

and compares it with the share going to the top 20 per cent. With this approach, the relative gains or losses of population sectors can be compared over time.

BUDGETARY APPROACH

Of these three methods, the budget-oriented has been the most widely used both in Western Europe and North America. However, within this approach there are many problems. One fundamental issue is whether the cut-off point between the poor and others is to be considered as that level required for bare survival or as inadequacy in terms of prevailing standards. Historically, the trend appears to have been from the former to the latter.

In the late nineteenth century, concern centred on defining the degree of poverty which would give claim to relief under the stringent European poor laws.¹ The criterion for relief was "destitution," but this term itself was nowhere clearly understood. Louise Twining, *The Guardian of the Poor at Kensington*, did some research on this matter in 1881 and concluded that, in most countries, distress from incapacity for work, mental imbecility, sickness, or old age were legitimate claims to support.² Those outside the workhouse, and not disabled or elderly, could not receive public assistance. Twining's aim was not really to study and define a minimum living standard, but rather to criticize English relief policy.

The first attempt at "defining" poverty is often attributed to Ernst Engel. After examining the family budgets of a group of workmen, Engel deduced a law of consumption known as Engel's law, which states: "As income increases, families spend more money for food; but this larger amount takes a smaller share of income, leaving proportionately more funds for other things."³ In other words, a low percentage of income going for food can be equated with prosperity and a high percentage, with deprivation. Further, he attempted to establish a standard of living which he stated to be that level of well-being at which people spend a maximum of 80 per cent of their income for the "reasonable" satisfaction of physical needs, spending the remainder for higher cultural satisfaction.

During the last two decades of the nineteenth century, research was also conducted in England on the problems of defining poverty. Such investigators as Charles Booth and Seebohm Rowntree felt that poverty must be related to some minimum standard of economic welfare, based on providing for the primary needs of the people concerned. Booth defined poverty in terms of income: "By the word 'poor' I mean to describe those who have a sufficiently regular, though bare, income for a moderate family."⁴ Rowntree attempted to put these cost-of-living estimates on a more empirical basis. In a study of a number of working-class families in 1899, he estimated the cost of buying those goods and services which at that time were absolutely necessary for the maintenance of merely physical efficiency.⁵ The expression