to childhood, marriage, family and non-productive work. There are a number of possible themes. One is how the conferment of protected status can result in dependence or disprivilege among excluded groups. Another is how the over-studious definition of the rights of certain minorities can hold them back during periods of rapid economic expansion. While at a moment of time the definition of

their rights may seem entirely reasonable, the inflexibility of those definitions may prove to be a disadvantage when economic and social conditions change.

A consequential modification must also be listed. A large, and proportionately increasing, section of the population are neither part of the paid workforce nor members of the households of that workforce. The great majority of them are retired elderly people living singly or in married pairs, who have no prospect or intention of returning to the workforce. Others include disabled, chronic sick and long-term unemployed people and one-parent families. The ways in which they have been denied access to paid employment, conceded incomes equivalent in value to bare subsistence, attracted specially defined low social status as minority groups, and accommodated, as a result, within the social structure as a kind of modern 'underclass', need to be traced.

The significance of minority-group status has been explored in the second half of this book, and the creation of an underclass discussed at length, particularly in relation to the elderly in Chapter 23. There are class groups among the retired population corresponding with the occupational classes of the employed population, who possess distinguishable material amenities; but superimposed on the low relative position of these different strata are the added disadvantages of being a minority group. The status of 'retirement' has been extended and has come to be rigorously enforced in the course of the twentieth century. The incomes of the vast majority of retired elderly derive from state pensions and supplementary benefits and are below the net earnings, allowing for dependants, of the lowest paid class of manual workers. Because retired people are, at a time of economic growth, denied a full share of its benefits, and because, at a time of rapid inflation, some sources of income, especially of occupational pensions, but also certain types of savings, such as National Savings, are eroded in purchasing value, some elderly people who are not in poverty in the early period of their retirement fall into poverty subsequently. Through the mechanisms of the state and occupational pension schemes and the discriminatory practices of institutions which control the allocation of real annual surplus and operate interest rates selectively their incomes fail to keep pace with the advance of others.

One further step needs to be taken in analysing resources. The unequal distribution of standards of living derives not just from the hierarchical ranking of roles in the employment system and the exclusion of certain sections of the population from that system, it derives also from resources other than earnings net of taxes or benefits and allowances paid from such taxes. On the one hand, children whose parents have considerable resources other than cash incomes, especially assets or employer welfare benefits, obtain advantages in a whole variety of ways over their peers, are more likely to gain access to the privileged sectors of education and hence reach the upper levels of the occupational hierarchy. They get a flying start as well as material help or security at subsequent critical stages of their careers. On the other hand,

families with substantial resources other than cash incomes can contain debts and borrow more easily. Generally they attain higher standards of living than those without such resources. Inequality and poverty therefore originate in part in institutions perpetuating the unequal distribution of wealth and benefits and services in kind. The existing distribution of land, property and other forms of wealth, and the mechanisms for the transmission, augmentation and redistribution of such wealth, provide both a highly material and also a social framework within which the earnings system has grown up and operates. The conventions and differentials of the earnings system may themselves reflect features of the structure and transmission of wealth. Those professionals whose skills were employed by wealthy families themselves acquired high status and eventually the power to control entry to the professions and negotiate high fees and salaries.

The insistence theoretically in this book on the concept of 'resources' instead of 'incomes' therefore shifts attention from the reasons for unequal individual net earnings to the reasons for unequal distribution of total resources including wealth. Here the importance, among other things, of the inheritance over the accumulation of wealth has to be recognized. This was shown in Chapter 9 for the rich in the sample. The resilience of fortunes also has to be explained - through ingenious tax avoidance, the accumulative value of portfolios of stocks and shares, the surges and offerings of the property market and the laws of testamentary succession. The extremely unequal distribution of wealth is perhaps the single most notable feature of social conditions in the United Kingdom. That may be the key not just to the action required to obtain a more equitable earnings structure, but also to any substantial diminution of poverty. Exclusion from access to wealth, and especially from property, is perhaps the single most notable feature of the poor. In general, access to occupational class tends to be a function of class origins and family wealth.

What is the social outcome of this unequal structure of resources, and how is it legitimated? Different types and amounts of resources provide a foundation for different styles of living. Occupational classes reflect the processes of production, but, since they have unequal resources, they also reflect unequal styles of living. The term 'styles of living' has been preferred to styles of consumption because it suggests a wider and more appropriate set of activities than a term which suggests merely the ingestion of material (and implicitly *digestible*) goods. There exists a hierarchy of styles of living which reflect differential command over resources. There are, of course, threads linking behaviour and conditions of people in their capacity of producers or earners with behaviour and conditions of people in their capacity of users of resources. Level of resources reflects the style of living that can be adopted, as well as social acknowledgement of the worth of the recipients or earners of those resources. Marx put the point graphically: 'Hunger is hunger, but the hunger gratified by cooked meat eaten with a knife and fork is a different hunger

from that which bolts down raw meat with the aid of hand, nail and tooth.¹ But society has to foster citizenship and integrate its members, and not merely observe and regulate a hierarchy of life-styles. Different institutions, including the Church, the media and various professional associations, as well as the advertising agencies of private and public industry, endeavour to universalize, for example, standards of child care, the practices of marriage and family relationships, reciprocity between neighbours and the treatment of elderly, disabled and blacks. State as well as market agencies are constantly seeking to widen and change modes of consumption and behaviour. A social style of living is cultivated and recommended, in which both poor and rich are expected to participate. People low on the income scale cannot buy goods as expensive as those bought by, or live as well as, the rich, but they are presumed, none the less, to engage in the same broad scheme of consumption, customs and activities. The student of poverty is therefore concerned to trace two things. What constitutes the social style of living, and the changes which are taking place in that style, has to be described and explained. The standards which are consciously underwritten by the state, *or* established by popular expectations within the community, may be difficult or not difficult for some groups with low-ranking resources to attain. In other words, it is society which defines the nature and level of the threshold of activities and consumption which it expects its members to attain. And, by the nature of modern development, 'society' is increasingly a national rather than a regional or local society. Although the threshold style of living will tend to rise or fall in conjunction with any rise or fall in real national resources, there is no necessary or invariant connection.

The student of poverty is also concerned to identify the groups failing in different respects, not necessarily all respects, to attain the threshold of standards set explicitly or implicitly by society. The groups may be found to be deprived in one, two or more respects. In the course of Chapters 11 to 14, we examined a number of measures of deprivation and found that they were correlated with level of resources. There was provisional evidence of a threshold of poverty such that, below a particular level with allowances for composition of income unit, people were disproportionately unable to share in customary or commonly approved customs and activities.

The extent and severity of poverty is therefore a function, on the one hand, of the hierarchical and highly unequal distribution of resources, and, on the other, of the style or styles of living which are constantly being defined and redefined and which the population feels compelled, or is compelled, to emulate.

The Principles of Policy

The implications for policy remain to be sketched. In Chapter 2, three principles or models of social policy were advanced: (a) conditional welfare for the few; (b)

¹ Marx, K., *Grundrisse: Foundations of the Critique of Political Economy* (seven notebooks rough-drafted in 1857-8), Penguin Books, Harmondsworth, 1973, p. 92.

minimum rights for the many; and (c) distributional justice for all. These principles were shown to be implicit in theories of inequality and poverty. In the course of the twentieth century, social policy has been dominated by one or other of the first two principles or by a mixture of both principles. One of the purposes of this book has been to call attention to at least the possibility of applying the third principle extensively in constructing policy. In the late 1960s and early 1970s, despite protestations to the contrary, successive governments invoked the first principle with renewed vigour. The limitations of this principle, especially as affecting those families in the survey who were dependent on, or eligible for, means-tested services, are discussed at length in Chapters 24 and 25. The assumptions about the scale and personal origins of poverty, as well as about the effectiveness and appropriateness of the measures taken to alleviate it, are shown to be mistaken.

The second principle is more persuasive, but falls far short of the expectations of its advocates. The assumption is not only that the hierarchical social and economic system requires generous underpinning rather than recasting, but that it *can* be so underpinned. History throws doubt on this assumption. Basic needs have tended to be defined in historical, absolute terms instead of contemporaneous, relative or social terms - and even such needs have not been met in practice. For example, Beveridge adopted the meagre definition of necessities outlined by Rowntree as a 'subsistence' basis for national insurance benefits. He intended these benefits to be at a level sufficient to guarantee subsistence without resort to means-tested supplementation. This was the cardinal principle, as he himself proclaimed it, of his plan. In over thirty years since the national insurance scheme was enacted, this principle has never been fulfilled. Governments have shrunk from fulfilling it, perhaps because of the implications for public expenditure, but more likely because of the threat that would be posed to the lower reaches of the wage system, and more generally to the kind of employment system appropriate to a capitalist or even 'mixed' economy. The 1834 Poor Law Commission's principle of less eligibility¹ lives on in the definition of levels and conditions of social security benefits.

In the Edwardian era, the introduction of universal minimum benefits represented a diminution in the severity and perhaps the scale of poverty. But this change could not be regarded as permanent. Maxima were not defined and, as the economy grew, privileged groups could continue to obtain a disproportionate share of the additional national resources that were created. Without provision for regular upward revision of *all* minima, the poor were liable to see their share of resources reduced. Alternatively, the demand on the part of the majority of the population for 'better' styles of living as resources grew not only imposed new expectations upon the poor

¹ 'The first and most essential of all conditions, a principle which we find universally admitted, even by those whose practice is at variance with it, is, that [the pauper's] situation on the whole shall not be made really or apparently so eligible as the situation of the independent labourer of the lowest class' - Report from His Majesty's Commissioners for Inquiring into the Administration and Practical Operation of the Poor Laws, Fellowes, London, 1834, p. 228.

but left them experiencing new forms of deprivation. And, finally, the adoption of 'minima' seems to have had the effect of 'fixing' or institutionalizing the low status of certain minorities in society - rather as if this was their legitimate entitlement. At one stage of history, the application of a label to a particular group in the population seems to assist the allocation to them of resources; yet, at a later stage, the label may be a hindrance or a positive handicap, because of the stigmatizing connotations which it has in the meantime acquired. It is perhaps in this sense that the principle of minimum rights for the many, as it is applied in policy, has to be watched most carefully. Far from being the most realistic, and acceptable, method of diminishing poverty and inequality, it can turn out to be a major instrument legitimating them.

There are further difficulties about the principle. Those who seek to apply it tend to assume that the stratum of the population who are in poverty is fairly stable, and fairly small, when, as we have seen, there is constant movement into and out of poverty and, at any one stage, a very large proportion of the population who only just escape its clutches as well as a much more substantial proportion than has been appreciated in poverty. They also assume an over-simplified model of redistribution required to safeguard people against poverty, believing that a sufficient sum can be extracted in taxes from incomes and payments for goods and services to meet needs. The problem here is that, once people receive a particular sum of earnings or other income, they assume that that is the figure to which they have an inalienable right. There is bound to be some kind of limit which they will seek to set on the amount that they will allow governments to extract in taxes, whether directly or indirectly, so that the needs of the poor may be met. Moreover, as the *providers* of those taxes, they consequently expect the beneficiaries not to receive anything like the same levels of *net* income as themselves. Personal taxation as applied to the gross wage has, in practice, helped to perpetuate the inequalities in a market economy between those who have access to the wage system and those who do not.

I am suggesting that there is an in-built tension, and even contradiction, in the application of the principle of a national minimum to a market economy. A minimum is hard to establish alongside or underneath a wage-earning and property-owning hierarchy - except at a very low level. It becomes hard to maintain when the number of dependants at each end of the age-scale increases and, as a result of the economy meeting fluctuating fortunes, more people of so-called active age are made redundant or unemployed. Either wages and transfer payments alike have to be brought under the control of a statutory incomes policy, or the payment of money for goods and services has to give way to the provision of free goods and services.

The third principle of distributional justice for all reflects a more adequate theory of poverty and a better prescription of the policies required to defeat it. In this report we have found maldistribution of types as well as of amounts of resources. We have shown the large numbers of those in poverty or on its margins, the constant movement into and out of poverty, and the relationships between low income or

denial of access to income and *systems* or *structures* of resources. Enlargement of access is as important as greater equality of distribution. Thus, the rights of both disabled and non-disabled people, including the elderly, to obtain gainful employment can and must be extended - by legal and social means. Wealth, including land, property and other assets, can and must be distributed more widely as well as more evenly. This can be done by the enlargement of the direct rights of the individual as well as by extending public ownership. Rights to housing, for example, should be more widely shared in the sense that the disparity between owner-occupation and tenancy should be reduced by common definition of the rights to succession and adaptation as well as to space and amenities.

Another example is incomes policy. The separation of the payment of earnings from that of social security and the lack of access of married women to cash incomes of their own would be reviewed. Income might be paid from a common, public, source or by a small number of agencies regulated by common principles. An incomes policy would be negotiated annually for workers and non-workers alike. It would therefore absorb the social security scheme, though there would continue to be direct payments as there are at present, for example, to disabled and elderly people, and child allowances drawn at the Post Office by mothers. New cash allowances would be payable to many categories of married women, by virtue of their work. With more adequate provisions in cash for many people currently labelled 'dependants' of the wage-earner or family, there could be fewer grades of payment to the 'employed' and 'self-employed' within a much smaller ratio between top and bottom of the income scale. Or perhaps the state could regulate a policy for a basic income for the entire population, leaving provision for some topping up by local or industrial negotiation. The further implication is that, given social regulation of incomes and of the distribution of other resources, the tax system would be substantially reduced as an intermediary in the allocation and reallocation of resources. Illustrations have been given in this report of different policies which might be adopted, and in this final chapter I have not attempted to reproduce recommendations listed in Chapters 12 to 25.

A transformation of work organization and social relations would be required to legitimate such changes and secure public approval for them. The hierarchy of earnings depends on an elaborate division of labour and the supervision of each grade by the personnel in an ascendant grade. The hierarchy of social class depends in substantial part on the unequal distribution of wealth, including land, housing and other property. By reorganizing production in smaller collaborative units or teams, interchanging workers or arranging spells of manual and non-manual work and dividing possessions and property more evenly, the possibilities might at least be indicated.

An effective assault on poverty would therefore include:

1. *Abolition of excessive wealth.* The wealth of the rich must be substantially reduced by different policies and a statutory definition of maximum permissible wealth in relation to the mean agreed.
2. *Abolition of excessive income.* Top salaries or wages must be substantially reduced in relation to the mean and a statutory definition of maximum permissible earnings (and income) agreed.
3. *Introduction of an equitable income structure and some breaking down of the distinction between earners and dependants.* At the logical extreme this might involve the withdrawal of personal income taxation and of the social security benefits scheme, and the payment of tax-free incomes according to a publicly agreed and controlled schedule by occupational category and skill, but also by need or dependency - which would cover a relatively narrow span of variability; together with a substantial increase in corporation or payroll taxes. A less radical and therefore less effective solution would be the adoption of a more comprehensive income policy than the policies primarily of wage restraint which have operated since the early 1960s, together with a more coordinated social security benefit scheme with higher relative levels of benefit.
4. *Abolition of unemployment.* For all over the age of compulsory education a legally enforceable right to work is needed, with a corresponding obligation on the part of employers, the government and especially local authorities, to provide alternative types of employment. This right would apply at different, including severe, levels of disablement, and would apply also to the elderly.
5. *Reorganization of employment and professional practice.* There must be further innovations in public ownership, industrial democracy and collaborative instead of hierarchical work structures; restraint on the growth of power under the guise of professional and managerial autonomy, and encouragement of self-dependence and a high level of universal education.
6. *Reorganization of community service.* There must be a corresponding growth of rights and hence responsibilities for members of local communities, with abolition of the distinction between owner-occupiers and tenants, and social-service support for the individual and family at home rather than in institutions.

It would be wrong to suggest that any of this is easy or even likely. The citadels of wealth and privilege are deeply entrenched and have shown tenacious capacity to withstand assaults, notwithstanding the gentleness of their legal, as distinct from the ferocity of their verbal, form. Yet we have observed the elaborate hierarchy of wealth and esteem, of which poverty is an integral part. If any conclusion deserves to be picked out from this report as its central message it is this, with which, some time, the British people must come to terms.