

CHAPTER II

CONCEPTS OF POVERTY

INTRODUCTION

Poverty is an important socio-economic problem. Such an important issue needs conceptualization. Conceptualization of poverty is essential in order to determine the criterion of poverty.¹ Moreover, poverty is not simply a matter of physical or material deprivation, but a much more complex phenomenon, a dimension that can easily be lost sight of if one does not have conceptual frame which accommodates the social processes as well.² What is meant by poverty? Who are the poor? What are the socio-economic structural characteristics and processes which generate and perpetuate poverty?

Keeping all the above matters in mind we have decided to include here a chapter on concepts of poverty. This chapter has been divided into two sections. Absolute and Relative poverty being two basic approaches to the conceptualization of poverty first section of the chapter has been

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1. A.K. Sen, Poverty and Famines: An Essay on Entitlement and Deprivation, Oxford University Press, Delhi, 1981, P.9.
 2. C.T. Kurien, Poverty, Planning & Social Transformation, Allied Publishers Private Ltd., New Delhi, 1978, P.8.

devoted to the analysis of these aspects of the problem. But merely an analysis of absolute and relative phenomenon of poverty without touching structural aspect of it would keep analysis of poverty incomplete. Because it is only structural aspect of poverty which analyses the root cause of poverty which according to Marx lies in the economic structure of the society and not in mere functioning of the society. Structural approach to poverty is the relation of poverty to the social, economic and political system within which the poor are deprived.³ The structural approach has been presented by C.T. Kurien as : "We shall conceptualize poverty as the socio-economic phenomenon whereby the resources available to a society are used to satisfy the wants of the few while the many do not have even their basic needs met."⁴ This structural approach to poverty is discussed in the second section of the chapter.

1. THREE CONCEPTS OF POVERTY

There are three approaches to the conceptualization of poverty. These are : Absolute Poverty, Relative Concept of Poverty, and Externality Concept of Poverty.

3. P.C. Joshi, "Perspectives on Poverty and Social Change", Economic and Political Weekly (EPW), Vol.XIV, N.7 & 8, February 1979, P.356.

4. C.T. Kurien, Op.Cit., P.8.

Absolute Poverty

Absolute Poverty is lack of resources in an absolute sense. According to the definition of absolute poverty, poor are those who are unable to maintain a minimum subsistence level of living. This type of poverty is also known as minimum needs approach or subsistence approach to the concept of poverty. This concept of poverty has long been used by scholars and government agencies concerned with the determination of the nature and extent of poverty, and in establishing a basis for public assistance programmes. It seems to be in accord with a common sense notion of poverty and is supposed to be capable of value free determination.

Rowntree on Absolute Poverty

Rowntree was the first investigator to define poverty in absolute or subsistence terms. In his classic study of poverty in the city of York, he wrote "My primary poverty line represented the minimum sum on which physical efficiency could be maintained. It was a standard of bare subsistence rather than living. In calculating it the utmost economy was practised.....A family living upon the scale allowed for in this estimate must ~~.....be governed by the~~

regulation, 'nothing must be bought but that which is absolutely necessary for the maintenance of physical health, and what is bought must be of the plainest and most economical description.'⁵

In short, according to Rowntree, the families with total earnings insufficient to obtain minimum necessities for the maintenance of mere physical efficiency are in 'primary poverty'. 'Secondary poverty' existed when income was adequate to maintain a subsistence level, but the family failed to spend its income to purchase the necessities to sustain life and health. This happened, according to Rowntree, due to the defect of moral character and native intelligence of a person rather than an insufficiency of resources with him.⁶ Orshansky in the United States has given a definition of poverty on similar line to that of Rowntree's on the basis of the estimates of minimum food expenditure as against the minimum requirements of protein and calories adopted by Rowntree.⁷

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5. B.S. Rowntree, Poverty and Progress: A Second Social Survey of York, Longmans, Green and Co., New York, 1941, P.102-103; Peter Townsend (ed), The Concept of Poverty, Heinemann, London, 1970, P.49.
 6. Peter Townsend (editor), Op.Cit., P.49.
 7. M. Orshansky, 'Counting the Poor: Another Look at the Poverty Profile', Social Security Bulletin, 28, (Year not mentioned). Quoted in Dalip S. Thakur, Poverty, Inequality and Unemployment in India, B.R. Publishing Corporation, New Delhi, 1985, P.140.

Basic Needs Approach of ILO

In the mid seventies the ILO gave currency to Basic Needs Approach.⁸ Whether the basic needs concept is an absolute or relative one is a much debated issue. The ILO Director General's report concludes that basic needs can be absolute as well as relative, but suggests that in the present situation, meeting basic needs should be addressed in the absolute sense.⁹ In recent period, absolute poverty is defined in terms of lack of basic human needs. Thus, for example, Drewonski and Scott draw up a hierarchically arranged list of such needs.¹⁰

1. Basic Physical Needs : Nutrition, Shelter, Health;
2. Basic Cultural Needs : Education, Leisure, Recreation, and Security;
3. Higher Needs : Surplus Income.

It is seen from this hierarchically arranged list of basic needs that clothing has been excluded inspite of its utmost

8. For further details about Basic Needs Approach, Please see Ezazul Huq, The basic needs approach- planning for core needs in Bangladesh, University Press Limited (UPL), 1984.

9. Meeting Basic Needs : Strategies for Eradicating Mass Poverty and Unemployment (conclusions of the world employment conference, 1976), ILO, Geneva, 1976, Quoted in Ezazul Huq, Op.cit. P.35.

10. J. Drewonski and W. Scott, The level of living Index, UN Research Institute for Social Development, Report N.4, 1966. Quoted in Kamal Siddique, The Political Economy of Rural Poverty in Bangladesh, National Institute of Local Government (NILG), 1982, P.3.

importance. It is obvious that adequate clothing is a social necessity. Apart from the protection it provides from weather, without adequate clothing to cover one's shame, one would not be in a position to participate in any activity in public.

Other Approaches

As an alternative to the hierarchy approach, Khan selects the items like (1) food, (2) clothing, (3) shelter, (4) health, (5) education, (6) drinking water and (7) contraceptives to constitute the basic needs bundle and for each of these for Bangladesh he estimates independently the "acceptable" quantities of per capita requirement. Thus, the cost of the "acceptable" bundle of these basic needs constitutes the poverty line, and persons with incomes inadequate to meet the cost of this bundle are regarded as poor.¹¹ However, Srinivasan pointed out that the quantification of basic needs, if feasible at all, should be in terms of a bundle of things together, rather than specific requirement independently derived from the elements constituting such a bundle, because of their complementarity and substitution possibilities.¹² V.K.R.V. Rao has argued, "poverty has to be identified with deficiency in the total

11. A.R.Khan, "Basic Needs Targets: An illustrative exercise in identification and quantification", in D.P. Ghai, et al (ed), The basic needs approach to development, ILO, Geneva, 1977, Quoted in Kamal Siddique, Op.cit., P.4.

12. T.N. Srinivasan, Poverty, Some Measurement Problems, World Bank Reprint Series No.47, 1977, P.10, Quoted in Kamal Siddique, Op.cit., P.4.

level of living which includes not only energy requirements but also balanced diet needed for health, and the other components of basic needs essential for human existence at a tolerable level."¹³ Morris and Michelle B. McAlpin have constructed a physical quality of life index which is the simple average of life expectancy, infant mortality rate and literacy rate. This physical quality of life index is taken with reference to per capita GNP to find the correlation between per capita income and quality of life.¹⁴ Dandekar stressed in the definition of poverty in subsistence terms on the basis of lack of inadequacy of income. According to him, "Want of adequate income, ~~however~~ defined, is poverty."¹⁵ The poverty line in terms of specific income level varies depending on assumptions as to what constitutes "the daily needs of life" and the cost of these items. Dandekar has mentioned four such criteria for the definition of current poverty line:

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13. V.K.R.V.Rao, "Nutritional Norms by Calorie intake and Measurement of Poverty", Bulletin of the International Statistical Institute, Proceeding of the 41 Session, Vol.XLVII - Book 1, 1977, invited papers, P.645-654. Quoted in V.M. Dandekar, "On Measurement of Poverty", EPW, Vol.XVI, N.30, July 25, 1981, P.1241.
 14. David Morris, Michelle B. McAlpin, Measuring the Conditions of India's Poor, The Physical Quality of Life Index, Promilla and Co., Publishers, New Delhi, 1982.
 15. V.M. Dandekar (1981), Op.cit., P.1243.

(a) A proportion of expenditure taken up by specified essential items such as food; (b) calorie value of food; (c) Cost of balanced diet; and finally, (4) Cost of essentials of tolerable human existence.¹⁶ Abel Smith and Townsend defined poverty in terms of income limits for social security assistance.¹⁷

Minimum Subsistence Criterion

Poverty is generally defined only in terms of nutritional norms e.g. intake of calories and proteins, without counting other basic needs. The reasons behind estimating poverty only in terms of nutritional norms are: (i) food is the most basic of human needs, (ii) Moreover, it has proved very difficult to establish vigorous standards of adequacy for any of the essentials of living except food.¹⁸ J.Murray Luck, analyzing the definition of poverty after world war II, put the matter as follows, "The wants to be considered here are the recognized biological necessities - food and drink. Little will be said about housing. The need for shelter

16. V.M. Dandekar (1981), Op.cit., P.1243.

17. Abel Smith and Peter Townsend, The Poor and the Poorest, London: Bell, 1965. Quoted in S.P.Gupta, Structural Dimensions of Poverty in India, Mittal Publications, 1987, P.8.

18. M.Rein, "Problems in the definition and measurement of poverty", in Peter Townsend (ed), Op.cit., P.51.

varies according to local and social custom; it can not be accurately measured. Fuel is essential for survival in a cold environment, but this too is a regional and variable necessity. A similar consideration applies to clothing. The conventional biological definition of a necessity..... excludes, except for reproduction, almost every thing except food and water.¹⁹ More recently Orshansky has noted "there is no generally acceptable standards of adequacy for essentials of living except food."²⁰ (iii) Advancement of nutritional science as a result of which acceptable standards for calorie and protein intakes are now measurable region and countrywise.

The Marxists treat subsistence minimum more than physiologically determined. They include both natural and necessary wants. Marx said "the worker's natural wants, such as food, clothing, fuel and housing vary according to the climatic and other physical conditions of his country. On the other hand, the number and extent of his so called

19. J. Luck, The war on malnutrition and poverty, New York, Harper and Brothers, 1946, P.15, Quoted in M. Rein, Op.cit., P.51.

20. M. Orshansky, "Counting the poor: Another look at the poverty profile", Social Security Bulletin, XXVIII, N.1, January 1965, P.5, Quoted in M.Rein, Op.cit., P.51-52.

necessary wants.....are themselves the product of historical development and depend, therefore, to a great extent, on the degree of civilization of a country."²¹ Therefore, the Marxists argue that the subsistence minimum varies historically, but at any given time and place it can be determined and approximately measured. Following this line of argument Baran and Sweezy defined poverty as the condition in which these members of a society live, whose incomes are insufficient to cover what is for that society and at that time the subsistence minimum.²²

Limitations of the Subsistence Concept of Poverty

The subsistence concept of poverty is associated with various problems. Some of them are discussed below:

1. Generally data regarding calories consumption are collected by household survey which provide data of per capita calorie consumption of each household averaging out intra-household variations. Thus, it does not take into account intra-household variations in actual intakes.
2. Calorie norms are subject to variations from person to person depending on age, sex, normal activity and other factors. Thus the average norms may not reflect the

21. Marx, Capital, Vol.1, Part 2, Chapter 4, Section 3. Quoted in Paul A. Baran and Paul M. Sweezy, Monopoly Capital, Monthly Review Press, New York, 1966, P.281.

22. Paul A. Baran and Paul M. Sweezy, Op.cit., P.281.

deficiency/sufficiency of calorie intakes in a population. For example, perhaps this related to American situation, adequate calorie intake comes to about 3,000 calories a day for a male age 18 to 64, while a child under ten requires 1,200 to 1,800 calories. However, the level of physical activity appears to be as important as age. A farmer, for example, may require as many as 4,500 calories.²³ Peter Townsend is sharply critical of neglecting various factors including activity levels involved in nutritional standards. In expressing his criticism he offers an analysis of the formidable barriers to scientifically determined subsistence diets. He wrote, "There are real difficulties in estimating nutritional needs. The nutritionists have not subtly broken up the different needs of individuals; they have made overall estimates. These estimates are not even based on studies of the intake of persons in different occupations. Beyond a certain minimum (somewhere, perhaps, between 1,000 and 1,500 calories), the number of calories a man needs.....depends upon the society in which he

23. J. Luck, Op.cit. Quoted in M.Rein, Op.cit., P.56.

lives. Even his dietary needs depend upon climate, the kind of housing he lives in, the kind of job he has and the kind of leisure activities he follows..."²⁴

3. It has been mentioned that absolute or subsistence poverty is viewed as inadequate provision for physical maintenance. Generally, adequacy is examined by referring to some nutritional norms in the case of consumption of food, and to some rough idea of minimum requirements in the case of non-food items. But in case of non-food items such minimum requirements are not so simple to specify. Usually the problem is solved by assuming that a particular portion of total income will be spent on food, with this assumption, the minimum food costs can be used to derive minimum income requirements. But the proportion spent on food varies not merely with habits and culture, but also with relative prices and availability of goods and services. It is not surprising that the assumptions made may often turn out to be contradicted by actual experience
4. The costs of items of bundle of basic needs vary depending on the location of transaction (rural, urban, metropolitan, etc.) time of year and more importantly, on the economic status of buyer. Thus it often happens

24. P.Townsend, "The scale and meaning of poverty in contemporary western society. Dependency and Poverty, 1963-64, Colloquium series paper, Brandeis University, July, 1965, P.15. Quoted in M.Rein, Op.cit., P.57.

that the poor pay more than the rich and get an inferior brand of the same commodity.²⁵

5. One of the reasons for variations in different calculations of poverty in absolute terms that those who follow this definition of poverty use a wide variety of arbitrary figures to establish the poverty level.²⁶ As the concept of subsistence implies that some commodities are necessary for human survival and beyond this level are treated as luxuries, a value judgement is necessarily involved in determining the desirable level of activity and comfort. Perhaps, for this reason, Rein concluded that "subsistence measures of poverty can not claim to rest solely on a technical or scientific definition of nutritional adequacy. Values, preferences and political realities influence the definition of subsistence. Yet once a biological definition is abandoned and actual consumption is taken into account, no absolute measurement of
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25. T.N. Srinivasan and P.K. Bardhan (ed), Poverty and Income Distribution in India, Statistical Publishing Society, Calcutta, 1974, P.121-122; Kamal Siddique, Op.cit., P.6.
26. M.Harrington, The other America, Poverty in the United States, Appendix, Penguin Books, Baltimore, 1962; Gunnar Myrdal, Challenge to Affluence, London, 1964, P.50-52., S.P. Gupta, Op.cit., P.9.

poverty in subsistence terms is possible..²⁷ The result is that those who hold different value judgments concerning how stringent or lenient the poverty standard should be, have used the same data to prove that poverty is either a significant or a trivial problem.²⁸

6. Absolute poverty concept does not relate poor with the non-poor section of the society as a result of which poor are treated in isolation from the rest of the society. It is of course suitable for understanding anti-poverty programmes considering poor as a special group. But ~~at~~ the same time no policy measures to change the basic structure of society which breeds poverty are taken.
7. Retzlaf mentioned some of the problems of improper ^{which} policy interventions/arose from the concept of poverty. Problems mentioned by Retzlaf also relates to the absolute or subsistence approach. These problems are²⁹
 - (1) subsistence approach is reductionist in so far as it tries to comprehend the complex phenomenon of poverty, in terms of an index which measures only one

27. M. Rein, Op.cit., P.61-62.

28. Ralph H. Retzlaf, "Structural Change: An approach to poverty in Asian Rural Development", EPW, Vol.XIII, N.51-52, Dec.23-30, 1978, P.A 105.

29. Ralph H. Retzlaff, Op.cit., P.A 107.

dimension (usually economic in nature) of the total condition of the poor. This reductionism has led to the practice of utilising a series of discrete and unrelated policy interventions which are rarely powerful enough to overcome the resistance set up by the remaining economic, social and political processes and institutions characteristic of poverty and inequality.

(ii) This approach leads to policy interventions involving residual treatment which rests on the assumption that the origin of the problem lie in some form of pathology in the individual or in the way the individual relates to the social environment.

(iii) This concept of poverty brings incrementalist approach to intervention. Incrementalism which is antithesis of structural change means an acceptance of the basic system of distribution and the adoption of policy interventions of marginal changes within the system. But the development experience of past two decades proved that elimination of poverty and inequality in rural Asia requires more than reductionist approaches based upon residual treatment, and incremental policy interventions. At best such interventions provide opportunities to a limited number of individuals for upward mobility within the existing order.

Utility of the Subsistence Concept of Poverty

In view of all the problems associated with subsistence concept of poverty discussed above, M. Rein asserted that "almost every procedure in the subsistence-level definition of poverty can be reasonably challenged."³⁰ But in contrast to M. Rein, A. K. Sen has argued that there remains something to be salvaged in the subsistence approach. The points mentioned by A.K. Sen in favour of the concept are as follows:³¹

1. Nutritional requirement is an important source for determination of subsistence poverty. Although certain vagueness is found in nutritional standard, it is a required kind of vagueness. Because certain amount of vagueness is implicit in the notion 'Poverty' also.
2. Subsistence poverty can be measured through nutritional requirement only without going through the intermediary of income at all. This can be done by collecting direct nutritional information through sample surveys of consumption bundles.
3. Even in case of intermediation of income for determining subsistence poverty, a set of nutritional norms or alternative sets of such norms are translated into 'poverty line' income. This procedure may be simplified

30. M. Rein, Op.cit., P.61.

31. A.K. Sen, Op.cit., P.13-14.

by the wide prevalence of particular patterns of consumption behaviour in the community in question.

4. Malnutrition being an important aspect of poverty in the developing countries, it occupies central position in the subsistence concept. To quote A.K. Sen, "While it can hardly be denied that malnutrition captures only one aspect of our idea of poverty, it is an important aspect, and one that is particularly important for many developing countries."

Relative Poverty or Inequality Approach

According to one set of thinkers, minimum requirement which is the base of subsistence poverty can be determined only in relation to the general standard of living in the society as a whole. Thus the idea of relativity comes in the poverty concept. Relative poverty is nothing but the relative position of various income groups to each other. This is the inequality approach as defined by Rein. To quote M. Rein, "Poverty can not be understood by isolating the poor and treating them as a special group. Society is seen as a series of stratified income layers and poverty is concerned with how the bottom layers fare relative to the rest of society. Hence, the concept of poverty must be seen in the context of society as a whole. The study of the poor then depends on an understanding of the level of

living of the rich,To understand the poor we must then study the affluent."³² In the post-war years, relative concept of poverty has been accepted by both American and European researchers. American scholars who have accepted this concept are Galbraith, Fuchs, Smolensky, Miller and Robby, Rainwater etc. Representatives of European scholars are coats and Silburn, Kincaid, Sleeman, P. Townsend, Atkinson and Robson.³³ Miller and Robby arguing in favour of viewing poverty as inequality conclude, "casting the issues of poverty in terms of stratification leads to regarding poverty as an issue of inequality. In this approach, we move away from efforts to measure poverty lines with Pseudoscientific accuracy. Instead, we look at the nature and size of the differences between the bottom 20 or 10 per cent and the rest of the society. Our concern becomes one of narrowing the differences between those at the bottom and the better off in each stratification dimension."³⁴ Relative deprivation occurs when there is a significant disjuncture between the living conditions of other section of the people of a society and the population that might be

32. M. Rein, Op.cit., P.46.

33. S.P. Gupta, Op.cit., P.10.

34. S.M. Miller and P. Robby, "Poverty: Changing Social Stratification" in P. Townsend (ed.), Op.cit., P.143.

treated as poor. Galbraith writes, "..... people are poverty-stricken when their income, even if adequate for survival falls markedly behind that of the community. Then they cannot have what the larger community regards as the minimum necessary for decency; and they can not wholly escape, therefore, the judgement of the larger community that they are indecent. They are degraded for, in the literal sense, they live outside the grades or categories which the community regards as acceptable."³⁵ In response to the question, what is poverty? M. Harrington told that it is a historically related concept and he wrote, "there are new definitions in America of what a man can achieve, of what as human standard of life should be. In recent times, this has been particularly true since technology has consistently broadened man's potential. It has made a longer, healthier, better life possible. Thus in terms of what is technically possible, we have higher aspirations.....those who suffer levels of life well below those that are possible, even though they live better than Medieval knights or Asian peasants, are poor..... poverty should be defined in terms of those who are denied the minimal levels of health, housing, food and education that our present stage of scientific knowledge specifies necessary life as it is now lived in the US."³⁶

35. John Kenneth Galbraith, The Affluent Society, The Riverside Press, Cambridge, Houghton Mifflin Company, Boston, 1958, P.323-324.

36. M. Harrington, Op.cit., P.42..

P. Townsend stated that although poverty is more than inequality. The poor undoubtedly receive an unequal share of resources and any explanation of this fact must be related to the larger explanation of social inequality in general.³⁷ Although P. Townsend in his statement did not mention it, of course, tells about the relative aspect of the poverty. P. Townsend, an articulate exponent of the relative poverty approach suggested that "needs which are unmet can be defined satisfactorily only in terms relative to the society in which they are found or expressed. Distinctions hitherto made between 'absolute' and 'relative' poverty, or between 'basic' and 'cultural' needs are argued to be unreal upon analysis. Needs which are believed to be absolute or basic can be shown to be relative. Poverty must be regarded as a general form of relative deprivation which is the effect of the mal-distribution of resources."³⁸ He added that, "That section of the population whose resources are so depressed from the mean as to be deprived of enjoying the benefits and participating in the activities which are customary in that society can be said to be in poverty. This is not the same thing as saying that the poor are the 10 per cent or 20 per cent in every society with the least resources."³⁹ P. Townsend further argued that "possession

37. P. Townsend, "Poverty as relative deprivation of resources and style of living" in Dorothy Wedderburn (ed), Poverty, Inequality and Class Structure, Cambridge University Press, 1974, P.16.

38. P. Townsend (ed), Op.cit., P.2.

39. Ibid., P.19.

by individuals and families of relatively low resources does not automatically mean they are in poverty, but only if they are thereby unable to have the types of diets, participate in the activities and have the living conditions and amenities which are customary in that society (in addition to food and clothing customs, they include, for example, in the United Kingdom, such things as birth day parties for children, summer holidays and evening out)".⁴⁰

In a recent writing P. Townsend presented a series of ingenious specific life-rooted indicators to provide an estimate of objective poverty on the basis of a level of deprivation disproportionate to resources.⁴¹ His indicators showed how deprivation affects life and according to him "The poverty infects all of life, the humiliatingly small as well as debilitatingly large."⁴² Some distinct and different notions seem to exist within the uniformity of the term, 'relative deprivation'. These are (i) contrast between 'feelings of deprivation', and 'conditions of deprivation', and (ii) contrast concerns the choice of 'reference groups' for comparison. 'Conditions of deprivation' relates to the concrete conditions of use of relative deprivation in an objective sense to describe situations

40. P. Townsend (ed), Op.cit., P.42.

41. P. Townsend, Poverty in the United Kingdom: A Survey of Household Resources and Standards of Living, Allen Lane Books, 1979, Quoted in S.P. Gupta, P.11-12.

42. Ibid, Quoted in S.P. Gupta, P.12.

where people possess less of some desired attribute, be it income, favourable conditions or power, than do others.⁴³

'Feelings of deprivation' which is very much related to 'conditions of deprivation' is the view of the people in evaluating the material object. Even if 'feelings' are not brought in explicitly, they must have implicit role in the selection of 'attributes'.⁴⁴ P. Townsend wrote "endeavour to define the style of living which is generally shared or approved in each society and find whether there is..... a point in the scale of the distribution of resources below which families find it increasingly difficult.....to share in the customs, activities, and diets comprising that style of living."⁴⁵ Feeling of deprivation plays significant role to decide on the style and level of living and the failure to share the things which are treated as important. Thus, 'conditions' and 'feelings' of deprivation are closely associated and for objective diagnosis of 'conditions' an objective understanding of 'feeling' is essential.⁴⁶ The second contrast concerning the choice of reference groups for

43. Dorothy Wedderburn (ed), Op.cit., P.4; A.K.Sen, Op.cit., P.15-16.

44. A.K. Sen, Op.cit., P.16.

45. P. Townsend in Dorothy Wedderburn (1974), Op.cit., P.36; A.K.Sen, Op.cit., P.16.

46. A.K. Sen, Op.cit., P.16.

comparision is to look out the groups with which the concerned people actually compare themselves. The horizon of comparison is related with the political activity in the community in question because sense of deprivation of a person is connected with his expectations and his feelings of what is fair and who has the right to enjoy what.⁴⁷ For example, Richard Scase notes that Swedish workers tend to choose rather wider reference groups than British workers, and relates this contrast to the differences in the nature of the two trade union movements and political organization generally.⁴⁸

Thus relative concept of poverty has many advantages like, (a) it involves more factors than only income adequate for subsistence. It overcomes the economistic biases of much poverty research which are limited only to gross measures of personal or household incomes. It is an advance over poverty-line system fixed in terms of income for various households combinations and only adjusted for the cost of food basket purchased by average subsistence household, (b) relative poverty brings more people under consideration than absolute poverty does, (c) it is a system which estimates the social effects of poverty as indicators of poverty.

47. A.K. Sen, Op.cit., P.16.

48. Richard Scase, 'Relative Deprivation: A comparision of English and Swedish Manual Workers' in D.Wedderburn (1974), Op.cit., P.208-213, A.K.Sen, Op.cit., P.16.

Inspite of many advantages, relative approach of poverty is not without shortcomings. These are:

1. Relative approach does not indicate status of fulfilment of basic minimum requirements. For a country where vast majority of people are deprived of even two square meals, it is a vital issue. It may be argued that in some cases at least, greater equality may simply mean a more equal distribution of poverty. Also, two societies or the same society at two different points in time may be found with similar degrees of inequality and yet differing in degrees in the fulfilment of basic human needs. To quote, ~~renowned~~ Economist A.K. Sen, "Inequality and poverty are not, of course, unrelated. But neither concept subsumes the other. A transfer of income from a person in the top income group to one in the middle income range must ceteris paribus, reduce inequality; but it may leave the perception of poverty quite unaffected. Similarly, a general decline in income that keeps the chosen measure of inequality unchanged may, in fact, lead to a sharp increase in starvation, malnutrition and obvious hardship; it will then be fantastic to claim that poverty is unchanged. To ignore such information as starvation and hunger is not, in fact, an abstinence from 'pseudo-scientific accuracy', but blindness to important parameters of the common understanding of poverty."⁴⁹

49. A.K. Sen, Op.cit., P.15.

2. In relative approach there is no objective method of determining the cut-off point to differentiate between poor and non-poor. The poverty line gives opportunity to know how many people are below it, how far below it they are, and how many are near to poverty condition. However, in relative concept this is normally done by defining the poverty line as the median or some other percentile of the overall income distribution.⁵⁰ This is bound to be arbitrary exercise.
3. Relative deprivation approach tries to find out a scientific poverty threshold and forgets that the delineation of poverty is not a "Scientific exercise". It is in fact a value issue, like most questions of statistics.⁵¹ Mary Joe Bane concluded that five different statistics applied to the same data give some what different results. There is no mathematical basis for preferring one statistics to another.⁵²

50. B. Bressler, "Relative Poverty, Absolute Poverty and Policy Implications", The Quarterly Review of Economy and Business, Vol.22, No.2, 1969, Quoted in Kamal Siddique, Op.cit., P.7.

51. S.P. Gupta, Op.cit., P.12.

52. Mary Joe Bane, in Appendix C of Christopher Jenks, et al., Inequality, Basic Books, New York, 1972. Quoted in S.P.Gupta, Op.cit., P.44.

4. Income inequality is an important aspect of relative concept. But income itself is a derivative of wages, profits, rents etc. and finally stems from ownership and control of the means of production, exchange and distribution. It is also not possible on the part of the income alone to adequately reflect the access to non-economic conditions e.g. security, power etc. so that income inequality as an index of poverty may be no more than the tip of the Iceberg.⁵³
5. Since most inequality measures are concerned only with money incomes, some problems can not be avoided. These are (a) while it is correct to assert that money incomes should not be the basis of inequality measurements, a suitable price index for converting money incomes into real incomes is difficult to arrive at, (b) Since poor people generally pay higher prices for the same commodities than the rich, a single price index may not be at all suitable in this regard, (c) in societies where the economy is not sufficiently monetised, money incomes fail to reflect the reality adequately.⁵⁴

53. Kamal Siddique, Op.cit., P.8.

54. Ibid.

Externality Concept of Poverty

Externality concept of poverty, is the third concept of poverty. M. Rein related poverty to the social effect of poverty on the rest of the society. According to this concept, poverty should not be allowed to the extent such that poor people become harmful to the rest, non-poor society. Discomfort and cost of the rest of the society is the crucial aspect of this concept rather than misery and plight of the poor. M. Rein attributed this concept of Smolensky who wanted his poverty measure to serve as an index of disutility to the community as a result of the persistence of poverty.⁵⁵ Although M. Rein attributed externality concept of poverty to Smolensky, a difference is observed between the views of the two proponents. While M. Rein's view of poverty gives disutility to the rest of the society. Smolensky refers to the society as a whole. If Smolensky's view is accepted, then the term 'externality' would appear to be a misnomer.⁵⁶ It is also argued that externality can not be claimed to be a concept of poverty in the same sense as subsistence or inequality can be. The social significance of poverty may lie (at least partly)

55. E. Smolensky "Investment in the Education of the Poor: A Pessimistic Report", American Economic Review, Vol.LVI, May 1966, No.2, P.371.

56. S.R. Osmani, Economic Inequality and Group Welfare, A Theory of Comparison with Application to Bangladesh, Clarendon Press, Oxford, 1982, P.63.

in the disutility it gives to the community, but it is odd to suggest that poverty consists of this disutility. In fact, poverty may be thought to arise from either inequality or lack of subsistence, and may still exert an external effect on the welfare of the society.⁵⁷ Thus, if we accept this argument, we are left with two concepts of poverty e.g. subsistence and inequality or absolute and relative poverty.

Absolute Versus Relative Poverty

Few words may be added regarding the issue concerning the definition of poverty. Whether poverty is to be seen as an absolute or a relative concept? In measuring absolute poverty, absolute factors are always based on some appreciation of the welfare and values of society as a whole. Thus, there is always relative component in the absolute concept of poverty. On the other hand relative poverty also should not be taken as the only basis for the concept of poverty. A.K.Sen wrote, "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

57. S.R. Osmani, Op.cit., P.63.

having to ascertain first the relative picture. Thus the approach of relative deprivation supplements rather than supplants the analysis of poverty in terms of absolute dispossession.⁵⁸ Therefore, absolute and relative approaches are not two isolated concepts so that one should choose one among the two, rather these are two related mutually supplementary aspects of poverty which are both important. It is advisable to include both the concepts in the poverty definition, although practical difficulties are not ruled out.⁵⁹ Rodgers changed the terminology in order to escape from the confusion between absolute and relative poverty. He distinguished between what he called 'ordinal poverty' and 'cardinal poverty'. Cardinal poverty makes reference to specified poverty line, a bundle for economic, social and cultural goods, services and possibilities; ordinal poverty refers to a comparison between different members of society

58. A.K. Sen, Op.cit., P.17.

59. J.B. Dorothy, Poverty, Politics and Change, Englewood Cliffs, N.J. Prentice-Hall, Inc, 1972; D.A. Ferman, L.M.Joyce and Alan Maber, "Definition and Prevalence of Poverty", in Ferman, et al (eds), Poverty in America, A Reader, Ann Arbor, Michigan University Press, Michigan 1968; Walter Korpi, "Approaches to the study of poverty in the United States: Critical notes from the European perspective", P.287-314 in Vincent T. Covello (ed), Poverty and Public Policy: An Evaluation of Social Science Research, Cambridge, Mass:Schenkman Publishing Co.,1980. Quoted in S.P.Gupta, Op.cit.,P.13.

in terms of their access to what is considered good or useful in that society.⁶⁰

2. STRUCTURAL APPROACH TO POVERTY

Structural approach to poverty is to define poverty in the structural perspective. This is also known as Marxist approach to poverty. According to it roots of poverty are identified in the economic structure and not merely in the functioning of this structure. Changing the structure rather than influencing the functioning of the structure appears as a crucial characteristic of the Marxist strategy for eradicating poverty.⁶¹

C.T. Kurien on Structural Approach

In the Indian context, the credit for focusing attention on the root of cause of poverty and for contributing an integrated explanatory framework for the creation of wealth for the few and the generation of poverty for the many goes to C.T. Kurien's work on "Rural Poverty in Taminnadu." He provides penetrating insight into the nature of poverty and the mechanisms and process of immiserization of the rural poor. According to him, "..... with such an unequal

60. Gerry Rodgers, Poverty and Population: Approaches and Evidence, ILO, Geneva, 1984, P.6; S.P.Gupta, Op.cit., P.44.

61. P.C. Joshi (1979), Op.cit., P.357.

distribution of resources and hence of incomes and economic power the choice of products and techniques tends to be dictated by the wants of the few rather than the needs of the many. Growth of a kind may take place under these circumstances, may even be quantitatively impressive, but the natural proclivity of the system is to direct resources towards the growing wants of a few who have ownership and control over resources. The system, therefore, can not provide for the elementary needs of those who have no resources at their command with which to influence its working in their favour. What, for instance, can ensure that when industries in the state are becoming diversified and sophisticated, the cloth that the poor require or the kerosene that they use is available to them? This is the basic explanation of mass poverty such as exists in Tamil Nadu. Poverty is not therefore, a matter of arithmetic, even economic arithmetic. It must be seen as the result of certain economic and social processes without reference to which it can not be properly understood and analysed."⁶²

The above statement offered by the Tamil Nadu study explains the core problem of the poverty. In contrast to the

62. C.T. Kurien, "Rural Poverty in Tamil Nadu", in Poverty and Landlessness in Rural Asia, ILO, Geneva, 1977, P.134-135; P.C. Joshi, "Poverty, Land Hunger and Emerging Class conflicts in India" in Rural Poverty and Agrarian Reform (edited by) Steve Jones, et al., Allied Publishers Private Limited, New Delhi, 1982, P.72-73.

conventional approach, this approach views poverty as the natural outcome of the mode of production based on unequal property relationship. Another work of C.T. Kurien, namely "Poverty, planning and Social Transformation" also analyses poverty in the structural perspective. In this work the author has conceptualized poverty in the structural dimension. One interesting aspect of this work is that here the author found the logical inconsistency of the famous work of Dandekar and Rath on "Poverty in India". In their work it is recognized that "at the root of the prevailing inequalities in income is the inequitable distribution of the means of production" and their equality explicit profession that any change in the distribution of the means of production is "not feasible or desirable", and that a solution to poverty without changes in the distribution of the means of production is indeed possible.⁶³ To explain the inconsistency in the words of C.T. Kurien "There is at least an error of logic here. Either the inequality in income is related to the inequitable distribution of the means of production and hence the solution to the problem calls for changes in the distribution of the means of production or there is no connection between the two and hence a solution to the problem of inequalities in income

63. C.T. Kurien, Poverty, Planning and Social Transformation, Allied Publishers Private Ltd., New Delhi, 1978, P.18; V.M. Dandekar and N.Rath, "Poverty in India II, Policies and Programmes" EPW, Vol.6, N.2,¹⁹⁷¹P.106.

and dire poverty can be found without reference to the distribution of the means of production.⁶⁴ Then he further added, "To mix up the two is not helpful, and to advise the rich to give up a part of their consumption if a 'solution to the problem of poverty is to be found within the framework of private property' is to suggest no solution at all to the problem of poverty. It is understandable that the rich would want to have the framework of private poverty preserved (whether or not it provides a solution to poverty), but it is difficult to see why the rich would want to see the problem of poverty solved, (whether within or outside the framework of private property). Thus one is made to wonder whether Dandekar and Rath are primarily interested in the preservation of private property or in the eradication of poverty."⁶⁵ Then the author mentioned that the concluding sentences of Dandekar and Rath clarified the situation which stated, "The study is therefore directed to finding what can be done to meet the claims of the poor within the private ownership of the means of production. The poor will also make the necessary concessions to private property provided their minimum needs are attended to. Hopefully, the rich, the vested interests and the policy makers who represent them will also

64. C.T. Kurien (1978), Op.cit., P.18.

65. Ibid.

see the point and concede the claims of the poor. If they do not, the poor in their desperation will soon come to the conclusion that justice and fairplay is not possible within the framework of private ownership of the means of production and proceed to take the classical path (i.e. the communist path) of which there are beckoning examples around, whatever the political costs."⁶⁶ From the above statement of Dandekar and Rath, it becomes clear that they are very much in search of solution of poverty within the private property ownership.

Milliband on the Approach

Milliband stressed that the main characteristic of the officially designated poor is their class membership and wrote "The tendency is to speak of the poor as the old; or as members of fatherless families; or as the chronic sick and disabled; or as the unemployed and their families; as the low paid. But old age, membership of fatherless families, sickness and disablement, and even unemployment are not as such necessarily synonymous with poverty.....Old age, disablement, low pay, unemployment, etc., become synonymous with poverty in so

66. V.M. Dandekar and N. Rath, Op.cit., P.146;
C.T. Kurien, (1978), Op.cit., P.18-19.

far as those involved are members of the working class-recruited, so to speak, from its ranks — the basic fact is that the poor are an integral part of the working class — its poorest and most disadvantaged stratum.....poverty is a class thing, closely linked to a general situation of class inequality; and ultimately remediable.....in general class terms.⁶⁷ It is understood from the statement of Milliband that his emphasis is on the fact that poverty is the inevitable product of the capitalist society. Poverty or inequality is not the hierarchical differential between individuals. Rather it is a phenomenon of class relations of the capitalistic societies. Values and practices of these societies help to maintain the dominance of capital over labour. In contrast, the 'right wing' supporters of market system e.g. Hayek, Milton, Friedman, Sir Keith Joseph, Mrs. Thatcher, Sir Geoffrey Howe take a functional view of inequalities as being inevitable for incentives for hard work, enterprise, acquisition of skills, savings, accumulation and innovations.

P. Townsend on Structural Poverty

In a recent monumental study, P. Townsend has dwelt on the structural aspect of the poverty.⁶⁸ In this study he has

67. R.M. Milliband, "Politics and Poverty" in Dorothy Wedderburn (ed), *op.cit.* P.184-5; Susane Macgregor, The Politics of Poverty, Longman, London, New York, 1981, P.79.

68. P. Townsend, Poverty in the U.K. — A Study of Household Resources and Standards of Living, Penguin, 1979, P.892-926. Quoted in Susane Macgregor, Op.cit., P.79.

demonstrated that poverty is much more extensive than it is generally understood. He has argued that poverty is created by wealth and it is rooted in the complex resource structure, principles of allocation of resources and social sponsorship of styles of living and not in individual capacities, minority adversity and community sub-cultures. If poverty is to be abolished or substantially reduced, the institutions and principles governing the allocation of resources and the promotion of styles of living need to be reconstructed. Mild redistributive social policies have become less effective and thoroughly inadequate.

Artificial and Natural Poverty

Another aspect of structural approach to poverty is division of poverty between 'artificial poverty' and 'natural poverty'. This distinction has been drawn by P.C. Joshi. This distinction originates from Marx who mentioned that new category namely 'free labouring poor' is the artificial product of the modern capitalistic society distinguished from 'naturally poor' which is the product of the old pre-capitalistic society.⁶⁹ To quote Marx, "For it is not the naturally arising poor but artificially impoverished, not the human masses mechanically

69. K. Marx, Capital, Vol.1, Foreign Languages Publishing House, Moscow, 1954, P.760; P.C. Joshi (1979), Op.cit., P.357.

oppressed by the gravity of the society but the masses resulting from the drastic dissolution of the society, mainly of the middle estate, that form the proletariat, although as is easily understood, the naturally arising poor and the christian Germanic serfs gradually join the ranks.⁷⁰ 'Natural Poverty' is the result of low level of development of productive forces and 'artificial poverty' is result of economic development which is associated with the growing control of man over resources. Thus under 'natural poverty' exploitation of the poor by the rich is less naked and is obscured by the institutions of caste, village community etc. As 'natural poverty' is related with the low development of productive forces it is generally accepted by the people as natural phenomenon i.e. as God given and unalterable and it has to be shared by both the property owner and propertyless people. This kind of poverty is also obscured by the appearance of interdependence. But 'artificial poverty' which is a more naked form of poverty is the result of expropriation of material property of the poor ruthlessly and make them mere sellers of labour power. Or in other words, 'artificial poverty' is the process of transformation of pretty property owners into a propertyless mass. Marx has seen 'natural poverty' as the soil for conservative philosophy oriented to

70. K. Marx and F. Engels, On Religion: Foreign Languages Publishing House, Moscow, 1957. Quoted in P.C. Joshi, (1979), Op.cit., P.357.

status quo while 'artificial poverty' as an weapon of radical change of the society as the idea of structural change does not grew into a social force as long as there is no nakedly deprived class which can serve as a vehicle for this idea.⁷¹ Marx wrote, "It is not enough for thought to strive for realisation. Reality must itself strive towards thought."⁷² Thus the struggle of the deprived class is the main instrument to bring structural change in the society. But Marx did not believe that only with the structural change of the society poverty would be automatically removed. Structural change will abolish artificial poverty which is the product of the exploitative system of the society but the natural poverty which is the result of the under development of the productive forces will remain intact. The abolition of artificial poverty through structural change will bring favourable climate to initiate struggle against the low level of development of productive forces - which is the ultimate root of poverty.⁷³

71. P.C. Joshi, (1979), Op.cit., P.357.

72. K. Marx and F. Engels (1957), Op.cit., P.52, Quoted in P.C. Joshi (1979), Op.cit., P.357.

73. For further details, see, P.C. Joshi (1979), Op.cit., P.355-366.

Conclusion

From the above discussion of structural approach to poverty it may be concluded that structural approach which defines poverty as a product of social system gives us understanding about the cause of poverty that social structure is the main cause of poverty and also focuses one's attention on where attack should be brought to solve the poverty problem. Solution of poverty lie in the structural change which means the property of the society should be brought within the access of all people of the country.