

The Independence Threshold: A New Definition of Poverty for A Modern Economy

Adam Tugwell | 18 August 2026



THE INDEPENDENCE THRESHOLD

DEFINITION OF POVERTY

Poverty has always been difficult to define. Governments use income thresholds. Charities use deprivation indicators. Economists use consumption models. But none of these definitions capture the lived reality of poverty in a modern, high-income country like the United Kingdom.

They measure symptoms.

They do not measure the condition itself.

The Independence Threshold Definition of Poverty begins from a different starting point - one that reflects how poverty actually works in real life.

Poverty begins where independence ends.

A person is in poverty when they cannot meet their essential needs without external support - whether that support comes from the state, charity, family, or debt.

This definition is simple, but it changes everything.

Poverty is always relative to its own economy

Global institutions often define poverty in ways that evoke extreme deprivation - the kind associated with low-income countries and subsistence economies.

This framing is useful for international development, but it becomes misleading when applied to wealthy nations.

Poverty is not a universal condition.

Poverty is an economic condition.

Poverty must be understood relative to the economy it exists within.

In the UK, poverty is shaped by:

- UK housing costs
- UK energy prices
- UK transport needs
- UK childcare costs
- UK wages
- UK debt structures
- UK public services
- UK labour markets

A person can be in poverty in the UK even if they have electricity, sanitation, and a roof over their head - because the cost of maintaining independence within the UK economy may exceed their income or capacity.

Physical conditions differ between economies.

Poverty does not.

Poverty is not defined by physical conditions

Different economies produce different physical environments:

- Sanitation
- transport systems
- infrastructure

- heating
- water access
- housing quality
- digital access
- public services

These are environmental features, not indicators of independence.

A person can have:

- running water
- paved roads
- electricity
- a smartphone
- a bus route
- a supermarket nearby

...and still be in poverty if they cannot sustain themselves within the economic system that surrounds them.

This is why arguments like:

- “People here live like kings compared to country X,”
- “They have TVs, so they’re not poor”
- “They have sanitation, so they’re fine”

are structurally false.

They confuse material environment with economic independence.

Poverty is exclusion - and exclusion is universal

When a person cannot sustain themselves within their own economy, they experience exclusion.

This exclusion is not abstract - it is lived, daily, and universal across all societies.

Loss of independence leads to:

- Hardship
- Instability
- mental health deterioration
- social isolation
- loss of dignity
- loss of agency
- loss of future planning
- loss of resilience

These outcomes occur in:

- wealthy countries
- developing countries
- rural areas
- urban areas
- different cultures
- different infrastructures

The physical environment changes.

The exclusion does not.

This is why poverty must be defined by independence, not by conditions.

Why traditional definitions fail

Traditional poverty lines are based on income.

But income alone does not determine independence.

Two people earning the same amount can have completely different levels of stability depending on:

- housing costs
- childcare costs
- transport needs
- health conditions
- debt burdens
- regional prices
- insecure work patterns

Income-based definitions hide millions of people who are not officially “in poverty” but cannot survive independently.

These are the people living on the poverty trap door - above the line, but one shock away from falling through it.

The Independence Threshold Definition makes them visible.

A definition for policy, research, and public understanding

This definition is not ideological.

It is not tied to any political party.

It is not designed to support or oppose any policy.

It is a lens - a way of seeing poverty clearly.

It can be used by:

- Policymakers
- Researchers
- Charities
- Journalists
- Economists
- Social Scientists
- Community Organisations

And by anyone who wants to understand the real structure of poverty today.

The Independence Threshold Definition of Poverty

Poverty begins where independence ends.

A person is in poverty when they cannot meet their essential needs without external support - whether that support comes from the state, charity, family, or debt.

Poverty is always relative to the economy it exists within.

Physical conditions - sanitation, transport, infrastructure, heating, water, housing quality - differ between economies, but they do not define poverty.

Poverty is defined by the inability to sustain oneself within one's own economic environment.

When independence is lost, people experience exclusion: hardship, instability, mental strain, and social isolation. These outcomes are universal, regardless of the physical surroundings.

Poverty is not about global deprivation standards or material conditions.

Poverty is about independence - and the loss of it.

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