

CONCEPTUAL ISSUES IN THE MEASUREMENT OF POVERTY: A SYNOPTICAL NOTE

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This note does not attempt to develop a methodology for the measurement of poverty. Instead, it raises certain conceptual issues whose resolution must precede any attempt at such measurement. The nature and methodology of the measurement exercise will depend to a large extent on what views one takes on these issues.

Why Measure Poverty?

Without trying to be exhaustive, one may point out three types of possible objectives behind the assessment of poverty.

- i) Introducing “special aid programmes” for the poor.
- ii) Understanding the causes of poverty.
- iii) Assessing impacts of public policy or autonomous changes in parameters viz. population, technology, international environment etc. on the level of poverty.

We shall see again and again how the nature of the measurement exercise will be predicated upon what objective one has in mind. To begin with, the objective will determine how far one will proceed with the act of measurement which normally comprises of two sequential steps – namely, “identification” of the poor and “aggregation” of their levels of poverty into a poverty index. For the first objective, identification may be enough. With the second objective too, one may not have to go beyond identification, if one adopts a micro-anthropological framework of research. But aggregation will be essential under a macro approach; and the same will be true if one has the third kind of objective in mind.

The Nature of Poverty Measurement

Is it an act of description or one of prescription? When I say “someone is poor”, am I trying to describe a person’s conditions of living or making a value judgment regarding his conditions? A value judgment will depend on one’s philosophical views about what kind of deprivation should count as the true poverty of a human being. For instance, one may take the position that a man should not be deemed to be poor simply because he does not have adequate food and shelter, for he should learn to be happy with very little material things and try to eliminate the poverty of spiritual achievement. I have no quarrel with such attempt at moralising. But to the extent that material deprivation is deemed to be important by people at

large, it is a duty of the social scientists to understand this phenomenon, and in that context the nature of poverty assessment must be one of describing the conditions of living rather than moralising about it.

However, it seems to me that those who emphasize the descriptive nature of poverty measurement, tend to accept a rather narrow interpretation of the term 'description'. The poverty measures that have been developed starting with the pioneering work of Amartya Sen, are mostly descriptive ones in the sense that they merely show whether poverty defined in a particular manner has gone up or down. One cannot put any welfare interpretation to them, in the sense that as the poverty measure takes a higher value one cannot necessarily say that either the poor or the nation as a whole has become worse off. In my view, it is necessary to have poverty measures that can be given a welfare interpretation, specially when the objective of the exercise is of the third kind mentioned earlier.

Of course, any welfare measure of poverty will involve value judgments. But it does not mean that the act of measurement will itself be an act of value judgment. If I am describing a situation, incorporating the value judgments of a society regarding that situation, I am still giving a description, not making a value judgment.

What is Poverty?

We have already argued that regardless of one's own philosophical attitude towards the worth of material wellbeing, a social scientist has to accept the fact that material deprivation is viewed with serious dislike by ordinary mortals. Accordingly, we shall define poverty to consist in material deprivation.

But there still remains to be settled the issue of whether poverty should be viewed as 'absolute' or 'relative deprivation'. Many sociologists favour the notion of relative deprivation, and in doing so they identify the concept of poverty with that of inequality. But although considerations of interpersonal relativities are important, it would be wrong to define poverty entirely in terms of such relativities. There is an irreducible core of 'absolute deprivation' implicit in the notion of poverty (namely, pangs of hunger and exposure to nature) which merits consideration independently of interpersonal distribution.

This does not however mean that poverty can be or should be defined in terms of a universally valid absolute standard of deprivation. The word 'absolute' here is defined in a special sense — it is in fact relative to the general standards prevailing in a particular society. A person reckoned to be poor in the United States may not be considered poor in Bangladesh. But this is a different kind of relativity compared to the notion of 'relative deprivation'. It basically affects the identification of the poor, whereas the notion of "relative deprivation" defined in the sense of interpersonal relativities affects the measurement of the intensity of poverty. It is important to keep this distinction in mind in order to avoid the mistake of measuring poverty entirely in terms of inequality.

Identification of the Poor

Having accepted the principle that the poor should be identified in terms of their deprivation relative to the general standards of the society, there are basically two ways of going about the task of identification. First one is a direct method in which one specifies a vector of minimum levels of basic necessities of life and then judges for each individual if these minimum levels are available or not. The second method is an indirect one in which a poverty line income is postulated which is deemed to be adequate to provide for the minimum levels of basic necessities. Any one whose income is less than the poverty line income is identified as poor.

The direct method has an apparent superiority simply because it is direct and does not use any proxy such as income. Moreover, some people claim that apart from basic necessities of life certain other indices showing a person's position in the matrix of social relations, can be incorporated in the direct method, but not in the poverty line approach. This is claimed to be an advantage of the direct method because such social indices are thought to be an important dimension of poverty. But this argument, I believe, is based on a confusion. While the indices of one's position in the socio-political milieu are important for both analysing the causes of one's poverty and assessing the potentiality of overcoming it, they cannot form a part of the description of one's poverty. A poor must be identified in terms of his material deprivation, and then one can look at the social indices for further analysis.

On the other hand, the poverty line approach, I would argue, has certain genuine advantages. First, the direct method can be applied only when the objective of the exercise is of the first kind, or of the second kind, but in a micro-anthropological framework. The poverty line approach can be applied in all cases. Secondly, the poverty line approach has a definite advantage when aggregation of different persons' poverty is considered necessary. The shortfall of one's income from the poverty line income provides a convenient metric for aggregation.

Aggregation

The question of aggregation arises when one needs to have a composite index of poverty. We shall not discuss this problem at length, except to point out that the construction of an actual index will depend upon the following considerations:

- i) How to assign relative weights to the individual deprivations of the poor.
- ii) Whether the conditions of living of the non-poor should figure in the aggregate index and if so, how.
- iii) Whether or not to give a welfare interpretation to the index; in other words, do we want to have an index whose change would indicate corresponding change in the welfare level of the poor.