



## **How we teach about poverty.**

**Russ Woodward and Kelly Harrison: The TEC Partnership.**

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Russ Woodward and Kelly Harrison make the case for a fresh look at poverty coverage in business and economics studies, including the benefits to student development, the topics of key bearing and methods of sensitive engagement.

### **Introduction**

While poverty has been a significant component of economics courses at all levels, and a relevant issue in business studies for many years, this paper argues for a fresh look at the situation in economics and business terms. There is also consideration of the relevant topic themes and analytical tools from economics/business that can be deployed. Furthermore, connected to evidence of future graduate benefits of poverty engagement, there are put forward narrative approaches which draw partly from sociology that can stimulate empathy, sensitivity and a solutions oriented approach on the part of economics and business students.

### **Reasons for a Fresh Look at Poverty**

A renewed look at poverty in teaching and learning context is partly justified by the pervasiveness and depth of the current cost of living crisis and particularly the widespread real difficulties in the affordability of energy and food. Many other reasons essentially stem from this. One further aspect is the increased prevalence of in-work poverty in cost of living context, notwithstanding the provisions of minimum and living wage for many forms of work. Also within the employed context there is the recent upsurge in industrial action focussed on pay, of a type not seen for decades, especially in occupations associated with the public sector either currently or within living memory. More broadly and concerningly there is the proliferation in setting up and use of poverty remedial measures in society such as food banks and indeed warm spaces. The stories and narratives in the media in recent times, such as the Marcus Rashford association with meals provision at schools gives further emotive concern to the issue if any were needed. Stemming from all of this is the qualitative

change in the UK poverty situation of a move from inequality and relative poverty as the central situation, to one where there is some form of absolute poverty – often termed by words such as impoverishment and deprivation, in the form of inability to afford sufficient amounts of some essentials, or choices between own consumption of essentials, and that of family members, such as children.

The continual attention to teaching about poverty in our profession is important not least because business and economics students have a role as citizens as well as workers and managers in organisations. We should also note that students coming through economic and business studies may go on to studying other subjects where poverty coverage and appreciation is important, such as sociology, health care, teacher education, politics, criminology and law. In more particular terms there is the fact that economists and business managers are concerned with looking at the economic system in front of them, be it in terms of commentary and advice about the system, or how to operate most successfully within the system.

We note that many poverty and inequality related topics first appear in 16+ education e.g. Economics A Level and BTEC Business, but may be frequently revisited with more critical treatment for example at degree level, whether the student is continuing with business or economics, or, in line with the above point, focussing on something different but related e.g. social work. In this sense a multiple course spiral curriculum approach may apply (Fairclough/TBE, 2022) and this should be kept in mind at all levels of engagement.

In terms of specifics of initial inclusion, the issues are very directly engaged in AQA A level economics in the section: The distribution of income and wealth: poverty and equality. In Pearson BTEC, units such as Business and Economic Environment, and Business, Markets and the Economy, engage some aspects especially in context of the role of government, e.g. as reasons for government intervention, reconciling the aims of government policy, and the effects of government spending across business and communities.

Our engagement with poverty in economics and business teaching and learning continues to be a sensitive aspect because it can become a moral issue for society and people, where judgements may be made ahead of any learning and also because now, as much as ever, the issue is massively politicised, perhaps most important in economics, connected to the arguments on causally unpacking the poverty situation, or attributing it in context of many external environment drivers. The current situation sharpens matters because, in line with points above, there may be students/pupils in our cohorts who are really suffering from disadvantage and deprivation. The significance for both economics and business also comes from the intuitive point that our subjects are those most directly connected with the incomes and the expenditures of citizens.

### **Poverty Coverage in Economics and Business – Relevant Studies**

A study by Manning and Holcombe (2016) in the Journal of Economic Education found that incorporating poverty-related topics into economics courses helped students to better understand the complexities of poverty, and increased their willingness to work towards poverty reduction.

Godfrey and Merrill's (2015) work in the Academy of Management Learning and Education found that incorporating social justice issues into business education helped students to develop a more nuanced understanding of the role of business in society and increased their commitment to responsible business practices.

Horvath and Mihaly (2013) in the Journal of Business Ethics found that incorporating discussions of poverty and inequality into business ethics courses helped students to develop a greater sense of social responsibility and increased their willingness to work towards poverty reduction and social justice.

### **Relevant Topics and Analytical Tools – Economics and Business**

As noted above, we will recognise that several of these are first engaged in post 16 economics and business studies, but still form a framework for understanding all the way to postgraduate work.

Market Failure and Economic Systems. Inequality and poverty are sometimes deemed as failures of the market system but not straightforwardly as with inefficiencies in economics. One should be aware of ideological concern matters here in that staunch advocates of the market capitalism system may see poverty as performance reflection on the individual, whereas more critical viewpoints would see poverty as a performance reflection on the market capitalist system. This links forward to the narrative aspect of poverty coverage which is picked up later in this piece.

Distribution Theory. In economics there is attention to how the economy can decide returns for the different factors of production land, labour, capital and enterprise which we might term functional distribution of income. There is scope for seeing a society link to class here in terms of the wealth of different owners/purveyors of those different factor types. Less linked to sector or resource is the size distribution of income which clarifies how much income/wealth accrues to top or bottom percentage categories of income earners. This leads to the analytical tool point directly below.

Gini Coefficients and Lorenz Curves. The Lorenz curve shows how distribution of income deviates from the linear picture of each percentile having the same share of national income. A curve going from very shallow to very steep shows the lower percentiles to have very little of the income, and higher percentiles to have the bulk of the income. The Gini coefficient is a number derived and expressive of this deviation. While these are very

illustrative and can themselves be quite emotive, we note that these tools are a focus on relative inequality and do not in themselves tell us about the absolute position, even for the lowest percentiles. The traditional poverty line as a relative term also links to this methodology in being depicted as an income of half of the median level.

Elasticity of Demand. This longstanding economics topic is often depicted as a threshold concept area – which is appropriate because it is very integrative into business environment studies regarding how purchases respond to price and income changes. Both price and income elasticity of demand apply to the current picture because while particular costs are at the core of the issue, chiefly energy, it is, as with cost push inflation, driving up the prices of many other products, especially food, meaning a general cost of living i.e. real incomes problem. In view of this, the topic components of substitutes, the necessity/luxury distinction and inferior goods are all relevant. The challenge for the topic comes when many people have already given up most luxuries, chiefly buying inferior (budget/ out of date) versions of essential products and choosing between necessities.

In a closer focus on business studies, environmental tools like PEST have a bearing in terms of poverty being certainly economic and social, and possible drivers/remedies of poverty resting partly with government and thus being political. We should also note that relevant socioeconomics goes partly towards defining market segments and target markets/audiences in the field of marketing – and what is happening to real incomes/purchasing power of those segments will have a bearing for particular goods and services. We must however not assume or depict business studies as entirely mercenary; business activities relating to corporate social responsibility and the people/social aspect of Elkington's Triple Bottom Line (1997) may be significant here especially with regard to poverty relief. There are many examples of well-known companies, especially in the food/groceries sector undertaking initiatives, including through participation of their customers, to alleviate poverty and ensure necessities provision for disadvantaged people. These schemes may make a great difference, but also enhance the ethical profile of the organisations. Consideration of high profile company examples, often in the food sector, may be warranted, though of course scope for debate of motive should be ensured.

A Further Topic: Consensus Measures of Deprivation. While work in this area has been going on for a long time, in particular since the 1980s, it is of raised importance now because it links to absolute measure approaches. A major work noting the historical and methodology aspects was undertaken by Poverty and Social Exclusion (PSE UK, 2013) in the middle of the Cameron/Osborne austerity phase. Here the focus is on initial society wide survey derived viewpoints on what constitutes necessities and what constitutes a sufficient amount thereof, say for a certain size of household, then looking at incomes and people's experiences in terms of their ability to afford this 'sufficient' or 'bare minimum' bundle. Where incomes and spending power fall below this level, there is some scope for depicting this as absolute deprivation or impoverishment. Though there may be some subjectivity and

opinion difference on essentials, ability to keep comfortably warm in winter, and ability to replenish food stocks after running out would seem to be reasonable – and these are the focus of questions in a recent ONS survey regarding last winter (ONS, 2023).

### **The Significance of Poverty Narratives – and a Possible Way Forward.**

Narratives can be defined as patterns of meaning that cut across and tie together specific stories. Thus narratives are common ideas or arcs that can be thought of as both emerging from a set of stories and as providing templates for specific stories.

As noted by the work of Miller, Volmert, Rochman and Aassar (2021) for the Bill and Melinda Gates Foundation in the USA, narratives on poverty can be very adverse and stigmatising, for example:

- The Individual Drive Narrative – where people in poverty are depicted as being in that situation due to their own bad choices.
- The Meritocracy Narrative – where people are portrayed as being in poverty because of failure to take opportunities that exist.
- The Bootstraps Narrative – with the depiction being that it is up to the individual to lift themselves out of poverty.

These narratives obviously involve an ideological view about the prevailing economic system and the opportunities it readily provides, as long as the individual is willing/able to take them. As such it links to the economic systems topic of economics discussed above.

It is argued here, however, that the narratives approach, provided there is sizeable preparation by tutors on the stimulus and contextualisation aspects, can be beneficial in economics and business education at all levels, and produce the results mentioned in the above studies. Here are some examples.

**Systemic narratives:** Systemic narratives highlight the broader social, economic, and political factors that contribute to poverty. This can help students to understand that poverty is not solely the result of individual choices, but is instead shaped by larger structural forces.

**Intersectional narratives:** Intersectional narratives highlight the ways in which poverty intersects with other social issues, such as race, gender, and immigration status. This can help students to understand that poverty is not a one-dimensional issue, but is instead shaped by a complex web of social factors.

**Historical narratives:** Historical narratives highlight the ways in which poverty has been shaped by historical events and policies. This can help students to understand that poverty is not a static issue, but is instead shaped by a dynamic and evolving set of factors.

The extent to which these narrative approaches can be deployed by verbal story telling and discussion may well depend on the level of study of the class. It is suggested here that following introductory coverage, it may be valuable to use activities to apply/embed

learning. One format for this could be comprehension tasks based on excerpts of published articles perhaps in the quality media or the ONS, but also those by the numerous poverty action organisations, such as Joseph Rowntree, The Trussell Trust, The Resolution Foundation. Levels of task question could vary between factor identification/categorisation and critical analysis, e.g.:

- State and briefly explain at least two of the drivers of poverty as depicted in this extract.
- Assess the validity of the diagnoses and remedies for poverty given in this extract.

By encouraging students to use these types of narratives, we can help them to develop a more sensitive and empathetic understanding of poverty and its impact on individuals and communities. This can help them to become more socially responsible and empathetic in their future studies and working life, be that directly engaged with business, economics or otherwise.

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