

## *Chapter 3*

# The Present Situation in Poverty Research

*Syed Abdus Samad*

There is an enormous variety of perceptions and opinions on poverty research at the present time, as can be gauged from some of the papers presented in this volume. Depending on the doctrinal/ideological leanings or background of the respective observers, poverty research is diversely viewed as a public good with incredible externalities, a private good with some utility for academics, researchers, and decision makers in the public domain, and an instrument for linking theories to policy. There seems to be some agreement, globally, on the need for a deeper understanding of the concepts, hypotheses, theories, and explanations of poverty. In the absence of such an understanding, it would be futile to search for any sustainable solution to the problem of poverty.

In this chapter, I review the present situation in the realm of poverty research, largely drawing from the existing literature and ongoing CROP work. I will first make some general observations, which will be followed by comments on the different regions of the world as reflected, mainly, in the CROP literature.

## General remarks

The basic configuration of poverty and its global distribution are fairly well known and documented. Its causes and consequences, however, continue to generate heated debates, leading occasionally to polarized positions. Some feel that in current research poverty is viewed mostly and primarily as an economic problem — that economists seem to have dominated the research arena, to the exclusion of social scientists from other disciplines. Most of the research has been based on secondary data and grey literature, with very little interdisciplinary and qualitative analysis.

Research in many cases has been carried out in isolation, leading to parallel and overlapping efforts and the resultant waste of critical resources. Many therefore feel the crucial need of sharing research outputs through better multinational networking and other means of information dissemination.

On the conceptual issues, there is no uniform definition of poverty or agreement on its most precise form of measurement. More theoretical and empirical clarification of published research is needed. Data on poverty are derived from broader, general purpose household income-expenditure and national accounts surveys. The concept of a poverty line based on such data can have but limited validity. Specific-purpose data must be generated for further poverty research. The relationship between the individual and poverty and the relationship between a class of poor people and society are not the same thing. Poverty results from some limitations, maladjustments, and shortcomings at the individual as well as at class levels. A free and perfectly functioning market will pick the natural winners (those with the initiative, enterprise, imagination, and power of observation to discern an opportunity). Current poverty research does not seem to highlight the underlying factors behind the winners and the losers, who belong to the set of the poor. The concept of a poverty line seems to have elements of arbitrariness and, even though for obvious reasons it cannot be the same for all countries and regions and/or for all times, still research should be able to throw up some common basis for its conceptual grounding and operational validity.

Poverty, it is now perceived, is neither an economic nor a purely social problem, but is multi-faceted, with economic, social, political, cultural, and demographic dimensions. It is a *condition* as well as a *process* (Valencia 1994), a *cause* and an *effect*. It should be viewed as an involuntary rather than a voluntary affliction. Its macro, rather than micro, analysis requires to be focused. Many feel that the differentiation between absolute and relative poverty is often arbitrary. The limitations of using income alone in determining poverty status (relative/absolute) are well known. For example, it does not take into account the degree or extent of the monetization of the economy, the scale of the parallel/informal/underground economy, or the prevailing disequilibria in the different markets, as well as in-kind transfer payments. But still researchers seem to continue to favour the concept of a threshold income (McAuley 1994). Poor data on income distribution, food security, the shares of different income classes in the economy, etc. make the estimation of the incidence of poverty a lot more difficult than is

usually believed (Choo et al. 1994). Poverty research up till now has contributed little by way of new or original ideas and theories.

### *Approaches and methodologies*

Most poverty research comprises studies in comparative statics. This limits their intertemporal relevance. Many use the neo-classical economist's approach with reliance on the power of the market to cure the poverty problem in the long run, and on the responsibility of the individual to upgrade his/her marketable skills, etc. At the other end of the spectrum, the radical approach (centre-periphery) is rather critically limited in its operational dimensions. Research often leaves it unclear as to how the major anti-poverty programmes would be operationalized. Some research works use highly suspect methodologies, developed by the central planning agencies and other functional ministries of the government concerned (Dutta 1994). Some works tend to focus on the effects of growth in alleviating poverty, to the exclusion of distribution. Choice and uncertainty are often ignored. Poverty may appear as an ambiguous concept unless the methodology of its analysis is clearly and precisely described. Some approaches and research methodologies ignore the risks of reducing very complex socioeconomic and cultural phenomena to single numbers (Wilson 1994).

The globalization of research approaches and methodologies has resulted in certain dominant values and opinions prevailing over their indigenous counterparts. This calls for a new survey method, exclusively for generating data on poverty. Conventional household income-expenditure and other stereotyped general-purpose surveys do not fulfil the requirements of focused poverty research (Akeredolu-Ale 1994). Some approaches to poverty research have failed to incorporate the major shifts in development paradigms and their consequences for poverty research, while a large number of works on poverty lack a sound and generally acceptable conceptual framework.

### *Research coverage*

Concepts and measurements (in particular head counts) currently dominate research coverage. In contrast, the causes, consequences and explanations relating to poverty have not been adequately addressed. For example, the labour market, capital market, and wages and incomes policies of different political regimes have not been studied in the context of poverty. Other

under-researched areas according to present perceptions are the following:

- the power structure and its implications for poverty;
- non-economic factors responsible for causing poverty;
- inequality of access and opportunities;
- structural adjustment measures and their impact;
- the control and manipulation of statistics and the structural framework of primary research;
- the relationship between poverty and internal as well as international labour migration.

Research is also rather ambiguous in its treatment of benefit payments. Whether they alleviate or sustain poverty would be an interesting research question. The heterogeneity and diversity of poverty certainly do not lend themselves to plausible explanation by any one theory. This message comes across quite clearly from all existing research.

### *Hypotheses and theories*

There seems to be near-consensus that current theories, being partial and inadequate, lack the necessary rigour and scientificity to explain the phenomenon of poverty. Many of the hypotheses are ambiguous at best and cannot be tested on the ground. Some of the theories are aimed at explaining inequality, while others attempt to examine the relationship between development and inequality. The anti-intellectual mind-set of those who are in charge of allocating research and development resources in many developing countries in particular has definitely impaired more focused and higher-quality research on theories of poverty. Much of the research work on theories tends to deal with national and domestic poverty issues and relatively little work of any consequence has been done by way of cross-national research in developing testable hypotheses and theories.

### *Some general issues and gaps*

Many research works focused on poverty alleviation programmes have observed the following gaps, which are responsible for programme failures:

- poor programme design and delivery systems;
- a lack of commitment from sponsors and staff;
- inadequate resource allocation;

- an incomplete understanding of the complex issues that impinge on poverty and the socio-political contexts in which the poor live.

Some hold the opinion that anti-poverty programmes should not degenerate into some kind of cultural imperialism in which the poor are treated as meek objects. The spatial dimension of poverty is seldom incorporated in research. The entire process of politicization and ideologization of poverty considerably narrows the focus of research debates. Structural analyses of poverty are not necessarily radical; some can be quite conservative. A few research initiatives fail to capture the fundamental characteristics of the control groups. Some research can be frustrating inasmuch as it leads to nothing.

On a more positive note, however, not all research works have been in vain. It is now recognized that poverty is as much a problem of "underdevelopment" as of "development" of particular genre. The direct results of poverty research include an increasing emphasis on better governance, participation, ethics in decision-making, empowerment of the disadvantaged and other vulnerable groups, the demystification of poverty, and an improvement in our understanding of poverty and the poor.

## Poverty research in the different continents

I now proceed to discuss the present situation in poverty research in Africa, Asia, Europe, Latin America, and North America. This discussion is almost entirely based on the materials presented in this volume.

### *Africa*

Poverty research has been viewed as somewhat frustrating because no use seems to be made of its outputs. African researchers view poverty primarily as a problem of development. In African research it is widely acknowledged that it would be folly to globalize the concept of poverty because it cannot mean the same thing to every country or region, let alone the world itself. Poverty in Africa is *shared*, and social scientists and other poverty watchers therefore prefer to speak in terms of *group poverty*, rather than the poverty of the individual or even the household or family. Research is full of the articulation of the failures of government programmes and the negative impacts (as

viewed by African scholars) of structural adjustment measures (in East Africa in particular). The need for better data, specifically generated for poverty research, is repeatedly highlighted in nearly all major works of recent years (Akeredolu-Ale 1994). Africans also increasingly question the extent to which poverty policies relate to theories. Much African research work advocates that the poor should have a say in the decisions affecting their lives, without however spelling out how best this can be achieved in the existing circumstances.

Wilson (1994) points out that the uncertainty factor is often ignored in the definition of poverty. Akeredolu-Ale (1994) claims that the globalization of poverty research has resulted in the dominant values overwhelming local values, and that persistent poverty in Africa symbolizes a failure of the state.

In African research there is little debate on whether the individual or the society is responsible for poverty. The urbanization of poverty gets an occasional mention, as does NGO-led research and its contextualization.

## *Asia*

Poverty research in Asia is rich in country-specific studies which include the incidence of poverty, some hypothesis formulation, policies and poverty alleviation programmes, with the last accounting for a disproportionate share in the later period of research (the 1980s and 1990s). I would like to make the following general comments on the coverage and quality of these research initiatives.

- Most research works have been funded or sponsored by aid donors or designed with a heavy concentration on concern for the donor poverty agenda and focus only tangentially on the agenda of indigenous government policy makers.
- The statistical systems and theoretical frameworks borrowed from industrial countries are not particularly well suited to the kind of poverty analyses that would be relevant to Asian realities and concerns. Although this is not to say that they are not useful (Chenery et al. 1974).
- A large number of studies lack a sound conceptual foundation. Most describe or report events or data, rather than offer coherent analyses. Quite a few thus have low *a priori* analytic content.
- Most studies tend to focus on the incidence (head counts), definitions, and measurement of poverty. Few offer scientific explanations of poverty.

- Most of the hypotheses are implicit and not rigorously formulated.
- Very few theories of poverty have been created by research.
- Most of the studies are partial analyses and do not have a general equilibrium perspective. Poverty seems to have been studied in isolation.
- Governance, dysfunctional bureaucracy, and poverty programmes and their shortcomings represent the most extensively researched areas in Asia.
- There is considerable ambiguity, vagueness, and uncertainty in defining poverty. Some authors tend to assume that it is known, which is a most unrealistic assumption.
- Many treat poverty and inequality in the distribution of income as coterminous.
- The definitions and descriptions of the data or units used are not standard or uniform.
- A related limitation is the researchers' inability to utilize the incredibly rich sources of data that are now available in the region, most preferring to use their own bases (Bhatnagar, 1994).
- The effects of alternative household sizes and structures on poverty and the risks associated with it at a given level of income distribution have been very little researched in Asia (Lipton 1988).
- The non-availability of adequate data and information on the intra-household distribution of consumption, income, and assets compels many authors to use highly aggregative data, which might understate both inequality as well as poverty.
- Regional and ethnic dimensions of poverty have been little researched in many plural societies of Asia. This could be due to the great political sensitivity of the issue.
- Another often mentioned weakness is that research on poverty is "soft", intuitive, and value laden, with the result that there is an excess of low-quality and overlapping research output.

The lack of indigenous research funding and the customary reluctance of governments to support poverty studies continue to remain major lacunae. Because the outcome of research is seldom obvious to policy makers in a Third World setting, it is necessary that the missing bridge between research and policy-making should be built soon. The difficulties inherent in quantitative methods of attempting generalizations about relationships between poverty and growth are extremely well known, well researched, and well documented. This relationship is

associational and represents certain stylized facts that are observable but do not automatically lead to theory formulation (Ahluwalia 1976). What, however, is missed by social scientists or public officials is the direct link between misdirected and lopsided development and poverty.

Poverty research in Asia – when all is said and done – comprehensively reflects the poverty scenarios of the continent at the present time.

## *Europe*

The European Community portrays diverse images of poverty. To the European researcher, however, both conceptualization as well as operationalization of the various research issues are important. There is an ongoing debate on the structuralist versus individual explanations of poverty, the former having led to a few policy interventions. The relationship between welfare and poverty occupies a key area of poverty research.

Methodological issues are considered fairly important in appropriately defining poverty within the context of large welfare systems and elaborate institutional arrangements for transfer payments (Kohl 1994). Relative deprivation features prominently in contemporary European empirical poverty research. Likewise, social exclusion, income poverty, and the failure of public assistance programmes have been widely researched (Kohl 1994).

The European Community has played a key role in initiating poverty research. It sponsored three community action programmes (CAPs), between 1975 and 1994, to combat poverty. These generated several national reports on poverty incidence, which now constitute an important source of data for poverty research. These stocktaking materials have generated new policy debates in the countries concerned (Kohl 1994). The resulting improvements in statistical infrastructures have helped comparability in the measurement of aggregate poverty and of different social classes. The involvement of Eurostat, the EC statistical office, meant the setting up of working groups on poverty indicators in 1986. The use of household budget surveys and the need for better-quality data have been articulated ever since. Earlier, the Luxembourg Income Study (LIS 1983) had undertaken a complete representative household income survey in the OECD countries, to standardize them for comparative cross-national analysis (for common concepts, explanations, etc.). The survey outputs represent the most comprehensive and reliable database available for analysis of the processes of income



distribution (and hence relative poverty). LIS is also a model for a comparative interactive research network and has produced large sets of disaggregated data, working papers, and poverty profiles. We may, however, note some of the limitations of LIS:

- The analysis is limited to income poverty and therefore no indicators of relative deprivation in natural living conditions can be derived from it.
- It is not possible to study the subjective consequences of objective poverty.

European Research on Poverty and Social Inequality (EURO-PASS) represents another major work on substantive poverty research issues, the adequacy of social security systems, and subjective as well as objective standards of poverty measurements. The Social Assistance Dynamics Panel Study, involving eight OECD countries, enquires into the dynamic aspects and causal processes leading into and then out of poverty, whether for sustained or transitory periods.

European research is particularly rich in methodological and analytic descriptions. There is a discernible attempt on the part of researchers to provide a detailed description of the particular research methodology used; the unit of analysis is the individual, household, or group; and there is some analysis of the intensity of poverty by using different poverty lines (40, 50, or 60 per cent of the mean income, for example), duration of poverty spells, etc. At least one opinion (Kohl 1994) views the head-count measure as rather limiting because it neutralizes poverty intensity – all poor become equal, irrespective of their relative poverty levels. There is a recommendation to use the concept of an aggregate poverty gap instead, which specifies the total amount of resources that will be needed to raise the incomes of all poor households to the level of the poverty line.

The paucity of research coverage can be observed in the areas of poverty risk, relative poverty risk, composition of the poor, etc. European research recognizes the importance of regular social reporting on poverty in order to inform all concerned.

### *Latin America*

Poverty research in Latin America has usually been carried out within the broad framework of the political economy of poverty with, at times, strong ideological or doctrinal biases. Latin American research views of poverty, briefly speaking, are as follows (Golbert et al. 1994):

- Poverty is a byproduct of distributional and unbalanced conditions that sustained economic prosperity would alleviate. But, for this, more integrated public policies are needed. Social policies must fundamentally improve the pernicious and other undesirable effects of economic policies.
- Poverty and citizenship, poverty and unemployment, poverty and social structure, poverty and family, and new poverty are some of the under-researched areas and should be taken up for serious investigative research.
- Poverty research in Latin America is primarily oriented to the assessment of public policies, and the debate usually centres around the strategies of state interventions.

Most research tries to articulate some form of a poverty line and is concerned with the quantitative assessment of the intensity of poverty. It usually does not assess the growing vulnerability and exclusion of the hardcore poor. Research on these dimensions of poverty should be promoted to obtain a wider and fuller perspective on poverty. In the process, the linkage between poverty and other socio-political variables needs to be carefully analysed. The Latin American poverty research domain is currently constrained by:

- inadequate funding;
- insufficient academic and intellectual interchange among researchers (this to a certain extent has been overcome by the international development network database, which services the social science and development research community of the region from the Latin American Social Science Council based in Argentina);
- the need to review national assessment tools;
- the phenomenal public debt of many Latin American countries, which have slackened efforts at poverty research because of its high opportunity costs in the context;
- the fact that poverty research is by and large led by NGOs and at present there is no attempt to develop a linear econometric model of poverty that might throw up some interesting survival strategies for the poor.

### *North America*

In the USA some believe that poverty is an artefact generated by Washington based liberals; it is not a real problem any more. The problem is dependency on welfare and handouts as well as state transfer payments. In other words, poverty is the result of the

perverse effects of liberal social policy (Mishra 1994). Welfare liberalization has further aggravated its intensity. The current research debate in the USA centres on the liberal-conservative divide in its interpretations. Poverty research thus has been anchored in the ideological leanings of the researcher-analyst. There is extensive research on welfare and what it does to the underclass which continues to grow, causing concern for the conservatives in particular. This has narrowed the horizon of poverty research in the USA. The emergence of a new identity group – white males who claim to have lost out to the blacks and women – has further complicated the research agenda. However, an official poverty line was eventually adopted to serve as a benchmark for poverty measurement. According to some researchers, this is an unrealistic abstraction from reality and the debate centres around poverty in terms of net earning capacity (i.e. the potential of a household for income/wealth generation) and the level of living notion of material well being. American researchers largely view poverty as a situation of relative deprivation of material things, other than merely income, because they feel that the standard of living and income are poorly correlated.

The following are some of the more visible aspects of the current situation in poverty research in the USA:

- There are two views on theory: according to one, poverty has been overtheorized, while the other maintains that it is undertheorized.
- There are too many casual explanations, few of which are stated with the necessary precision and rigour; they are broad frameworks, rather than bounded hypotheses (Miller 1994).
- There is research galore on public assistance systems, but the specific obstacles encountered by poor households, which prevent them from coming out of the poverty trap, have not been adequately addressed in any major research.
- The characteristics of the poor are incorrectly deployed as the causes of poverty rather than its consequences. The low human capital of the poor is likewise a symptom rather than a cause of their poverty.
- The phenomenon of social exclusion is not adequately researched, nor is the relationship between politics and poverty, e.g. the role of power in determining poverty conditions.
- Poverty has been researched within the context of the political economy of social policy, which means that it has been of residual rather than prime concern.

- Dominant ideological paradigms and currents have influenced the research content and goals. Social research, including poverty research, is seen as part of the political debate about the social scenario of the times and how it might be shaped in accordance with particular values, beliefs, and interests.
- The disregard of transfers-in-kind and the under-reporting of income make the income approach to poverty research inadequate (Mishra 1994).

Researchers seem to be obsessed with the definition and measurement of poverty (head counts in particular), the poverty line, and public assistance programmes. Because poverty can perhaps be treated as normative, and hence a contentious subject, there are not many objective definitions around. In the USA, research on poverty is mainly concerned with applied issues rather than with the philosophy of poverty analysis. A major finding of American poverty research is that social insurance type programmes fare better in poverty alleviation than means-tested ones. Targeted programmes seem to do much less to lift people above the poverty line than the non-targeted ones (just the reverse of the Asian experience). There is agreement among poverty researchers in the USA that more work is needed on the aged, children, and one-parent families who constitute a large set of vulnerable people.

Economists have played a leading role in the realm of poverty research so far. The War on Poverty was launched in 1964, under President Lyndon B. Johnson, on the assumption that poverty could be eradicated through human capital formation (Mishra 1994). Historians, political scientists, sociologists, and philosophers often take a more critical and social-structural approach compared with the abstract-technical approach of the economists.

In Canada, unlike in the USA, there is no formal poverty line, albeit some quasi-formal hybrid varieties are available for researchers and policy makers. Canadian official research agencies update the statistics on absolute poverty on a regular basis. In Canadian research, if someone spends more than 55 per cent of their earnings on food, clothing, and shelter, they will be classified as poor. Poverty is neither politicized nor ideologized in Canada. Most of the poverty research there is carried out in the unofficial realm, rather than in the universities and parastatal think tanks (Mishra 1994). Links between crime and poverty or the role of NGOs in poverty alleviation has not been adequately researched in Canada, where poverty is treated more like a residual problem than a problem of prime concern.

Poverty research in North America is mainly grounded in domestic issues, within broad national frameworks. There is very little cross-national study. However, from existing literature, it is obvious that academics and researchers in North America feel that poverty research can have a vital role in the debate on the issues of equity, distributive justice, and overall human welfare. There is also a felt need for the codification of the major findings and generalizations on poverty research in North America.

## Conclusions

Although current research does provide a great deal of systematic and refined data and information as well as analyses of the concept, definitions, measurements, and theories of poverty, the possibilities for investigating the causes and consequences of poverty are still rather limited. This is clear from the foregoing review. Even though there remain as yet many unexplored and unexplained areas of quality research, the efforts so far made globally in understanding poverty do tend to capture some critical issues on the subject. A variety of theoretical and conceptual perspectives has, however, not led to a gradual build-up of any systematic knowledge on the key relevant issues of better explanation of poverty.

I nonetheless want to conclude this review on a positive note and therefore enumerate the following affirmative elements as constituting an important part of current poverty research:

- Research has led to a better understanding of the concepts and how they get operationalized in policy terms.
- Some positive affirmative actions and interventions have created a large pool of all kinds of critique and research data and information that can be useful in the analysis of poverty-related social issues.
- The participatory/democratic approach to decision-making and interdisciplinary/thematic, rather than segmented/sectoral, research have been promoted under the umbrella of poverty research.
- A growing awareness of the critical need for a sound conceptual framework for action and results has been created.
- There is a rich and growing literature on different facets of poverty.
- National anti-poverty interventionist strategies have evolved from specific programmes such as the Grameen Bank (Bangladesh), the New Economic Policy (Malaysia), the Agha Khan Rural Support Programme (Pakistan), Philippines

Business for Social Progress (Philippines), Janasawiya (Sri Lanka).

- There is a better perception of the role of cultures, caste, ethnicity, and religion in the creation of poverty and of poverty as an aspect of social discrimination.
- The inadequacy of social indicators in measuring poverty is recognized.
- Surveys exclusively for poverty research have not been mounted so far anywhere in the world, even though the data requirements for refined and targeted poverty analysis are better understood now and hence the need for poverty data surveys (for example, the need for consumer price indices for the poor).

Because scientific research relies heavily on data, primary data on poverty need to be collected, refined, collated, and analysed extremely carefully. For example, data and information on poverty as a situational syndrome, the reproduction of social relations and transfers, etc. are not easy to generate and interpret. The political economy approach to poverty would, in addition, call for data on public support, popular consent, the social legitimacy of budget supported programmes, etc. So far these aspects seem to have gone unresearched. Political perspectives on socioeconomic development and how these could impact on poverty research remain as yet a largely unexplored area. One nonetheless has to acknowledge that poverty research has led to new questions being asked on development itself – its processes, priorities, models, strategies, and policies. It has shaken many dominant paradigms in development thinking and encouraged the search for new ideas on many development-related issues. Rome was not built in a day.

#### REFERENCES

- Ahluwalia, Montek S. (1976) "Inequality, poverty and development". *Journal of Development Economics*, 3.
- Akeredolu-Ale, Dayo (1994) "Poverty without research". CROP.
- Bhatnagar, S. C. (1994) *A Network of Institutions in Information Technology: Proposal for a Resource Centre @ IIM, Ahmedabad*. Information Technology.
- Chenery, Hollis et al. (1974) *Redistribution with Growth*, Brighton, Sussex: World Bank and Institute of Development Studies.
- Lipton, Michal (1988) *The Poor and the Poorest*. World Bank.

*The other authors mentioned in this chapter are all found in the present volume.*