

[Reporting poverty in the UK](#) [1]

Written by [Tim Worstall](#) [2] | Monday 10 November 2008



There's a new publication out, a guide to journalists, called "[Reporting poverty in the UK](#) [3]". I found it extremely instructive but perhaps not in the way that the author intended.

We do get an interesting overview though of how poverty is currently defined, the differences between the official measures of absolute and relative poverty for example. And I don't think there's anything wrong with the point repeatedly made that poverty is really about being excluded from what society defines as a reasonable standard of living. As Adam Smith pointed out, a linen shirt may not be necessary for the continuation of life but if society defines one who cannot afford a linen shirt as poor then someone who cannot afford a linen shirt is indeed poor.

There are some absurdities though, as you would expect. The cost of supplying free school meals is described as a cost of poverty. Umm, no, that's a cost of alleviating poverty. There's no acknowledgement, not even a glancing reference, to the fact that "relative poverty" is, despite the linen shirt example, more a measure of inequality than poverty. But these are almost trivial complaints in respect of the most glaring omission.

No mention at all is made of the way in which various benefits and payments made to alleviate poverty interact with the taxation system. That one of the reasons that poverty is so persistent, that it can be so hard to climb out of, is that those who try it can face marginal tax rates of 60, 80, sometimes even over 100%, as they try to do so. That, for some at least, trying to earn more to escape poverty leads to a lower income, that for millions, an extra £50 a week, an extra £100 in market income, can mean a rise in £2, £5 in disposable income.

That's the real point which journalists need to know about poverty in the UK today. That we both pay benefits to the poor and also tax them at the same time, leading to marginal tax rates so high that no one rational would try to work out of said poverty.

It's not actually a bad guide in what it says, although it is of course leading and biased as is any good piece of polemic. But in what it leaves out it is terrible, that the best way we can help the poor is to stop taxing them.

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