I

What Poverty Is

Nobody with a practical interest in poverty can be overjoyed to spend time defining it. Semantic issues look like a distraction from the serious business of helping the poor. But those who seek the causes and cures of poverty can easily find themselves in spurious disagreement (or spurious agreement) if they do not first make clear what it is they are talking about.

Two Ways to Define Poverty

Frustratingly, there is a hard choice to be made before one can begin defining poverty. Should the definition be descriptive or stipulative? One approach seems to risk vagueness and ambiguity, while the other seems to risk irrelevance. For in ordinary usage "poverty" has a fuzzy boundary, like the line between red and orange. Who can say at what consumption level being poor ends and being nonpoor begins, even

within a given country? What is more, "poverty" appears to mean different things in different parts of the world. Poverty in the United States includes conditions that would not count as poverty in Central Europe, and poverty in Central Europe includes conditions that would not count as poverty in sub-Saharan Africa. This makes it tempting to stipulate a definition. Why not just pick one of the meanings of this spongy word and tell the reader that for the sake of reaching definite conclusions I will use the word "poverty" to mean such-and-such a level of consumption?

But if stipulating avoids vagueness and ambiguity, it risks irrelevance. For by bringing in a special meaning for the key term "poverty," one takes a chance that one may be answering questions that nobody—at least nobody outside the research and policy community—is asking when they ask about poverty.

In this book I am going to take my chances with the first horn of the dilemma in order to make sure I avoid irrelevance. I propose to define "poverty" in the ordinary sense of the word rather than stipulate a new sense. This seems better for two reasons. First, "poverty" in the ordinary sense is (as we will see) neither as vague nor as ambiguous as it appears. Second, the whole investigation is likelier to be of general interest.

The Ordinary Meaning of "Poverty"

The Oxford English Dictionary defines "poverty" as "indigence," and it defines "indigent" as "lacking in what is requisite." Greg J. Duncan concurs: "Poverty has been defined as a state in which resources are insufficient to meet basic needs."[1] The two definitions are close, but Duncan's amendments are significant. First, the unmet needs con-

stituting poverty are needs for "resources," presumably money or the things it can buy. Second, the unmet needs that make someone poor are "basic" needs — requirements one cannot fail to have, regardless of one's particular purposes.

But this just pushes the definition problem back a step. Now we need to ask which needs are basic. Seeing that we are all physical creatures, basic needs must include physical needs like the need for food. But the needs that matter in deciding whether someone is poor must also include any *nonphysical* needs that are universal. For example, the needs for dignity, self-respect, and social inclusion are widely seen as universal, even though not directly tied to physiology. Poverty, then, is essentially a lack of physical resources, but it is not necessarily a matter of unmet physical needs. Rather, poverty is having insufficient material resources to meet all basic needs, whether these basic needs stem from our animal nature or not.

Some Things Poverty Is Not: Having Unfulfilled Wants, Having Very Little, and Having Less Than Others

If being poor is not having what one needs, it is not just a matter of not having what one *wants.* This makes sense because not having everything one wants is a nearly universal condition, after all, while poverty is not. Another implication is that poverty is not a matter of having very little money — or having very little of what money can buy. True, many poor people do have very little, and many people who have very little are poor. But the two things are distinct. If a population's needs are few, they may be able to meet their needs and not be poor, despite a lack of material things. On most of the islands of the Chuuk state, in Micronesia, there are no cars, telephones,

clinics, or running water and no regular supply of electricity for domestic use. But the inhabitants are not poor, and this is confirmed by the fact that the English speakers among them do not describe themselves this way. They are not poor because they do not lack what their society recognizes as the requisites of life. It is true that many of the young people of Chuuk envy the living standards of the industrial nations. But they recognize the difference between wanting and needing.[2] Conversely, a natural disaster that somehow annihilated a quarter of the wealth of the United States would leave it with a great deal of wealth, but given the habits of the people it would doubtless be seen as having impoverished the nation.

Another implication of the definition is that being poor is not strictly a matter of having less than others. Studies show that poverty and having less than others are highly correlated, in fact, because people generally feel a need to participate in their society, and this is a need that cannot be easily satisfied at resource levels far below the median. But the idea of poverty is nevertheless distinct from that of having less than others. For one thing, in a nation suffering from famine, even people with more than others—not less—may nevertheless be starving and desperately poor. Conversely, someone might have less than others and not be poor. For grant that there is a universal need for social inclusion, and grant that having much less than others gets in the way of this. Still, relative resource levels could in principle be decoupled from dignity, self-respect, social inclusion, and any other of the nonphysical needs that supposedly have to be fulfilled to avoid poverty. Mickey Kaus recommends that Americans should accord the status of full and respected participant in society to everyone, regardless of their income. If this were to happen, then having less than others would not in fact spell exclusion or therefore poverty, if in fact one's other basic needs were met.[3]

Poverty and Misery

The essence of poverty is lacking the material resources to meet basic needs. But if so, then poverty is bound to be a source of unhappiness. Indeed, that is putting it mildly. Having less than one *needs* means being threatened with diminishment or even extinction. Does that entail that poor people are unhappy *on balance?* Common observation shows that being miserable with respect to one's consumption does usually mean being miserable on balance. Having more material goods than one needs may not guarantee happiness, but having less largely guarantees unhappiness.

Against the idea that poverty means misery it might be argued that some of the best things in life are free, and if social inclusion could be detached from income, à la Kaus, more of the best things in life could be made free. Maybe poor people could be happy on balance after all. But in the world as we find it, satisfactions that come from nonmaterial goods rarely do more than *mitigate* the misery of material shortages. Can even the greatest philosophy make an ill-fed, ill-clothed, and ill-housed person happy overall? One person who thought the misery of material deficits could be outweighed by the consolations of philosophy was Plato. He has Socrates insist in *The Republic* that the wise man in prison is happier than the unwise man outside it, but philosophy would be a much more popular pursuit than it is if Plato had been correct. More cynically, Karl Marx said that religion was the opiate of the masses, meaning the materially poor. But it would be truer to say that religion has sometimes been the weak analgesic of the masses. For opiates kill pain and produce pleasure, while religion mainly consoles. In short, the dictionary definition of poverty, together with the weakness of nonphysical compensations, implies that to be poor is usually to be miserable, period. This is an

important result because being miserable on balance imposes a much stronger obligation on others to help than being miserable in this or that particular respect.

Now, not everyone agrees that poor people are typically miserable. One dissenter is Charles Murray, who presents a set of thought experiments designed to show that a Westerner could assimilate into a near-subsistence peasant society, becoming typical in many ways, and yet be quite happy.[4] For instance, he imagines himself becoming a happy rice farmer in Thailand, with a Thai peasant wife, and so on. But Murray's thought experiments do not support his conclusion. He does not succeed in showing that someone can be (a) poor, (b) typical, and (c) happy, because he has not imagined himself poor in the first place. He has imagined himself as having a small income, which is another matter. As we have shown, it is having unmet resource needs, not having few resources, that constitutes poverty. While a typical person can doubtless be happy with few material resources in some societies, that is irrelevant to the question whether a typical person can be happy though poor. Given the meaning of the word "poverty," that is impossible.

Varying Conceptions of Basic Need

So far, so good. But before one can say that the concept of poverty has been made clear enough, there is another issue to be tackled. What gets called a basic need depends on who is making the call. There are many kinds of variation to consider. Individuals living in the same time and place often consider different needs basic. What are typically judged to be requisites in a given society at one time have often been seen as frills at an earlier, less prosperous time in the same society. What are typically judged to be basic needs in one society at a given

time may be typically seen as frills in another, contemporary society. And so on. The question is, Is poverty itself something different, depending on these different conceptions of basic needs?

Within a Given Society Varying Conceptions of Basic Need Have Little Impact on What Counts as Poverty

The case of varying views of need in the same society is the simplest. There does seem to be a bit of variation within a given society in what counts as being poor, depending on variations in the level of consumption where people begin to feel the pinch. It makes some sense to say that Smith is poor at a certain level of resources, though his neighbor Jones would not be poor at that same level of resources, if Smith and Jones have different needs. But the concept of poverty is such that any variation in the poverty thresholds between individuals in the same society is bound to be small, even if the variation in their pain thresholds is great. That is because, as others have noted, judgments of poverty put a lot of weight on what are *typically* seen as basic needs within the society. For instance, a spoiled millionaire in modern America who has developed extraordinary needs for material goods, and who is miserable for lack of billions, does not count as poor. And a monk who happens to be contented with his standard of living is poor nonetheless. Since the millionaire has more than enough to meet what would typically be seen as basic needs in modern America, he is not poor, regardless of the fact that his own needs are unmet, and he is miserable. (Behind this semantic fact there may lie the moral judgment that such a person does not deserve the sympathy implied by the label "poor." For could he not have made himself less vulnerable to frustration by staying in the cultural mainstream and not letting himself develop these needs in the first place?) And conversely

for the monk: he counts as poor because a typical person in his position would consider his needs unmet, whether the monk does or not.

In theory, then, it should be possible to draw a line below which people count as poor in a given society, even granting that the point at which individuals feel the pinch of material shortages will vary. The poverty line for a particular society will be that level of consumption below which needs that are typically considered basic in that society are unmet.

An Absolute Standard of Basic Need Across Eras and Nations?

But given that there is in each society a poverty line that transcends differences in individuals' conceptions of basic need, is there also a poverty line that transcends the differences between nations and eras? As Bradley Schiller points out, in the United States in 1936 the ordinary understanding of basic needs implied that about one-third of America was poor, as President Franklin Roosevelt declared at the time, but by the more generous understanding of basic needs that prevails in America today, more than half of that 1936 population was poor.[5] Analogously, just about no one in modern Chuuk has material goods sufficient to meet what are typically seen as basic needs in modern America, but the majority does not see itself as poor, because the Chuukese culture has a lower standard than ours for meeting basic needs. The question raised is, must we always understand "poverty" as an abbreviation for "poverty by the standards of time x in place y"? or is there a way to look beyond the variations and speak of "true poverty"?

It is tempting to absolutize our own intuitions about what constitutes a basic need and simply declare the standards of the past too low

and the standards of the future too high. On this way of thinking, some supposedly nonpoor people in 1936—having median incomes but lacking indoor plumbing and electricity—were actually poor, but they did not know it. An especially welcome corollary of this approach is that the just-below-the-future-poverty-line denizens of a future, super-prosperous America—with their reliable cars, their swimming pools, and their three-week vacations—turn out to be not really poor. This corollary is welcome because it is, in simple fact, hard to care about these future people's situation. (One person's frank comment was that the most he would be willing to do to help them would be to send them a message in a time capsule telling them that they are not so badly off.) We probably feel more comfortable rationalizing our indifference to them by saying that they will not really be poor than we do rationalizing our indifference by saying that they will poor, but we do not care. Yet tempting as it may be to absolutize our own intuitions about basic need, it is indefensible because what, after all, is special about our intuitions, as opposed to those of people in the past or the future? Certainly we cannot claim that our intuitions are more typical. In fact, it makes little sense to appeal to what the world's nations and eras have typically considered basic needs, for these conceptions are too diverse.

In the end, there seems to be no way to get around saying that "poverty" is always short for "poverty in place *x* and time *y*," and what it means is "having insufficient resources to meet what are typically seen as basic needs in that place and time." This is the best we can do in defining poverty, even if it leaves us in the uncomfortable position of having to say that we do not care much about some of the poverty that exists in richer times and places than our own. Note that to accept this definition is not to grant that "poverty" is ambiguous. Compare the word "edible." "Edible" is not ambiguous just because what horses can digest is different from what humans can digest.

What "edible" is is elliptical: the claim that something is edible is always short for "edible by such-and-such a species," but it means the same thing in each context. Likewise, poverty judgments are not ambiguous but elliptical, and once they are fleshed out the meaning is perfectly singular.

Given This Definition of Poverty, Where Is the Poverty Line in the United States Today?

What is the level of resources below which people are unable to meet what are typically seen as basic needs in modern America? and is there a practical earmark for identifying this level as it changes? Obviously no level of consumption can count as adequate if it fails to meet the physiological needs of the human animal for such things as food, clothing, and shelter, and what that level is has been carefully studied. The U.S. government's official answer is the federal poverty threshold. In 2005, that threshold was $10,160 for a single person under age sixty-five, $13,145 for a two-person household under age sixty-five—less than twice the amount for a single person owing to economies of scale—$19,971 for a family of four, and so forth.[6] The debatable aspects of this official poverty threshold have been exhaustively treated in several standard works on poverty and will not be pursued here.[7] They include the question whether it is still valid to assume, as the original drawers of the poverty threshold assumed, that overall physical needs can be met with an income of just three times what is needed for food, given that food accounts for a smaller fraction of the typical budget than it did when the official threshold was defined. A second issue is whether the use of the family as the unit of analysis is appropriate at a time when cohabiting couples and other nontraditional groupings are becoming more prevalent. For instance, it is arguably a weak-

ness of the official poverty standard that it treats a cohabiting couple with $20,000 in total income as made up of poor individuals, while it treats a married couple with $12,600 as nonpoor. However, the technical problems of saying exactly what income suffices for meeting basic physiological needs will not concern us here. They are moot.

They are moot because, while the official poverty threshold is useful for research and policy development, it is not the real line between poverty and nonpoverty in modern America. Poverty is a matter of meeting or not basic needs for material goods, as ordinarily understood. Key, then, is discovering the ordinary understanding of basic needs in a given time and place. The best way to do this is surely to ask people. When this has been done, the poverty line that emerges for contemporary America is much higher than the official, physiological-needs-based poverty threshold. The likeliest explanation of this difference is not that the scientists and the general public disagree about what it takes to meet physiological needs. It is that the public recognizes the existence of nonphysiological basic needs as well, such as the needs for standing, respect, and social inclusion, which are hard for those at the official poverty threshold to fulfill, given the big (and growing) gap between the median income and the official poverty threshold. The official poverty threshold seems to be just too far from the income at the middle of the pack for people at that level to feel that they are full members of society.

In fact, the income required to meet what the public sees as basic needs in the United States is about half of the median income for the society, which is several thousand dollars more than the official poverty line today. Moreover, as John Iceland has shown, this holds not only for the present but also over time. That is, the perceived (and hence real) poverty line has roughly coincided with half the median income for at least the past fifty years.[8]

Notes

1. What Poverty Is

1. Greg J. Duncan et al., *Years of Poverty, Years of Plenty: The Changing Economic Fortunes of American Workers and Families* (Ann Arbor: Survey Research Center, Institute for Social Research, University of Michigan, 1984), 45.
2. I am indebted for information about Micronesia to my son Oliver, who lived on the tiny island of Unanu in Chuuk State from September 2001 until June 2002.
3. Mickey Kaus, *The End of Equality* (New York: Basic Books, 1992).
4. Charles Murray, *In Pursuit: Of Happiness and Good Government* (New York: Simon and Schuster, 1988), 73–82.
5. Bradley R. Schiller, *The Economics of Poverty and Discrimination,* 9th ed. (Upper Saddle River, N.J.: Pearson Prentice Hall, 2004), 40–41; for other thought experiments of this type, though with a different point, see Murray, *In Pursuit,* 73–82.
6. U.S. Bureau of the Census, "Poverty Thresholds for 2005 by Size of Family and Number of Related Children Under 18 Years," last revised Au-

gust 29, 2006. http://www.census.gov/hhes/poverty/threshld/thresh05.html.

7. See, for instance, John Iceland, *Poverty in America: A Handbook* (Berkeley: University of California Press, 2006).
8. Ibid., 35.

2. Behavioral Factors in Poverty

1. Joel Schwartz, *Fighting Poverty with Virtue: Moral Reform and America's Urban Poor, 1825–2000* (Bloomington: Indiana University Press, 2000), 18.
2. Ibid., 6, 17.
3. Oscar Lewis, *La Vida: A Puerto Rican Family in the Culture of Poverty—San Juan and New York* (New York: Random House, 1966).
4. Later we shall take one more step and argue that whether the poverty line is low or high in a given setting, not only the causes of that so-called poverty but also the *causes of the behaviors that help cause that poverty* tend to be the same. In short, some of the deepest roots of poverty are the same regardless of what material condition we identify as impoverished.
5. U.S. Bureau of the Census, 2000 data, cited in Schiller, *Economics,* 79.
6. Bernadette D. Proctor and Joseph Dalaker, *Poverty in the United States: 2002,* U.S. Bureau of the Census (September 2003), 8; This is consistent with international data. See Rosa Martínez, Jesús Ruiz-Huerta, and Luis Ayala, "The Contribution of Unemployment to Inequality and Poverty in OECD Countries," *Economics of Transition* 9, no. 2 (July 2001): 10–12.
7. Ron Haskins and Isabel Sawhill, "Work and Marriage: The Way to End Poverty and Welfare," Brookings Institution Policy Brief (Washington: Brookings Institution, September 2003), 3.
8. National Center for Educational Statistics, "Elementary and Secondary Education," in *Digest of Educational Statistics, 2004* (March 2005), table 108, http://nces.ed.gov/programs/digest/d04/tables/dt04_108.asp.
9. U.S. Bureau of the Census, 2000 data, cited in Schiller, *Economics,* 157.
10. Duncan, *Years of Poverty, Years of Plenty,* 110–11.
11. An exception is Marianne Bertrand, Sendil Mullainathan, and Eldar Shafir, "Behavioral Economics and Marketing in Aid of Decision Making Among the Poor," *Journal of Public Policy and Marketing* 25, no. 1 (Spring 2006): 8–23.
12. Duncan, *Years of Poverty, Years of Plenty,* 40–43. Evidently the likelihood of