

MEASURING POVERTY THROUGH CAPABILITIES: PRELIMINARY RESULTS OF A RESEARCH IN ITALY

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Abstract: Our intervention will be focused on a research on poverty that the National Research Council has been conducting for three years. Poverty has been considered from a multidimensional perspective, taking into account, in addition to the traditional aspects of income and consumptions, also socio-psychological aspects, such as, for example, people's subjective perception of their own status, impoverishing factors, and social capital. As a preliminary step for a new data collection that has been completed, the researchers of the NRC have defined a list of dimensions related to well-being and deprivation, from the point of view of 'senian capabilities' approach. The presentation will show preliminary analysis of data, which have mainly focused on the definition of profiles related to specific socio-demographic characteristics of respondents and what emerges from their answers.

Keywords: Capabilities, functionings, poverty, socio-economic status perception, multidimensional approach

INTRODUCTION

Theoretical approaches to the phenomenon of poverty

The concept of poverty belongs contemporarily to common language and to the theoretical reflection of many disciplines; this aspect shows the complexity of this topic, offering multiple and differentiated conceptualizations: questions concerning not only the appropriate detection techniques but even the definition of poverty are still open.

Traditionally poverty is defined as a deprivation of the material resources necessary to cover the costs for production and reproduction of a given individual or collective subject; from this point of view, poverty is detected mainly through monetary indicators of well-being, referring to wealth, income or consumption. Namely, the aim is to define poverty considering exogenous factors, referring to objective data, in an absolute or relative sense. In particular, in 'absolute poverty' a basket of goods necessary to sustain a socially acceptable minimum standard of living is identified; in 'relative poverty', on the contrary, poverty is defined by a lower availability of resources than the average of the reference population [1][2]. Subjective indicators, i.e. based on individual perception, can be combined to these traditional measures of poverty [3].

Far back, however, more articulate visions of poverty have emerged, trying to define the phenomenon without relying on either the mere economic deprivation or only on the subjective perception. In this framework multidimensional, cumulative and dynamic nature of poverty in western postmodern societies is emphasized. 'Multidimensional' because poverty may involve multiple individual and contextual factors: not only the economic dimension but also the network of relationships, structure of the family, physical and mental condition of the individual. Poverty is 'cumulative' because in its complexity sums different elements that interact and affect each other. Poverty is also 'dynamic' because it exhibits a progressive trend, like a vicious circle, a syndrome that can be solved but also worsen over time up to become a chronic condition. Therefore,

considering low income or consumption as unique indicators for inequality and deprivation is not sufficient to focus on situations: at the same level of income there may be very different levels of well-being [4].

In last decades, coherently with these observations, both in literature and in social policy at European level, the concepts of social exclusion and vulnerability have joined the concept of poverty. These notions have the advantage of 'complying' with the multidimensionality of poverty, firstly highlighting the inequality of access even to intangible resources, such as power, the circulation of relevant information, active participation in the community. Secondly, we can refer to processes that can prevent or weaken the mechanisms of social integration in social networks. The term vulnerability, in particular, refers also to exposure to all those social processes which may lead to distress in the current social context, such as loss or instability of employment, lack of access to forms of public protection, housing problems, family breakdown [6][7][8].

In the area of multidimensional approaches to poverty, plays a highly important role the Capability Approach (CA) of the Nobel laureate economist Amartya Sen, both for analytical richness and for the big echo obtained into the international debate.

The capability approach of Amartya Sen

A good starting point to present the senian approach is to consider the way the Indian author criticizes the famous theory of Justice as fairness by John Rawls. Rawls [9] identifies a number of commodities that, with the aim of building a fair society, must be distributed on the basis of two principles: equal liberty; a distribution of inequality based on the principle of difference and the principle of equity of opportunities¹. Sen mainly criticizes the space in which Rawls focuses to compare different forms of inequality: the distribution of properties, whatever it is, does not guarantee the achievement of a fair society, because individuals differ with respect to capacity (capability) to convert goods and resources in conditions (functionings) necessary for their own well-being. Even the equality of access to certain

roles, similarly, does not coincide with the actual capacity to hold them. Therefore, equity has to be assessed in the space of capabilities (capability set), that is, in relation to the opportunities available to perform various operations that the person value and to the real possibility to choose different types of life to which individual attributes a positive value. In addition to equity (or, better, the right inequality), acting on the capabilities we can also guarantee the maximum possible freedom: having the real ability to identify and pursue people's own conception of the wellbeing, in fact, implies the enjoyment of fundamental and effective freedoms. Sen's concept of freedom by Sen is therefore a positive concept, a constructive vision of freedom as the essential ability to do something and be somebody, opposed to a negative concept of freedom as the mere absence of formal impediments.

The key concepts of Sen's analysis are, consequently, functionings and capabilities. Functionings are actions and ways of being that people put into action during their lifetime. Functionings are therefore elements of the actual status of a person, and may vary from the most basic level (as the ability to feed, dress, take care of their own health), to more complex aspects such as self-realization, or the opportunity to participate in community life. Capabilities, on the other hand, indicate the different structures of functionings that the individual may choose to achieve: "A person's 'capability' refers to the alternative combinations of functionings that are feasible for her to achieve. Capability is thus a kind of freedom: the substantive freedom to achieve alternative functioning combinations (or, less formally put, the freedom to achieve various lifestyles)" [10:75]. A third concept that belongs to the senian model is "commodities", that is goods and resources available to the individual. The shift from commodities (mere owning an asset, e.g. a bicycle) to functioning (cycling) is influenced by the conversion factors, namely personal conditions and social or environmental characteristics. Obviously, the conversion factors affect the commodities intended as options already available to the individual. To obtain an articulated and faithful vision of the individual's living standards, therefore, is not sufficient to look at commodities (goods owned) or to the functioning already achieved: according to Sen, in the line goods (commodities) - characteristics of the goods - capabilities - functionings, what really matters are the capabilities, intended as the possibility for people to live a life they value.

The capabilities approach may also resolve the dispute absolute/relative in the conceptualization of poverty, just keeping in mind that poverty is often an absolute notion in the space of capabilities, but a relative one in the space of commodities. This means

¹ 1) Principle of equal freedom: each person has an equal right to the larger total quantity of equal basic liberties, compatibly with a similar system of liberties for all, 2) social and economic inequalities must be: a) for the greatest benefit of the least advantaged, consistent with the principle of *just savings* (the *Principle of difference*), and b) attached to roles open to all, under conditions of fair equality of opportunity (*Principle of fair equality of opportunity*)

that the goods needed to achieve a number of functionings may vary over time: “in a country that is generally rich, more income may be needed to buy enough commodities to achieve the same social functioning, such as ‘appearing in public without shame’” [11: 115].

The difficulty of operationalizing

Sen's approach has convinced many scholars of the incompleteness and partiality of monetary indicators of well-being. However the main problem concerns observation and detection of functionings and capabilities, namely the “operationalization” of the approach: it refers to the process of translating theory into practice, that is into something of quantifiable and measurable. In the case of the Sen's approach, one of the most articulate approach to poverty, the Indian scholar does not define a list of concrete dimensions, besides a few basic dimensions (“basic capabilities”) relating to a condition of extreme poverty (e.g. avoiding serious illness or premature death). Some scholars ([12][13]) argue that the main difficulty in operationalizing Sen's approach is due to its richness and complexity of information and interpretation. Comim [14:2] describes the senian approach as a “fruitful philosophical incursion into development ethics.” Ysander underlines ([13]) the many unsuccessful attempts that have been made in this direction, whereas Sugden ([12]) and Comim ([14]) mainly refer to the following issues: (1) The counterfactual nature of the capabilities: capabilities are not empirically observable, but they belong to a hypothetical field. (2) The very large number of functionings to be taken into account, that is the whole set of dimensions pertaining to people's lives. These dimension are also required to be valued by people, that is must be relevant for them. From these two aspects, a need to identify an appropriate method for defining the ‘list’ emerges. Sabina Alkire [15] carried out a review about the main methods used in the literature; she mainly refers to four methods often overlapping or used in tandem. a) Dimensions or capabilities can be chosen by drawing on existing data or conventions. b) Refer to functionings on the importance of which there is general agreement (e.g. human rights). c) The list of functionings, then, can be defined by the same investigator starting from his own assumptions and beliefs. Or (d)) you can build a list of functionings through ongoing participatory processes involving all the stakeholders. (3) The specific dimensions identified, finally, will not have the same influence in describing the state of deprivation/well-being: the next step consists in figuring out how to weight each dimension. It is a fundamental step, especially when we need making comparisons between the conditions of different people or of the same person in specific periods of her life. The main difficulty that emerges in this

regard is related to the “pervasive human diversity” ([11:xi]), the different people's judgments about their lives: this highlights on the one hand the need to take into account of how each individual evaluate in his own way the different situations of life; on the other hand it to put back the importance of resources in itself in its right perspective, and not as the only criterion in assessing the condition of a person.

The difficulties that we have talked about, first of all the counterfactuality of capabilities, have convicted us to focus our work on functionings, that is on what is actually achieved by the individual. Trying to taking into account the connection between the attainments of the individual and his freedom of choice, we adopted what Sen ([16]) defines “refined functioning”, namely those functionings considered in relation to available alternatives.

METHOD

The choice of a functioning and its operationalization

Sen's approach, therefore, does not provide a universally valid list of capabilities or functionings constitutive of individual well-being. This is an important feature of the CA: each application of the CA requires its own specific list, which must be dependent on the context - both in the sense of space-time context, both in the sense of the disciplinary context [17]. From this point of view, Sen's approach distance itself clearly from the work of Martha Nussbaum. She offers a list of capabilities [18] related to a specific conception of justice, although certainly characterized by a high level of abstraction and likely to be articulated in different directions depending on the context.

A distinction is highlighted by Sen, however, between basic capabilities and general capabilities. As we have already seen, the basic capabilities are not considered basic dimensions in the sense of priority over other dimensions in a theoretical sense: they refer, on the contrary, to the necessary achievements for physical survival and to avoid severe deprivation. The BC are very important studying poverty, because they can get a basic threshold between poor and non-poor, especially in developing countries [11]. A list of basic capabilities seen in this sense should therefore include “the ability to be well-nourished and well-sheltered, the capability of escaping avoidable morbidity and premature mortality” [ivi:45].

Operationalizing the CA, then, cannot ignore the selection and definition of capabilities or functionings that will taken into account in the specific research context. Sen stresses the role of agency, the process of reasoning that leads to the choice of a particular list. Robenys [19] proposes some criteria that should

be respected in the process of identification of relevant capabilities or functionings: first, the choice must be made explicit; furthermore, the method that led to this choice must be clarified, argued and defended, being aware that it may vary for any different use of the CA.

Since our aim - the formulation of a replicable framework for measuring poverty in terms of the *senian* approach - it did not seem necessary to build a list of functionings. Rather, we focused on a specific functioning that could adequately serve as a pilot to develop and test such a scheme. Consistently with this purpose, we tried an operation that could be involved in the definition of the condition of well-being of individuals with non-uniform characteristics. In other words, we have chosen a functioning that could be meaningful to a wide and not homogeneous population. Against this backdrop, referring to those functionings that Sen defines "basic" seemed a good starting point. A second step consisted in identifying a functioning that could be significant for assessing conditions of welfare / poverty in a modern western country. In a context like this, for example, food deprivation may be considered almost absent. We then selected having an adequate shelter as the most suitable functioning for our purposes. Always trying to tailor our work to the context, we tried to find a specific shape: having an adequate housing, indeed, does not imply the same in Somalia or in Italy. In particular, the aim was to emphasize not only the material aspect (having access to a physical sheltering place) but also the relation between the characteristic of the home (in the English sense) and a series of dimension related to wellbeing, as comparison with other people and other emotional, identity and relational aspects. This situation resulted in the following formulation: a place that offers shelter and protection, allows for expressing their social status; both a space for basic needs of personal care (hygiene, rest) and a space to store personal belongings, to take care of themselves and their significant relationships.

How is it possible to operationalize a functioning defined in this way, using a framework that can be replicated for other functionings constituting the condition of wellbeing/deprivation in our Country? In this setting, the wellbeing of an individual is defined primarily on the basis of actual functionings, that is the achieved capabilities. In the case of the housing, the individual may be placed differently depending on how his housing condition answer to his needs. Will be, hence, relevant the actual availability and characteristics of the place where the individual finds his shelter. But, within the theoretical framework of the CA, this is not enough: we are interested in focusing on whether the physical place (the house) is perceived by the individual as a good basis to fulfill

the dimensions of status, self-care and so on. In addition, it is important to focus on the dynamic condition of the individual, in relation to this specific functioning: it can be related to the past ("The current functioning is the result of your own choice, or was it forced?") and for the future ("If the current functioning is not considered optimal, however, do you perceive it as an improvement, as an intermediate step in a condition that is improving, or not?"). This way, is possible to adopt what Sen [16] defines "refined functionings": the aim is not to lose the connection between attainments and freedom of choice enjoyed by the individual, taking into account all alternative choices in the empirical definition of the functionings. The same idea has been used, for example, by Josiane Vero [20], which aims to detect the condition of poverty of a sample of French young subjects taking into account, in fact, if the functioning is chosen or not within a set of alternatives.²

In this way is possible to get an articulated picture of the individuals' conditions living in a specific context. Is possible to assess how people fit not using just income indicators, but using also a set of complex functionings. Individual's wellbeing will also depend on the path he has followed to achieve the current functioning and on available opportunities for his personal development. Increasing wellbeing, in this sense, becomes not merely providing more goods, but increasing the possibilities of development and the agency of the greater number of individuals in relation to the greater number of functionings. In other words, it means to expand the capability set available to individuals. This is why looking at refined functionings, in dynamic terms, helps to increase our knowledge of the capabilities on the side - to incorporate the substantial freedom in the survey.

In this frame, the first level of information that is considered regards commodities. In the case of adequate shelter, we talk about the house the individual has actually access. The different forms that this indicator can assume in the current context have been identified as follows (see also Fig. 1): (a) Road; dormitory or other reception centers; car; housed by a friend.(b) Garages, caravans or other inappropriate accommodation, residence, temporary structure. (c) Room for rent. (d) House rent, usufruct or other use free of charge. (e) House of property (with or without a loan).

² To incorporate the freedom of choice in the functioning "autonomy", for example, kids who live at home by choice and those living at home out of necessity were separated. Only for the latter group there is a state of deprivation for the functioning "autonomy", because just for that group we can point out a real lack of freedom of choice.

54. Could you talk to us about your dwelling?

₁ Street, night shelter, car.

₂ Garage, caravan.

₃ Room

₄ House free of charge

₅ House of property

Figure 1

Could you tell us about its characteristics?

55. Size (m²) | _____ |

56. Number of rooms (if applicable) | _____ |

57. Number of tenants in your dwelling (if applicable) | _____ |

58. Are there lacks related to basic facilities (electricity, water, heating, sanitation)?
| _____ |

59. Are there aspects pertaining to your dwelling that you consider more positive (structural features, lighting, ventilation, noise, electrical appliances and other technological equipment...)?
| _____ |

60. From this same point of view, are there lacks that you perceive as relevant?
| _____ |

Figure 2

65. Does your dwelling allows you for taking care of yourself satisfactorily (relax, personal hygiene, cooking...)?

₁ Yes

₂ No

66. How?
| _____ |

67. Does your dwelling allows you for making activities you value satisfactorily?

₁ Yes

₂ No

68. How?
| _____ |

69. Does your dwelling allow you to relate with others satisfactorily?

₁ Yes

₂ No

70. How?
| _____ |

Figure 3

63. Do you feel pleased in comparing your dwelling with your friends' one?

₁ Yes

₂ No

64. Why?

Figure 4

61. Does your dwelling meet your current expectations?

₁ Yes

₂ No

62. How (if Yes)? Why (if No)?

Figure 5

It was considered important, also, focusing on the structural characteristics of the shelter, with particular reference to the width (m², number of bedrooms, number of tenants), basic services (water, electricity...) and additional equipment and property (ventilation, lighting, appliances and equipment technology and so on) (Fig.2).

In an analysis of poverty based on the possession of the goods we could stop at this point and define the highest level of wellbeing as coinciding with the situation of those who own a home particularly large and equipped. According to the CA, however, what really matters is how these goods are more or less useful to integrate the relevant dimensions of the functioning, based on the individual's perception and assessment. In this sense, the functionings-based surveys can be seen as the *trait d'union* between approaches based on mere possession of goods and approaches based solely on subjective perception [21].

It was introduced, therefore, the detection of individual perception of fulfillment regarding the different aspects of the functioning. In breaking down the perception of fulfillment, we have referred to the main theories that focus on the relationship between possession of goods and satisfaction as indicated by Veenhoven [22]. The hedonic theory (*I am fulfilled by the things that I own because they allow me for living in a satisfying way*) refers to the aspects of functioning which enable, for example the self-care (relax, hygiene), conduct activity valued by the

subject, maintaining meaningful relationships (Fig.3).³

The comparison theory (the satisfaction derives from comparing his own position and the one of his reference group) refers to the comparison that each of us constantly make between our own reality based on standards that vary since what is perceived as attainable: in other words, the standard of those who are in conditions similar to ours. Coherently with this perspective, we aim to measure the satisfaction experienced by the individual by comparing his own accommodation with their friends' and acquaintances' ones (Fig.4).

Finally, the satisfaction can be referred to the achievement of specific goals (goods are rewarding because they can allow people for reaching their own ends). This position is consistent with the interest for a dynamic view, from the perspective of the refined functionings: the coherence between the current housing condition and the expectations of the person has been analyzed, as well as the identification of the process through which the present situation has been reached and possible future prospects (Fig.5).

³ In reference to each dimension, it was asked if the house responds to the specific need and how. It was also used a general question aimed at investigating the presence of relevant dimensions not suggested by the research team.

CONCLUSION

Sen's CA provides conceptual tools adequate to reason on individual wellbeing, catching its complexity, taking into account multiple material and immaterial dimensions concurring in defining it. At the same time CA is contextual, that is it is well-anchored to a specific time and space, and allows for considering poverty from a dynamic point of view.

This approach permits to overcome the gap between objective/subjective, absolute/relative approaches to poverty; it also opens a perspective that allows for convincingly arguing that equality and liberty can be improved contemporarily and influence each other with a sort of virtuous circle.

All these potentialities and this theoretical richness need to be effectively operationalized, used in social research and for valuing conditions of wellbeing and poverty. CA must be applied by tools that, without losing the complexity of the theoretical level, can help in getting rich and complex pictures of specific contexts and in constructing indicators useful for policy-making. Although the representation of poverty merely based on the material and economic deprivation is outdated in the academic debate, the most common indicators of poverty still refer to income or consumption. This way, over-simplified and inaccurate images of poverty and wealth guide the process of policy-making. The challenge of operationalizing the CA. is therefore highly relevant.

Our contribution has the aim of suggesting an attempt towards the operationalization of the CA. The work on the functioning housing is, in our intentions, a preliminary attempt of building a simple, agile tool to measure well-being from the CA point of view, without losing the theoretical richness. Both the aspect of commodities, and the various dimensions of wellbeing related to the functioning have been taken into account: we have referred to the theories on the relationship between material possessions and satisfaction and with a view to refined functionings to detect the dynamic dimension. If this scheme will be able to drive a compelling application for this first functioning, building a list of functionings to be operationalized in a similar way will be possible, in order to carry out a wider survey of the conditions of welfare / poverty in a given space-time context.

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