

Poverty: The Differing Conceptual and Theoretical Perspectives

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ABSTRACT

The most contested issue in the study of poverty is defining what constitutes poverty. Over time, poverty underwent a drastic conceptual transformation from mere nutritional poverty to multidimensional poverty encompassing all aspects of human life. The theoretical explanation of the factors that cause and perpetuate poverty ranges from individual deficiencies to cultural, structural, geographic, and economic influences. The present article goes through the conceptual and theoretical evolutions of 'poverty' as a matter of deprivation.

Key Words: Poverty, Material Deprivation, Multi-dimensional Poverty, etc.

1. Introduction

The words 'poverty' and 'poor' are concepts that have a long history of usage dating even before the notion of social stratification was brought to notice by social scientists. The numerous definitions and interpretations of poverty concerning social and economic circumstances render it ambiguous and value-laden. In its simplest version, poverty refers to the state or condition of having few resources to support life. The widening of the conceptual framework of poverty from physical endurance to broader capabilities encompasses more subjective and dynamic characteristics of poverty. Understanding the diverse conceptual and theoretical interpretations of poverty gives insights into the interrelations among the various facets of poverty. An accurate conceptualization is highly significant from the policy perspective for better identifying and effectively targeting the 'real poor'. The present article explores the conceptual and theoretical debates surrounding poverty over time.

2. Concepts of Poverty

Poverty is primarily an ethical concept rooted in the wider domain of moral philosophy. A contemplation regarding poverty brings to mind situations that are judged as unjust in a given

society. The evolution and development of the concept rely heavily on a more normative consideration of equity. An egalitarian society ensures a desired level of equity among its members. Poverty, perceived as an unjustifiable social phenomenon, connotes a conceptual link to a socially constructed equity norm. The key concern pertains to the specification of the norm of equality. The diverse flow of opinions defining the contours of equity and the resultant conceptual pluralism further enriches the literature on poverty. The conceptual ambiguity stems from the basic heterogeneity of human beings: structural and personal. The diverse conceptual perspectives of poverty are the following

2.1 Material Deprivation

A minimum of food, clothing, and shelter needed for the maintenance of ‘physical survival’ was the earliest attempt at poverty standardization. ‘Families whose total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency are in primary poverty.’ (Rowntree, 1901)

The ‘subsistence’ understanding merges into a broader notion of ‘absolute poverty standard’. At its core, absolute poverty is defined by the need for survival; more typically, it relates to subsistence and corresponds to the fundamental level of physical capability required for both production and reproduction. (Lister, 2004). An absolute standard is defined by reference to the actual needs of the poor and not by reference to the expenditure of those who are not poor (Joseph et.al, 1979).

Absolute poverty is then equated to Rowntree’s primary poverty. Suppose individuals possess sufficient income to meet the basic requirements for maintaining their physical well-being, but fail to do so because they allocate some of their income to other endeavors, whether practical or frivolous. In that case, they find themselves in a state of secondary poverty. (Rowntree, 1901). As quoted by Lister (2004), Rowntree never believed that only those living in subsistence primary poverty were poor. The baseline suggests that, as individuals, these people are not involved in the social activities of a community.

“Individuals, families, and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary or have at least widely encouraged or approved, in the societies to which they belong. The resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns and activities” (Townsend, 1979).

Townsend’s definition is built on ‘relative deprivation,’ a multidimensional concept including ‘all the major spheres of life.’ When relative deprivation happens due to a lack of physical resources,

people are said to be in poverty. Relative poverty, the conceptual modification of Townsend, cannot be static; it changes in response to changing social prospects and living standards.

Rowntree and Townsend concentrated entirely on an individual's material assets, especially income, to obtain necessities. Monetary or income criteria act as indirect indicators of welfare. During any timeframe, a person is regarded as poor only if their economic means are inadequate to purchase sufficient goods to satisfy basic material requirements (Lipton, 1997). The resource-oriented or utility viewpoint is fundamental to classical ideas within the prevailing narrative of development practice.

2.2 Basic Needs Poverty

The Basic Needs concept of poverty expands the definition of poverty from mere income to the fulfillment of basic needs. This concept gained acceptance due to the renowned work of the International Labour Organization (ILO). 1976). Basic needs poverty is perceived as inadequate fulfilment relating to nutrition, health, education, shelter, water, cleanliness, employment prospects, and even occasions for community involvement. Basic needs components, which are identified for poverty measurement, provide direct indications of human welfare.

2.3 Capability Poverty

Amarthya Sen's findings of 'poverty and famine' as 'exchange entitlement failure' rather than 'Food Availability Decline' made a paradigm shift in poverty development thinking (Sen 1981). Sen placed individuals, rather than resources, at the center of policy, emphasizing the 'ends' rather than the 'means.' Individuals differ in their capacity to translate their resources into valuable functionings. Critical here is the 'capabilities,' which refer to the "freedom people enjoy to choose between different ways of living that they have reason to value" (Sen 1990). Poverty is not merely about quantitative earnings and living standards, but rather about 'capability failure to reach certain minimally acceptable levels' (Sen, 1992).

2.4 Multidimensional Poverty

The late 1980s and 1990s witnessed the most influential period of scholarly discussion on poverty. Robert Chambers counted the realities of the poor through participatory approaches and transcended reductionist and particularistic perspectives to multidimensionality and commonalities (Chambers, 2010). Strong realities of the poor, like powerlessness and isolation, were brought to light through the 'voices of the poor'.

Inspired by human capabilities, the 'Human Development Reports' of UNDP consider poverty as multidimensional. The Copenhagen World Summit on Social Development (1995) redefined

absolute poverty itself as “severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information and it is related to access to social services as well as income.” The development of the perception of poverty from sheer physical existence to a comparative standard of living is well understood as “a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil cultural, economic political and social rights” (United Nations,2001).

To gain a clear perspective on multi-dimensional poverty, many related concepts and approaches have also been highlighted by development experts. The concepts that are crucial for attaining a holistic consideration of poverty include entitlements, social exclusion, vulnerability, and livelihood. The analytical aspect of these concepts is their valuable interpretation of the true underlying causes and perpetuation of poverty. They help to generate added informative insights into the understanding and measurement of poverty.

Entitlement refers to the “set of alternative commodity bundles that a person can command in a society using the totality of rights and opportunities he or she faces” (Sen, 1984). The two dimensions of entitlement are endowment and exchange. An individual or household is endowed with material, human, and social resources. The sheer presence of them may not entitle a person to use it. A person's entitlement set includes all the goods and services they can obtain by transforming their endowments through 'exchange entitlement mappings.'. The entitlement failure is termed as the state of poverty. The success or failure is influenced by the social, cultural, political, and environmental factors peculiar to the locality.

Social Exclusion is the multidimensional deprivation experienced by the poor. They are frequently marginalized in economic, social, and political contexts and also face barriers to social security, job opportunities, safety, human rights, in short, to a respectable standard of living. (Dehaan, 2000). Exclusion from socio-economic and political institutions forms a vicious circle which places the poor again in lower capacities and makes them to escape from poverty more complex. Exclusion leads to exploitation, and both create social and economic tensions and make the underprivileged more susceptible to vulnerabilities.

Vulnerability denotes the inability to withstand shocks and stresses. Moser (1998) defines it as “the insecurity experienced by individuals, households, or communities in the face of a changing environment”. Vulnerability refers to exposure to shocks and strain, the externalities and struggle in managing with them, and the internal defencelessness (Chambers, 1989). The means of resistance are the assets and entitlements. The dynamism in poverty is that some of the poor are not poor all the time, establishing a harmony between poverty and vulnerability (Rayhan, 2005). Poverty is the outcome of a complicated decision process of individuals or households

over assets faced with risks. A distinction evolves between actual or potential poverty. Those who are extremely sensitive to shocks or not resilient are the poor.

3. Theoretical Interpretations of Poverty

Theoretical clarifications of poverty are profoundly rooted in strongly held research backgrounds and political ideals, strengthened by social, economic, and cultural foundations that have a role in the issue. Theories describe poverty by connecting different influences thought to cause or spread poverty through distinguishing social procedures (Bradshaw, 2007). Poverty literature consistently admits different theories of poverty. The complex human behavior embedded in a dynamic social fabric restricts the possibility of a single coherent theory of poverty. Poverty is old news that occurred long before people became conscious of it. (Massey,1996). Social scientists, including Marx, were concerned with social and economic inequality. Economists devoted their attention to factors of production, especially on the distributional aspects of wages, ignoring the unequal distribution of resources. Sociological thoughts were limited to a mere general discussion of the origin of or a need for equality (Townsend, 1979).

Worldwide, capitalism and industrialization are viewed as positive indicators of prosperity. However, the ongoing issue of poverty in America, despite being the wealthiest nation, raises concerns among development experts. The United States has the highest rates of poverty and income inequality compared to other Western industrialized nations (Rank 2004). Scholarly discussions regarding the causes of American poverty have led to various theoretical conclusions. Rank (2004) distinguished between individual deficiencies and systemic failures, attributing American poverty to the latter. Anti-poverty programs within community development were designed to address the underlying causes of poverty. By examining the different views on anti-poverty programs in America, Bradshaw (2007) offers theoretical insights that have universal relevance.

3. 1. Individual Deficiencies

Individual theories emphasize individual effort and accountability in obtaining basic needs such as food, shelter, and health care services (Rank, 2004). The ‘theory of individualism’ is entrenched in American values, where individuals are bestowed with vast opportunities to attain success. Individual poverty is viewed as an individual failing, often ascribed to a dearth of motivation. The theory of ‘Social Darwinism’ also insists on individuals’ ability for survival (Hurst, 2004). Another version ascribes poverty to a lack of individual attributes: genetic and acquired. The victims are blamed. The individualistic interpretation of poverty is rooted in the Neo-Classical Paradigm, which is built on the premise that individuals try to optimize their well-

being by making selections and investments. The economic theory focusing on individual initiative opposes the welfare system as self-defeating to the individual. Since poverty is regarded as the problem of the individual, it is up to the poor themselves to better their conditions, and society only wants to act as a moral facilitator (Rank, 2004).

3.2. The Subculture of Poverty

The 'subculture of poverty' is a concept that originated from various anthropological and sociological studies and has its modern form from Oscar Lewis (Townsend, 1979). Culture is socially made and spread through the actions of individuals. Lewis proposed that the poorest segment of the people create a distinctive subculture that is self-perpetuating. The transmission of a socially generated, individually held set of beliefs, values, and skills over generations creates and persists poverty. No need to blame the poor, trapped in the complex web of 'subculture'.

The culture of poverty is a tag for a specific conceptual model that accurately describes a subculture within modern society. It is characterized by its structure and rationale, representing a way of life transmitted from primitive society to modern society along familial lines (Lewis, 1965). In the traditional anthropological sense, this 'culture' shapes the way of life. The subculture of poverty is both an adaptation and a response of some impoverished individuals to their marginal position within a class-stratified, individualized, capitalist society. The disengagement of this subgroup from mainstream social institutions is a crucial element. Chronic unemployment and underemployment, low wages, lack of property, lack of cash and savings, absence of food reserves, and indebtedness are the economic traits enjoyed in the 'culture of poverty'.

Lewis had made a difference between poverty and 'subculture'. Only a small section of the poor were stuck in the self-perpetuating cycles of dysfunctional behaviour and attitude. It is very hard to loosen the culture of poverty than to cure poverty itself.

3.3. Structural Poverty

The structuralist tradition looks into the economic, political, and social systems rather than the individual as the source of poverty. In Marxian theory, poverty and inequality are rooted in the capitalist mode of production, which creates a reserve army of labour. Human status has so far been a primarily unequal one. Indeed, all identified societies have been considered by discrepancy of some kind (Grusky,2001). The structure inherent in a society, such as gender, race, class, and age, determines the destiny of the people.

Rank (2004) argued with evidence that the increased rates of American poverty are, by and large, the result of organizational catastrophes and procedures. The inability of the labour

market to cater to the current pool of active labourers, and the ineffectiveness of American public policy in providing social safety nets were the pieces of evidence highlighted by Rank. Added to this is the experience of adult time poverty of the majority of Americans, a crucial indicator of state failure. Cutting down on government spending, a lack of welfare programs, and ineffective governance create poverty.

3. 4. Geographical Poverty

The notion of geographical poverty is embedded in the spatial characteristics of poverty. Adam Smith, in his monumental work 'The Wealth of Nations' has made a notable hypothesis that a nation's physical geography can influence its economic performance. Geography is related to transport conditions, population density, agronomic conditions, etc. The geographic poverty theorization limits spatial mobility and asserts, households living in well-endowed areas have more chances of escaping poverty.

The economic agglomeration theory offers a theoretical perspective on the spatial concentration of poverty. A less prospective area, adds only poor, the cost of basic amenities being affordable to them. the more advantaged areas are likely to grow further than the disadvantaged areas during periods of general economic prosperity, and the 'trickle down' effect may not be effective in promoting spatial integration. Population explosion and technological advancement have rendered geographical poverty an outdated observation.

3.5. Cumulative and Cyclical Poverty

Individuals face both opportunities and threats. The individual, cultural, structural, and geographical aspects of poverty are interconnected in a complex web of inadequacies. When caught up in any one of these problems, the spiral begins to take effect, and the cumulative impacts close off all avenues for a positive exit. At the community level, a decline in employment opportunities promotes out-migration, the closing down of shops, a drop in local tax revenue, reduced welfare spending, and limited human capital accumulation, ultimately leading to acute unemployment.

The theory owes its origin to the circular and cumulative causation hypothesis of Myrdal (Bardashaw, 2007), explaining economic development and underdevelopment through forward and backward 'linkages'. Individual situations are socially determined by way of a mutual reinforcement mechanism, either positive or negative. Once a cycle of deprivation is started, poverty accelerates, and the chain cannot be easily broken. The structural factors determine the economic status of the individual.

3.6 Theories of Poverty: An Economic Reinterpretation

Adam Smith, who enquired into the 'Nature and Causes of Wealth of Nations', discusses individual situations of poverty as 'the inability to purchase necessities required by custom or nature'. Income solves the problems, and the poor satisfy their necessities through wages received from the rich, which was the Smithian ideology (Gilbert, 1997). Individual difference in obtaining wages was also neglected by Smith.

To Lydall (2012), an ardent Orthodox economic theorist, 'the structure of earnings' depends on the general abilities of men created by genetic, environmental, and educational factors. Individual aspirations alone are determinant. Radical economists base the dual labour market hypothesis on explaining income distortions. Class divisions and the relative distribution among classes will affect individual income as well.

Blank (2003) provides a framework of theoretical considerations exploring the economics of poverty. Her sixfold classification includes 1) economic underdevelopment, 2) lack of human capital development, 3) market dysfunction caused by capitalism, 4) socio-political forces, 5) welfare programs, and 6) people's behavior, choices, and attitudes. The first two fall under a liberal economic perspective, favoring market equilibrium and welfare programs. Capitalistic and socio-economic approaches focusing on structural factors depict Marxian or Radical theories. The individualistic and welfare dependency theories are the orthodox views of Neo-Classical economists.

The mutually reinforcing theories acknowledge the multidimensionality. Theories provide the base for designing policies aimed at completely wiping out poverty. Proper conceptualization, along with congruent theories explaining the cause-and-effect relationship, is of prime importance for analyzing and seeking answers to 'the most unwanted human misery known to mankind'.

4. Conclusion

The different conceptualizations of poverty, while appearing to compete, are interconnected and highlight various aspects of poverty. The evolution of the poverty concept from mere survival to encompass broader capabilities reflects shifts in how we view growth and development. The acknowledgment of poverty's multidimensional nature is widespread, and the growing acceptance of the multi-dimensional poverty indices stems from this comprehensive approach. Properly defining and identifying the 'real poor' hinges on accurate conceptual frameworks.

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