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## **POVERTY AS LACK OF CAPABILITIES: AN ANALYSIS OF THE DEFINITION OF POVERTY OF AMARTYA SEN**

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### **Abstract:**

This article aims to analyze Amartya Sen's definition of poverty. To achieve this goal initially we will present the traditional definitions of poverty: a) in absolute terms (focus on the subsistence concept); b) or in relative terms (focus on the deprivation concept). Next, the article addresses the Sen x Townsend debate, that happened in the first half of the 1980 decade. Then, we will discuss the Senian perspective of poverty in terms of the lack of capabilities. We present three reasons why the definition of poverty in terms of capabilities is more appropriate than its predecessors: a) it comprises both an absolute and a relative element; b) it is not only a philosophically grounded definition of poverty, but it has the potential to guide empirical research and social policies directed to fight poverty; c) it considers the interpersonal and intersocial differences among people (conversion factors); d) in this definition it is fundamental to listen to people in order to define their own necessities, there is no previous theoretically-based capabilities list.

**Keywords:** Poverty, Subsistence, Deprivation, Capability approach, Basic capabilities

## Introduction

To define poverty is not an easy task, especially because poverty is a complex and very contested social phenomenon. As Lister (2004) points out, there is no single concept of poverty that is detached of its cultural and historical roots, moreover, different groups in society tend to construct different ways of seeing the causes and the ways of dealing with poverty.

The definitions of poverty found in the academic and also non-academic literature tend to vary according to diverse aspects, we might list some of those as the following: a) the worldview of the observer that might change the way he or she sees the poverty phenomenon; b) the economic structure, the social arrangements and also religious beliefs might change also the perspective about the roots/causes of poverty; c) to be poor in a developing country might be different of being poor in a developed one; d) the way that the poor see their own condition might be different from the view of a policymaker or a researcher. These are only some of the aspects that show how contested and controversial a definition of poverty can be.

Despite the difficulties in finding a common definition of the analyzed phenomenon, to look for this consensual concept is an important task, not only theoretically or empirically, but also practically, considering that this definition might guide public policies designed to fight poverty or to ameliorate the conditions of people who are poor. Depending on the definition adopted is also possible to advocate the suspension of all public policies that try to help the poor, as Malthus (1992) did in the late 18<sup>th</sup> century and some authors like Murray (1984, 1999) do in the present days.

As Alcock (2006, p. 64) says: “Arguably it is the definition of poverty that lies at the heart of our task in understanding poverty. We must first know what poverty is before we can identify where and when it is occurring or attempt to measure it, and before we begin doing anything to alleviate it”.

Looking at the traditional definitions of poverty it is possible to identify two main streams that have received considerable support from the literature: a) an absolute perspective, that focuses mainly on the material conditions that are minimal in order to someone sustain his/her own life; and b) a relative perspective, that sees poverty as a phenomenon that varies according to the standards of living of each society. Another

perspective that will be the focus of this paper, is the concept of poverty as lack of capabilities, as proposed by Amartya Sen.

The Senian approach can be seen as a third view, that ends the dichotomy absolute x relative poverty, considering that both aspects are important, though insufficient, in order to understand what the meaning of poverty is. Thus, the objective of the present paper is to present the Senian perspective. To achieve this goal, in the first section the absolute and relative definitions of poverty and the ways of measurement of poverty will be discussed. The second section, then, will present the Sen x Townsend debate that happened in the mid-1980s and finally the third section will approach the definition of poverty of Sen. Then, we try to specify the reasons why the definition of Sen is more adequate than its predecessors.

## **1. Traditional definitions of poverty**

The absolute definition of poverty is related with the first scientific studies of the subject, that were conducted by Boot, Rowntree and colleagues in the beginning of the 20<sup>th</sup> century. This definition is based on the notion of subsistence, understood as the minimum needed to sustain a life (i.e. to survive). According to this perspective, people that are below the subsistence level are absolutely poor because they do not have enough to live on and to sustain their own life by his/her own ways. If subsistence is not provided to them they will starve to death, they will freeze if they live in a country with cold weather or they will die because of the heat if they live in a country characterized by high temperatures (ALCOCK, 2006; LISTER, 2004).

The basic idea of absolute poverty is that it is necessary to understand what people need to survive and then ensure that the poor receive this, and nothing more. Then, the objective of public action is to ensure that people have minimal conditions of access to food and shelter until they are levelled to the line of poverty, that might be defined in terms of a general amount of money (US\$ 1,00 or US\$ 2,00 per day), or in terms of a certain amount of calories in a diet, or another variable, that allow to define what is necessary to subsist.

The relative concept of poverty has roots in the critics of the absolute notions of poverty and the postwar welfare state achievements in United Kingdom (UK). According

to Alcock (2006), their basic argument was that the policies to prevent subsistence poverty had no effect in terms of making the conditions of the poor better when compared with the average standard of living in the UK. In support of that, research has shown that the poorest were no better off in the period between 1950 and 1960 than they had been in the 1940 decade.

The relative definitions of poverty focus not only on subsistence, but also in the conditions to participate in activities that are customary in a specific society. Townsend (1979, p. 31) defines poverty in this way:

Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in activities and have the living conditions and amenities that are customary [...] in the societies to which they belong.

It is noticeable in that quotation that a person can be considered poor if that person cannot access the average standards of living of his/her community in terms not only of their diet, but also considering the possibilities to participate in social activities and the possibility to have the amenities that are customary to his/her society. For example, in a society that values the practice of sports, like soccer, to have access to watch a soccer match (in a stadium, by radio, television or other kinds of media) can be an important element for someone to be considered part of that society.

Townsend's definition is usually reported as very similar Adam Smith's account of the subject in his *Wealth of Nations*:

By necessities, I understand not only the commodities which are indispensably necessary for the support of life but whatever the custom of the country renders it indecent for creditable people, even of the lowest order to be without. A linen shirt, for example, is strictly speaking not a necessary of life [...] But in present time [...] a creditable day labourer would be ashamed to appear in public without a linen shirt (SMITH, 1791, p. 240-241).

Smith points out in this extract that the minimal necessary to live varies according to the customs from the society where people live. In the light of those terms, to consider that someone is poor only because he cannot afford to have a subsistence diet is a too strict definition. Taking the Smithian passage we can see that in the Britain of his time the modest laborer would find himself ashamed if he did not have a linen shirt or even a pair of leather shoes to be in public. The necessities for people in other societies, say, in a small island in the Polynesia probably would not be the same.

Against the relative perspective, absolute poverty advocates say that the arguments presented above are intended to discuss inequalities, that will exist in every society. Moreover, they say that relative poverty researchers are illegitimately broadening the concept of poverty in order to advocate redistribution of wealth. For them, who defends an absolute concept of poverty is tackling the “main” issue of the condition of the poor, their lack of subsistence, while researchers that defend a relative concept are trying to approach something deeper and more contested aspect, which is, the problem of inequality (ALCOCK, 2006).

Relative poverty theorists argue that this is a misunderstanding because subsistence is not a stable and fixed concept present in every society in the same way. Then, again, in order to understand what a specific society conceives as minimal subsistence conditions, it is necessary to understand the social patterns that are present. So, the study of relative poverty is not exclusively a political project to fight inequalities and to promote income or wealth redistribution, it is another perspective to define and to fight poverty.

If *subsistence* is a key concept in the absolute poverty perspective, researchers that adopt a relative definition are focused in the concept of *deprivation*. For them, deprivation is a broader concept than poverty but it might be used in order to define more precisely who are the poor. According to Townsend (1987, p. 125) deprivation is the “[...] state of observable and demonstrable disadvantage relative to the local community or the wider society or nation to which and individual, family or group belongs”. This idea focuses more on conditions, rather than resources and these conditions can be more objective *i.e.* material ones or can be more subjective or social.

It is noticeable that the concept of deprivation presented above is very similar to Townsend’ definition of poverty, quoted above. This proximity is explained by the fact that for the author poverty is a case of severe deprivation. As Townsend (1987) points out, the adoption of the concept of deprivation allows to consider people who does not have some of the elements that are widely approved in their society. People that have access to a proper diet and condition of clothing, housing and household facilities (material conditions) can be considered deprived if there is no access to them to the political system as citizens, or if there is no recognition of them as part of that society. It

is possible to say, in Townsend's terms, that these people are deprived in terms of social conditions, even though the minimal material conditions are fully met.

Poverty, then, can be understood as the situation in which people are deprived in a broader range of material and social aspects that are fundamental to live in a certain society. People can be deprived in some areas without being necessarily poor. Townsend (1987, p. 131) assumes that: "[...] at a certain point in descending the scale of income or resources deprivation is likely to grow disproportionate to further loss of resources and that this 'threshold' properly marks the beginning of a state of objective poverty". Then, people that experience multiple or single but very severe forms of deprivation are more likely to have very little income and little or no other resources, being considered, then, as poor.

It is important to highlight that the distinction between absolute and relative concepts of poverty is not so extreme, that the adoption of one conception implies in the complete disregard of elements of the other one. Even Rowntree, considered one of the founders of the absolute concept used relative measures in his studies about poverty in Britain (VEIT-WILSON, 1986; SEN, 1997).<sup>1</sup> We will return on this point next section, considering the Sen x Townsend debate.

It is important to notice that both definitions, absolute and relative have its advantages as well as its own limits. In light of that, Alcock (2006, p. 68) says that adopting just one of them is neither acceptable or workable: "If we wish to retain poverty as a basis for analysis, measurement and ultimately political action, therefore we need to avoid disadvantages of both, or rather to capitalize their advantages".

Having presented the main ideas concerning the absolute and relative definitions of poverty, the last part of this section will approach the measurement of poverty. There is a certain overlap in defining and measuring poverty, and in that sense the question of measuring poverty is part of the conceptual conflict between absolute and relative definitions of poverty.

Researchers that adopt an absolute definition of poverty try to measure it in an indirect way, considering basically people's income as the key variable to define if

<sup>1</sup> Rowntree included in his studies a definition of secondary poverty, that comprised elements that might be considered as relative poverty aspects (VEIT-WILSON, 1986; SEN, 1997).

someone is poor or not. As discussed earlier, researchers that define poverty in an absolute way are worried about people's subsistence understood as the resources necessary to achieve a minimum level of consumption that allows someone to live. The income oriented approach is manifested through the widely-known poverty line<sup>2</sup>, which is a certain amount of money that represents when someone can be considered to be in the subsistence level. Another possible approach is to set a basket of goods according to local nutritional and consumption standards, that may determine the basic income necessary to someone have subsistence conditions (ALCOCK, 2006; RINGEN, 1988).

On the other hand, researchers that adopt a relative definition of poverty try to measure it directly, considering the standards of consumption of goods and of social conditions to be considered part of a specific society. As seen before, deprivation is a key concept here and then researchers try to measure the standards of living of people, considering the patterns of consumption of goods and the access to aspects of the social life in a specific society (RINGEN, 1988; TOWNSEND, 1987).

This second perspective has attracted some criticism in the literature. Ringen (1988) points out that regardless the adoption of a relative definition of poverty, most researchers have tried to measure poverty adopting an indirect measure, which is, the poverty line method. This is, according to him, an internal inconsistency, because these authors have based their research in a perspective that involves the many aspects of the standards of living of someone in some specific society, but they try to measure it indirectly focusing only on the income of those people.<sup>3</sup>

Townsend (1987) tries to remedy that inconsistency by proposing a deprivation index is intended be so comprehensive as possible, involving the diverse aspects of material and social deprivation. This index considers the following variables: a) as aspects of material deprivation: diet, clothing, housing and home facilities, environmental conditions; and working conditions; b) as aspects of social deprivation: lack of rights in

<sup>2</sup> The World Bank tries to produce a global poverty line, intended to allow cross-country comparison and aggregation (GORDON, 2002). According to the World Bank website the poverty line nowadays considers that people who can't live at least with US\$ 1.90 per day in 2011 purchasing power parity (PPP) are poor (THE WORLD BANK, 2017).

<sup>3</sup> This is the so-called income proxy approach, that recognizes the limitations of the budget standard method and tries to remedy it considering the actual patterns of expenditure of people rather than considering only a hypothetical expert judgement (ALCOCK, 2006; VEIT-WILSON, 1987).

employment, family activity, lack of integration into community, lack of participation in social institutions, recreational deprivation and educational deprivation.

It is noticeable that the deprivation index looks for a wider range of aspects, in order to diagnose deprivation. It is a more direct way of analyzing the situation, than the poverty line method. But it also implies in a bigger involvement of the researcher in determining the variables that will be assessed in the various indicators pointed above, aspect that has attracted some criticism and concern. Townsend's measures have been labeled as quite arbitrary in the sense that it is the researcher that is defining social priorities of a specific community (ALCOCK, 2006). Using this kind of measure of poverty is also challenging because it demands to treat and to analyze various amounts of data obtained, to make reliable judgements about the results obtained.

A third way of measuring poverty is to consider both direct and indirect ways of measuring poverty together, these are the multi-dimensional approaches to poverty (ALCOCK, 2006; GORDON, 2002). Sen, as will be discussed in the next sections can be considered one advocate of this multi-dimensional perspective, encompassing the absolute and relative dimensions of poverty into his capability approach.

This first section has discussed some general aspects regarding the definition and the measurement of poverty. The presented aspects make possible to go further in this analysis, to consider the Sen x Townsend debate that happened in the first half of the 1980s, concerning the absolute and relative definitions and measurements of poverty.

## **2. The Sen x Townsend debate**

In the period of 1983-1985 the journal *Oxford Economic Papers* published an debate between Sen (1983, 1985a) and Townsend regarding the definition of poverty. These papers were influential to stablish the limits of the dichotomy between absolute and relative conceptions of poverty, as well as are relevant in order to understand Sen's turning point to his capability approach<sup>4</sup> and, as part of it, present his own perspective regarding poverty.

<sup>4</sup> The beginning of the capability approach is related with the moment that Sen integrated his previous works regarding poverty and famines with his criticism of the utilitarianism and its reflects in the economic theory (SUGDEN, 1986; ROBEYNS, 2005b). This turn started with *Equality of What?* from

In *Poor, relatively speaking* Sen (1983) recognizes that the relative conceptions of poverty have become a consensus in the studies of poverty and these conceptions, according to him, have some merit over the simplistic conceptualization of absolute poverty. However, the relative conception of poverty fails in not recognizing some absolute aspects that are present in the phenomenon of poverty. Sen (1983, p. 153) considers that: “[...] ultimately poverty must be seen to be primarily an absolute notion, even though the specification of the absolute levels has to be done quite differently from the way it used to be done in the older tradition”. Moreover, Sen proposes that the poverty does not rely only in an absolute or relative dimension, but in the absolute standard of living instead, that can be comprised in this way: an *absolute* deprivation in terms of a person’s capabilities and a *relative* deprivation in terms of access to commodities, incomes and resources.

Sen (1983) argues that the relative definitions of poverty have brought some important advances in the field, specially by broadening the scope of the studies, including social aspects involved with the experience of being poor. But, despite these contributions, this perspective has failed specially because of two general problems: a) researchers confused the absoluteness of needs with its fixity over time; b) the second problem, more complex, states that there is a difference between achieving relatively less than others and achieving absolutely less because of falling behind others.

The first critique addresses the argument presented by some relative poverty scholars, that the relative definition would involve variation over time while the absolute perspective would involve fixity over time of its key variables. According to Sen (1983) absoluteness of needs does not imply their fixity over time. Then, neither the absolute nor the relative definition of poverty involve fixity over time: “Even under an absolutist approach, the poverty line will be a function of *some* variables, and there is no *a priori* reason why these variables might not change over time” (SEN, 1983, p. 155).

The second critique considers that the problem of poverty does not involve only the fact of being relatively better or worse than others, but also a matter of an absolute difference between people. To put it in other words: the absolute achievement of someone

and continued with another two texts originally published in 1985, *Commodities and capabilities* and *Well-being, agency and freedom*. As we can see the Sen x Townsend debate occurred in the midst of that turn in the Senian thought (SEN, 1980, 1984, 1985b).

in a certain space may depend on a relative position in some other space (SEN, 1983). As we shall see in the following paragraphs, Sen argues that there is an absolute core of poverty, in the space of capabilities, while there is a relative aspect of poverty related with the provision of goods or even income.

Sen (1981, 1983, 1986) manifest his concerns of a rigid relativist view, that may conceive that poverty simply cannot be eliminated, because in every society there will be some people that will be badly off the others and that people will be, relatively speaking, poor, even if they have the minimal conditions necessary to have a modest life. Then, it is very difficult to distinguish the problem of poverty in relation to the general discussion about inequalities in any society. Sen does not deny the relevance of the discussion about inequalities<sup>5</sup>, but for him interpret poverty as only an inequality matter is a misunderstanding. As he shows if in a specific society, a sharp fall in general prosperity brings problems with famine and hardship it seems that there is a true movement of intensification of poverty. But adopting a concept of poverty as only a form of inequality may result in this scenario: if the differences between the bottom 20% or 10% and the rest of society remain the same, then this situation of starvation is not related with the increase of poverty in that society at all! Poverty, relatively speaking, remain the same in that hypothetical society (SEN, 1983).

Sen (1983) proposes, then, that there is an absolute core in the concept of poverty, that involves aspects as the facts that people suffer from starvation, malnutrition and avoidable diseases, even in developed countries. The point is: the absolute satisfaction of some needs might depend on a person's relative position in front of others. Sen takes the concept of necessities from Adam Smith, quoted in the first section, not as an argument in favor of a relative concept of poverty but, on contrary, for him Smith (1791) stresses the aspect that not only the customs of a society are important, the fact that the worker will find himself or herself *ashamed* among the other members is crucial, this is an absolute aspect.

At this point, Sen (1983) introduces his concept of poverty focused in the notion of functionings and capabilities. The right focus of poverty is neither upon commodities, nor in personal characteristics, or even in the concept of utility, but in the real freedoms

<sup>5</sup> See Sen (1992, 2000).

that people actually have to realize what they want (Sen 1985b, 1992). The capability can be conceived as a kind of freedom that allows the individual to choose the kind of functioning of his or her preference, in a wider range of possible options. It can be seen as a freedom to have different life styles (SEN, 1992, 2000).

In that sense, Sen (1983) concludes that when considering a definition of poverty, it is important to take capabilities as an absolute component, but the commodities necessary to someone function adequately may be taken as a relative one.<sup>6</sup> Analyzing the Smithian quotation it noticed that the capability of avoiding shame from inability to meet the demands of society was the reason why the hypothetical English worker had to use a linen shirt and leather shoes, in another societies the commodities may be others (e.g. a silk robe and sandals, etc.). Then, for Sen there is no conflict between absolute and relative perspectives of poverty, there is an absolute component, capabilities, that are subject to the relativity in terms of commodities.<sup>7</sup>

Even though Sen did not discuss specifically Townsend's perspective on relative poverty<sup>8</sup>, Townsend (1985) tried to answer Sen's critiques. According to him, Sen did not represent adequately the concept of relative deprivation and, also, by using the concept of capability he gave "[...] confused grounds for retaining an 'absolute' core to the meaning of poverty" (TOWNSEND, 1985, p. 659).

Townsend (1985) tries to answer the two general critiques proposed by Sen: a) the confusion over absoluteness of needs with fixity over time; b) the difference between achieving relatively less and absolutely less because of falling behind others. Regarding the first one Townsend states that Sen has said something quite different from the majority of the absolute poverty researchers. Moreover, Sen, according to him, does not recognize that the relative deprivation approach tries to adopt a scientific definition that allows comparisons through time about changes in conditions within a single society and between different societies at a simultaneous moment of time.

<sup>6</sup> According to Sen (1986): "Some capabilities such as being well-nourished may have more or less similar demands on commodities (such as food and health services) irrespective of the average opulence of the community in which the person lives. Other capabilities, such as the ones with which Adam Smith was particularly concerned, have commodity demands that vary a good deal with average opulence".

<sup>7</sup> In line with this reasoning Sen (1981, p. 17) stated: "Thus the approach of relative deprivation supplements rather than supplants the analysis of poverty in terms of absolute dispossession".

<sup>8</sup> In fact, Sen has assessed the relative poverty approaches in general.

About the second critique, Townsend (1985) considers that Sen discusses people's advantage, not deprivation and, according to him, it seems that Sen bases poverty more in terms of individual motivation, than in terms of social organization. Townsend points out that in any society the level of resources available to the local community determines whether or not individuals from that community will satisfy social obligations, expectations, customs and needs. The author criticizes also the focus on hunger of the Senian approach because this, according to him, can underestimate the importance of other needs than food. Then, in his conception the way that Sen presents poverty is minimalist in the sense that it ignores or underestimate the importance of certain forms of social needs opening the door to a tough state interpretation of subsistence rations.

Townsend (1985) also criticizes the proposed definition of poverty in terms of capabilities, especially as way of generalizing a form of measuring poverty. He questions the empirical implications and applicability of the proposed notion, considering that Sen did not focused in the fact that needs are socially constructed. According to the author: "These are *social* notions and this is what I would insist upon. Types of need, even capabilities in the sense used by Professor Sen, are socially created and have to be identified and measured in that spirit" (TOWNSEND, 1985, p. 667, emphasis from the author). Townsend concludes, then, that Sen manifests a sophisticated adaptation of the individualism of the neo-classical economics.

It is noticeable in this debate that there is a certain clash between the economic and philosophical grounding that Sen gives to his approach to poverty with the sociological and more empirically driven perspective taken by Townsend. As Townsend (1985, p. 664) states about Sen's continuous attempt to characterize hunger and starvation as an absolute core of the concept of poverty: "I find this passage wholly unacceptable. He does not say anything about the scientific criteria by which he identifies, or prioritise human needs". In another point of the text Townsend (1985, p. 665) argues that the Achilles heel of the Senian argument is that "He does not offer any serious criteria of poverty independent of income". Townsend, as it seems, does not recognize the capability approach as way to define poverty and then considers that Sen does not have such a definition at all. The author also considers that the roots of a conception of need come from society and the capability perspective tends to generalize the individual motivation and prioritization of needs as a general criterion. This is the reason why Townsend

accuses Sen of adopting a conception of poverty based upon neo-classical economics, though Sen (1977, 1985b, 2000, 2004b) manifested in his works a strong criticism of this perspective.

In the same number of the *Oxford Economic Papers* Sen (1985a) published a reply to Townsend. Sen highlights that Townsend has confined the critics of Sen (1983) to his own work appearing that the general argument of the paper was directed to Townsend's perspective only. Sen understands that the main criticism of Townsend relies upon the conception of absolute and relative dimensions of poverty altogether: "Poverty is not just a matter of being relatively *poorer than others* in the society, but of not having certain minimum 'capabilities'" (SEN, 1985a, p. 669, emphasis from the author). Applying the capability approach in the analysis of poverty implies in recognizing that: "[...] it is a question of setting certain absolute standards of minimum material capabilities relevant for that society. Anyone falling to reach that absolute level would then be classified as poor no matter what his *relative* position is vis-à-vis others" (SEN, 1985a, p. 670).<sup>9</sup>

According to Sen, the minimum list varies from society to society, reflecting contemporary standards, but this aspect does not imply that the exercise of specifying the poverty standards is purely subjective. Sen (1980, p. 17) addresses the subject as follows: "For the person studying and measuring poverty, the conventions of society are matters of fact (what *are* the contemporary standards?), and not issues of morality or of subjective research (what *should* be the contemporary standards?) [...]"

Then, the Senian approach is not income based as Townsend represented, it considers that the failure of someone to achieve a certain minimum of capabilities is intrinsically related with poverty (Sen, 1985a). Moving forward, the author points the fact that Townsend misrepresented the Senian argument, by saying that the advocacy of an absolute core is based only in the matter of food provision, ignoring that the absolute deprivations may be of other kind, than only nutrition standards. As Sen (1985a, p. 673, emphasis from the author) concludes:

The characteristic feature of "absoluteness" is neither constancy over time, nor invariance between different societies, nor concentration merely on food and nutrition. It is an approach

<sup>9</sup> As Sen (1981, p. 17) has pointed: "A famine, for example, will be readily accepted as a case of acute poverty no matter what the relative pattern within the society happens to be. Indeed, there is an irreducible core of absolute deprivation in our idea of poverty, which translates reports of starvation, malnutrition and visible hardship into a diagnosis of poverty without having to ascertain first the relative picture".

of judging a person's deprivation in absolute terms (in the case of the poverty study, in terms of a certain specified minimum absolute levels), rather than in purely *relative* terms vis-à-vis the levels enjoyed by others in society.

Sen (1985a) also argues that he has never intended that the capabilities are the same everywhere, neither that the concept of poverty, taken as the minimum levels of capabilities, is the same everywhere. Despite of that misconceptions, Sen concludes his reply stating that there are some common aspects in his capability approach to poverty when compared with the deprivation conception of Townsend, like the social nature of needs. Though, both approaches are not equal, because while Townsend focuses in the relative social conditions, Sen's focus is directed towards the real freedoms that people who are poor actually have. In the next section we will advance the Senian perspective.

### **3. Poverty as lack of capabilities**

As seen in the previous sections, Sen (1983, 1985a) tries to move forward from the absolute x relative definitions of poverty applying his capability approach to the analysis of poverty. Given the fact that the relative perspective was dominating the discussions at his time, this was an important contribution in the field. The capability approach is a theory of how people in fact live, that can contribute on explaining what poverty is, and also how poverty and another problems related with the absence of capabilities can be dealt from the perspective of the individual, the society in general and from governments as well. In this third section the capability approach will be briefly presented and then the definition of poverty in Sen will be further discussed.

Sen (1985b, 1992, 1993, 1999, 2000, 2004b) departs from a distinction between two aspects of a person: the well-being aspect and the agency aspect, considering both relevant in the evaluation of people's doings and beings. The first one is related with the person's achievements and the opportunities in the context of his/her personal advantage and the second one with other objectives and values, going possibly beyond the pursuit of one's own well-being.

Both aspects, the agency and the well-being, are interdependent among each other, no substantial variation in one can be obtained without some variation in the other. But they are not identical, nor so closely linked that the personal analysis can be done considering only the agency or only the well-being aspect. In this sense, not all the

person's activities look for maximizing the own well-being, as many utilitarian philosophers and welfare economists have proposed, one person can throw away his/her own advantage in favor of another values, like helping others, or honoring a sense of citizenship or patriotism (SEN, 2004b).

Each one of these aspects correspond to a certain kind of freedom. Sen (1985b, 1992, 2000) adds the importance of including freedom, understood as a person's options and opportunities as an aspect to be considered in a normative evaluation. In this reasoning, besides of considering the personal achievements in terms of agency or well-being it is crucial to consider the freedoms that someone has to act as an agent and also to pursue his/her own well-being. So, there is an agency freedom and also a well-being freedom.<sup>10</sup>

It is in the well-being aspect of the person that Sen (1985b, 1992, 1993, 2000) places the definitions of functionings and capabilities. According to him, a person's well-being can be conceived in terms of the ways of a person can function, which is, the various doings and beings that can be assessed as functionings. In this sense, to live can be seen as having a bundle of functionings inter-related. These functionings can be seen as activities (eating, reading, seeing) or states of existence or being, from the elementary ones (being well nourished, being free from avoidable diseases) to more complex as (not being ashamed of his own clothing, taking part in the life of the community, having self-respect). The set of functionings that a person actually achieves is defined as his/her functioning vector. According to Sen (1993, p. 37): "The claim is that the functionings make up a person's being, and the evaluation of a person's well-being has to take the form of an assessment of these constituent elements".

From the concept of functionings it is possible to derive the concept of capability, understood as a set of conditions that allow the functionings that are feasible to a person to achieve:

In the space of functionings any point, representing an n-tuple of functionings, reflects a combination of the person's doings and beings, relevant to the exercise. The capability is a set of such functioning n-tuples, representing the various alternative combinations of beings and doings any one (combination) of which the person can choose. Capability is thus defined in the space of functionings. If a functioning achievement (in the form of an n-tuple of

<sup>10</sup> "If, for example, all the alternatives other than the one actually chosen were to be eliminated, this need not affect achievement (since chosen alternative can be still chosen), but the person clearly has less freedom, and this may be seen as a loss of some importance" (SEN, 2004b, p. 60).

functionings) is a point in that space, capability is a set of such points (representing the alternative functioning n-tuples from which one n-tuple can be chosen) (SEN, 1993, p. 37).

Capability, in these terms, is a kind of substantive freedom, as discussed before, the freedom to achieve different alternative functioning combinations, which represent the freedom to choose among different lifestyles (Sen, 1985b, 1992, 1993, 2000).

As Rego and Pinzani (2014) point out, capability is a concept that is not limited to the notion of capacity, nor the ability, but it considers both together, plus the mental states and other subjective states like being healthy, alphabetized, etc., including also external circumstances. To say that someone has the capability to move to another city does not mean only that this person can physically move his/her, but also implies the real options that this person has to do it. That is the reason why capability can be a measure of the degree of substantial freedoms that a person has, to live the kind of life that his/her values.

An example presented by Sen (2000) may help us understand the concept of capability. According to Sen riding a bike means to use this instrument (this commodity) for transportation purposes. Having a bike gives to someone the possibility to move about in a certain way that he/she might not be able to without it, which means that the transportation characteristic of a bike gives to someone the capability of moving in a certain way. One person might use the bike to go to work or might use it for leisure. Even in the first case, as Rego and Pinzani (2014) shows us a person can use this bike because he has an environmental consciousness or because this kind of transport is faster than his/her car, during the rush hour. On the other hand, the bike can be used by someone because he/she does not have a car and there is no public transportation to his/her destination or even he/she does not have the money to pay for the bus. In this example, it is noticeable that the bike can realize different functionings for different people, it is the cyclist condition that makes the whole difference. According to Rego and Pinzani (2014, p. 68, our translation): “[...] a rich executive with ecological consciousness that goes with a bike to his office and a poor laborer that goes with his bike to the industry where he works are sharing the same functioning, but for different reasons and deeply different contexts”.

In evaluating someone's well-being, Sen conceives that it is important to consider, also, his or her conversion factors of income or commodities into functionings. In this

sense Sen (1999) considers that it is not possible to simply compare the capabilities or the functionings achieved by different persons. For example, in comparing the bread consumption of two persons it is not enough to compare the amount of bread that both buy or eat. A person that is disabled can have more access to commodities and still have less chances to live a normal life, pursuing the objectives he or she values, than someone that is not in the same condition. According to him:

Handicaps, such as age or disability or illness, reduce one's ability to earn income. But they also make it harder to convert income into capability, since an older, or more disabled, or more seriously ill person may need more income (for assistance, for prosthesis, for treatment) to achieve the same functionings (even when that achievement is at all possible). This entails that "real poverty" (in terms of capability deprivation) may be, in a significant sense, more intense than what appears in the income space. This can be a crucial concern in assessing public action to assist the elderly and other groups with "conversion" difficulties in addition to lowness of income (SEN, 2000, p. 88).

In *Development as Freedom* Sen (2000) presents five kinds of conversion factors: a) personal heterogeneities; b) environmental diversities; c) variations in social climate; d) differences in relational perspectives; e) distribution within the family.

The first group is related with the disparities discussed above, involving personal differences such as age, physical characteristics, differences related with gender, propension to diseases etc.<sup>11</sup> The second one, environmental diversities, points to climatic circumstances (temperature ranges, rainfall, and so on), that might influence what a person obtains with a specific level of income. The third aspect is related with the availability (or not) of public services as education, public health and social security, the presence of high levels of criminality, and also the social relations (the so called social capital<sup>12</sup>) (SEN, 2000).

The fourth group of conversion factors of income into capabilities involve variations in the established patterns of behavior that may vary between communities, depending on conventions and customs. Here it is possible to see again some reasons presented in the Sen's exchange with Townsend. The author highlights that being relatively poor in an affluent community may impede he or she to achieve elementary

<sup>11</sup> A person with renal problems, that needs Hemodialysis has a problem to convert income and resources in functionings, that are different from a healthy person. That is the reason why the adequacy from income to avoid poverty varies according with personal characteristics and circumstances (SEN, 1992).

<sup>12</sup> See Putnam (1995).

functionings, like to be part of the community life, even though his or her income, in absolute terms, may be higher than the level of income at which members of poorer communities achieve their own functionings. This kind of variation is intersocial, in the sense than it is related with the relative advantages of two persons that are located in different countries or communities (SEN, 2000).

The last conversion factor is the intrafamily (or intrahousehold) distribution of income. Sen's (2000) analysis highlights that incomes earned by one or more family members of a family are shared by all members, the earners and the nonearners. Though, the distribution of income inside the families may not be equal between the family members and this aspect is fundamental in the analysis of the conditions of each member to convert their share of the family income into capabilities.<sup>13</sup>

The conversion factors presented above does not involve only the acknowledgement that there are interpersonal differences. The fact is that these differences may induce a difficulty to someone convert his or her personal income into capabilities, and this fact may not be ignored when studying phenomena like poverty or social inequalities. This is the reason why a simple equality of income, commodities or resources may not result in an equal treatment, due to differences in a person's conversion factors (SEN 1980, 2000).

Robeyns (2005b) also points that in recognizing the relevance of the conversion factors the capability approach represents human diversity in two forms: a) by focusing in the plurality of functionings and capabilities that might be chosen by someone; b) by explicitly focusing in the different conversion factors among people.

These elements are sufficient in order to analyze the Senian perspective regarding poverty as lack of capabilities. In this point it is important to present the concept of basic capabilities<sup>14</sup>, that was first presented in *Equality of What?* (SEN, 1980) and that was further developed in Sen (1993). Given that poverty might be better defined in terms of a deprivation of capabilities, which is, the lack of real opportunities that someone has to plain and to achieve his/her life plans, for evaluative purposes Sen argues that it is

<sup>13</sup> For example, Sen (1992, 2000) highlights that gender inequality is a relevant factor in the intrafamily distribution in several Asian countries and in northern Africa. These differences in treatment impact in bigger levels of mortality, morbidity, malnutrition or the absence of medical treatment.

<sup>14</sup> The definition of basic capabilities in Sen is quite different of that proposed by Nussbaum (2000). As we shall see in this section.

important to identify a subset of crucially important capabilities, that might orient the analysis of the people who are worst off in a given community, these capabilities may be labeled as basic capabilities (SEN, 1993; CROCKER; ROBEYNS, 2010).

The basic capabilities then are related to the ability to satisfy certain crucially important functionings up to minimally adequate levels. People who are not able to achieve this threshold might be considered “scandalously deprived” (SEN, 1993, p, 40). This concept might be used as a new approach to diagnose and to measure poverty, instead of the traditional adoption of the income criterion, as discussed previously, considering that the basic capability measure is sensitive to the problem of the conversion factors.

Which capabilities should be considered as basic ones? The specification of which capabilities are relevant to poverty analysis or even to define the minimum conditions to have a valuable life is something that Sen is not committed with. As opposed to Nussbaum’s (2000, 2003) project of defining “basic capabilities” that should be provided by governments, Sen (2000, 2004a, 2011) understands that it is the role of the democracy, understood as the “government by discussion”, the role of defining what are the relevant capabilities.<sup>15</sup>

Due to this reasoning Sen does not present us a list of capabilities that should be labeled as basic, and therefore used in order to define who is poor. Though, it is possible to find in some of his works a group of certain capabilities that are essential do good human functioning, such as the following: a) to move about; b) the ability to meet one’s nutritional requirements and to avoid morbidity and mortality; c) the ability to be physically fit; c) the wherewithal to be clothed and sheltered; d) to have access to participate in the social life of the community (SEN, 1980, 1993, 2004a; DRÈZE; SEN, 2002).<sup>16</sup>

In discussing the selection of relevant capabilities, Sen (2004a) emphasizes that there is, and there should not be a fixed universal list of capabilities in his perspective of

<sup>15</sup> On this subject see: Robeyns (2005b), Crocker and Robeyns (2010).

<sup>16</sup> According to Sen (1993, p. 30): “In the context of some types of social analysis, for example, in dealing with extreme poverty in developing economies, we may be able to go a fairly long distance with a relatively small number of centrally important functionings and the corresponding basic capabilities (e.g. the ability to be well nourished and well sheltered, the capability of escaping avoidable morbidity and premature mortality, and so forth). In other contexts, including more general problems of economic development, the list may have to be much longer and much more diverse”.

the capability approach. According to him: “To insist on a fixed forever list of capabilities would deny the possibility of progress in social understanding and also go against the productive role of public discussion, social agitation, and open debates” (SEN, 2004a, p. 80). However, the author manifest that it is admissible to define some specific lists in order to conduct empirical research on poverty and that he himself made such exercise when he assessed the extent of poverty in India (SEN, 1993, 2004a).<sup>17</sup> So, the capability approach not only is useful in order to define poverty, but also by proposing a better way of measuring poverty, by defining and using capabilities lists for research purposes.

Considering all the aspects presented here it is possible to conclude that Sen uses the term basic capabilities to advance his own definition of poverty. Poverty might be defined as comprised of two dimensions, an absolute one and another that is relative (SEN, 1983, 1985b). The absolute core might be understood as the absence of basic capabilities, and the relative aspect is related with the access to commodities, income and resources. The list of basic capabilities, though, is not universal, it varies from society to society, according with the functionings and respective capabilities that are considered valuable for each society, and that aspect must also be considered when researching poverty (SEN, 1993, 2000; DRÈZE; SEN, 2002).

## **Conclusions**

The purpose of this paper was to analyze the existing definitions of poverty, especially considering the absolute and relative traditional ways of definition, in order to analyze the Senian definition of poverty as the deprivation of capabilities. In light of our previous discussion, it is possible to draw some conclusions.

First, it is noticeable, that the proposed definition of poverty as the lack of capabilities comprises both absolute and relative notions of poverty. Sen does not deny the importance of the social processes that define what is the standard of living shared among individuals in a specific community and then we might say that the functionings that are necessary for someone to be considered part of a specific community varies from

<sup>17</sup> Following this perspective, some authors are trying to define some criteria in selecting relevant capabilities for research purposes, such as Alkire (2002, 2005) and Robeyns (2003, 2005a).

society to society, as Townsend and his colleagues have diagnosed. But there is an absolute core in the notion of poverty, which is the fact that people who are poor does not have the same range of options that people who are not poor do have. Therefore, poverty might be seen as this deficit in terms of basic capabilities that people should have to live their own life.

The capabilities, then, are absolute in the Senian perspective, but the specification of which capabilities are fundamental, in terms of commodities or of social participation is something that varies from society to society and then can be considered as a relative aspect. The quoted passage from Adam Smith is very emblematic in this sense. For the 18<sup>th</sup> century English laborer the linen shirt and the leather shoes are an important aspect to be considered part of that society. Without them the laborer would see himself ashamed.

A second conclusion is that this definition of poverty can be considered important because it serves not only as a working concept that may help empirical research about poverty, but that can also guide political action as well. Differently from the absolute and relative notions presented in this article, the Senian account of poverty is rooted in a philosophical ground that allows either a philosophical analysis of the phenomenon of poverty, in terms of social justice, well-being, agency, and so on, but also an empirical analysis of the way how people in fact live and can serve as basis and orientation to the design of social policies that try to deal with the phenomenon of poverty increasing the range of options of people who are poor, instead of guiding them to a certain way of live.<sup>18</sup>

A third element that should be highlighted is that the Senian definition of poverty differs from the absolute definitions and relative definitions because it recognizes that it is important to look at the differences in the conversion factors that people have, that may favor or even impede the conversion of income or even commodities into capabilities. The relative poverty perspective is different from absolute poverty, because it considers intersocial variations among societies, but it does not recognize that there are interpersonal variations as well, such as personal heterogeneities and variations among the family (or household) members.

<sup>18</sup> In this sense, it is recommended to see the analysis of Rego and Pinzani (2014) from the results of the Programa Bolsa Familia in Brazil.

A fourth aspect that can be highlighted is that this definition of poverty allows us to look at the functionings that are considered worthy by each community also problematize them by submitting it to the process of public reasoning. For Sen (1985a, 2000, 2004a) it is not the task of the researcher to determine which capabilities are universally valuable and which are not. That is the reason why the author did not offer a closed list of capabilities but in the other hand he advocates the importance of the democracy, understood as the “government by discussion” (Sen, 2006, 2011) as the space where people will have conditions to prioritize the capabilities deficits that demand governmental action. On the other hand, Sen (1993, 2004b) considers that researchers can build capabilities lists, for specific research purposes and, in this way, they might try to define which are the basic capabilities necessary in order to evaluate poverty in an specific community, or in a broader population.

We stressed this aspect because the attempts of measuring poverty in relative terms, especially following Townsend’s proposals have received some criticisms of being quite arbitrary, because it was the researcher who was defining what are the standards of living of a specific community he/she is researching. The senian perspective tries to avoid this kind of criticism by stressing that a third party that should not exclusively define what are the goods and social interactions that a person must have access, in order not to be poor (what capabilities are fundamental). The same can be said about a researcher or a policymaker. The own community that is being researched should have voice in order to manifest which capabilities are relevant for them.

These four reasons presented above shows us that a definition of poverty in terms of the deprivation of capabilities can be very adequate, not only as a philosophical or scientific definition, that has been basing very important researches in the field, but also as a practical concept, that allows us to look at those deficits of capabilities, that might amplify the range of feasible options for those who live in poverty.

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