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Capability Approach: Reconciling the Absolute Core and the Multidimensional Relative Poverty Measures

Yanxi Bao, Tingxuan Liao

Abstract

Despite serious methodological issues, poverty measurement based on capability approach generally relies on the idea of the "irreducible absolutist core". By revisiting the seminal argument between Sen and Townsend on the nature of poverty, this paper aims to elaborate the necessity and rationality of incorporating the multidimensional relative poverty measures into the capability space. We suggest that multifaceted deprivation analyses in relative terms can supplement the absolute one in three-pronged ways. First, studies through the lens of relative standing draw considerably attention to the role of preferences and social norms, which typically ignores by absolute approach. Second, many of the social indicators are inherently characterized by a relative feature *inter alia* educational attainment and water & sanitation supply services. Third, the relative perspective typically outperforms against the absolute standing with respect to the intertemporal comparative analysis of a given community. To capture a full profile of multidimensional poverty, we need two methods to supplement rather than supplant each other.

Keywords:

Capability approach; absolute core; relative poverty; absolute poverty; multidimensional poverty

1. Introduction

Since its introduction in the mid-1980s, the capability approach has gained wide acceptance as a multidimensional and interdisciplinary theory in the fields of moral and political philosophy, development economics, welfare economics, and sociology. In terms of its deep concern for human development, well-being, and social justice, pioneered by Amartya Sen (Sen 1980, 1983, 1985a, 2000), this approach has represented an unquestionable accomplishment and has been fruitfully applied to practices such as general assessments of poverty (Alkire and Santos 2014; Alkire and Seth 2015; Alkire, Oldiges and Kanagaratnam 2021; Espinoza-Delgado and Silber 2021). Based on this theory, Sen stresses that poverty is regarded as the deprivation of capabilities, and the idea of poverty has an irreducible absolutist core, but it can be relative in the space of income, commodities, and resources (Sen 1981, 1983).

In this manner, the contradiction between the absolutism and relativism in the context of the capability space still remains. To put it another way, Sen considers the multidimensional relative poverty approach based on capability-yardstick to be unacceptable. Nonetheless, there is no shortage of related literature grounded on this framework, and mostly focusing on the fuzzy set techniques which has gained impressive ground recently (Cerioli and Zani 1990; Cheli and Lemmi 1995; Lelli 2001; Balamoune-Lutz 2004; Qizilbash and Clark 2005; Lemmi and Betti 2006; Costa and Angelis 2008; Kim 2015; Popogbe *et al.* 2021). The idea behind this technique is to put a high value upon the "vagueness" nature of poverty *per se*. Explicitly, its operationalization depends on a membership function to capture the degree of deprivation rather than a crisp threshold. Additionally, Dotter and Klasen (2014) develops a relative multifaceted technique built upon AF dual cutoff method and global Multidimensional Poverty Index (GMPI) published by UNDP, and yield rather distinct formal implications.

On the basis of the above-quoted researches, among others, only few studies have nevertheless proven to be considered the notion of the "irreducible absolutist core" for conceptualizing poverty (Qizilbash and Clark 2005; Dotter and Klasen 2014). Specifically, in their rich and remarkably insightful paper, Qizilbash and Clark (2005) emphasize that "not all social indicators that might be used in applications of the capability approach are straightforwardly related to an absolutist core". Whereas no further clarifications are provided. In spite of this, the vast majority of poverty assessments, which capitalize capability approach in relative terms, fall short of accounting for how this theory applies in a meaningful way.

This is precisely the issue this article aims to address. We attempt to reconcile the conflict between the "absolutist core" and multidimensional relative poverty approach, and propose a theoretical foundation for relative metrics in the context of the capability framework. While capability approach as an instrumental tool for poverty evaluation is intrinsically important and policy relevant, it is not a full-fledged framework and suffers from several shortcomings. In the well-known debate between Sen and Townsend from 1983 to 1985 (Sen 1983; Sen 1985b; Townsend 1985), the "absolute core" is one of the focuses. Despite the debate ultimately fail to reach a consensus, their insights give us some enlightenment and drive us to reexamine the notion of the absolute core.

Build on their remarkable work and focusing on the capability space, we argue that the relative metric can complement the absolute one from three aspects, which partially tackle the issues it suffers. First, the relative deprivation approach characterized by a multifaceted feature draws considerable attention to the role of preferences and social norms, yet typically neglected by absolute terms. Second, many of the social indicators have a relative component, especially considering educational attainment and water & sanitation facilities. Third, the relative standing typically outperforms the absolute perspective when it comes to intertemporal comparative analyses. Structure changes of distribution of indicators can represent the upgraded obligations and expectations of a given society, which capture the evolution of real value under the nominal categories.

The remainder of the paper is structured as follows. Section 2 elaborates the conceptual framework, including basic ideas of capability approach and conceptualization of poverty. Section 3 illustrates the notion of absolute core by revisiting the well-known debate between Sen and Townsend, and drawing attention to the serious weaknesses this approach suffers from. Whereas section 4 devotes to incorporate multidimensional relative poverty measures into capability space by examining three-pronged ways. Finally, the conclusions will be made in Section 5.

2. Capability Approach: Concepts, Advancements and Poverty Evaluation

2.1 Basic Ideas of Capability Approach

With respect to the capability approach, many ideas can be traced back to Aristotle and Adam Smith (Nussbaum 1987, 20-21; Sen 2000, 14, 24; Walsh 2000). Aristotle's descriptions of the living standards and Adam Smith's examination of the essentials of life provide a rough sketch of

the substantive freedoms that individuals value and have reasons to value. Based on the work of his predecessors, Sen prioritizes capabilities which are crucial for achieving substantive freedom and serving as the foundation for evaluating human development and well-being.

Generally, the capability space is distinct from income, resources, and commodities space by having functionings and basic capabilities at its core. Functionings are states of beings and doings that people achieve, and the former includes being well-nourished, being malnourished, being educated, being literate, and being able to drinking safe and clean water. In the same vein, examples of doings can likewise cover a wide scope, such as participating in community activities, taking part in a public debate, investing, voting, and traveling. From the examples above, we can observe that functionings is a conceptual category that is inherently morally neutral due to human diversity (Robeyns 2016). Accordingly, capabilities are the effectiveness and opportunities to achieve functionings. Hence, while being educated is a functioning, the real opportunity to be educated is the corresponding capability. Moreover, freedom from communicable diseases can be one of individuals' functionings, but the capability is concerned with the effectiveness for disease control. As for terminology of basic capabilities, Sen stresses this term corresponds to the opportunities to meet some basic needs considered necessary for survival and to avoid or escape poverty or other severe deprivations. The relevance of basic capabilities is "not so much in ranking living standards, but in deciding on a cut-off point to assess poverty and deprivation" (Robeyns 2016).

It is important to note that capability, as a vague predicate, cannot be precisely defined by detailed and technical improvements, and thus, the capability-yardstick, which is theoretically underspecified, has been criticized for its operationalization. However, in the context of social sciences, there appears to be no indisputable reason to insist that the concept of capabilities and its scope should be clearly defined. To some extent, the state of disorder and disorganized is a reflection of a complex society. Therefore, the proposal by Nussbaum (2000, 2003, 2006) of enshrining a clearly defined set of capabilities within each country's constitution is both challenging to implement in practice and unimaginative on the theoretical level. There exists no one-size-fits-all answer to the construction of the capability set; each individual has his or her own settings, even for different societies and eras. Hence, we only emphasize the "basic capabilities" without defining the scope precisely.

In light of these basic ideas, the capability approach provides a theoretical framework for the human development paradigm. Despite this, as Robeyns (2005) points out, the capability approach is not a theory to "explain" poverty, inequality, or welfare, but rather serves as a useful analytical tool and framework for assessing and conceptualizing them. In addition, capability-based approach highlights the key issues that continue to plague human development and provides ambitious theoretical underpinnings for the way forward.

2.2 An Alternative Framework for Well-being Assessment

We focus on the opportunities of people to attain the lives they value and have reasons to value using the capability approach. The capability space defines what individuals and households are capable of, and the achievement of basic capabilities, to wit, functionings, serves as a yardstick assessing their level of development and well-being. Shortly put, in terms of the capability approach, the "substantive freedom" represents an ultimate end which is essential for promoting development and thus must be given top priority in poverty analyses. Freedom in this sense implies both "opportunities" and "processes" of individuals' choices, thereby distinguishing it from both Rawls's notion of primary goods and the utilitarian notion of utility. The former ignores the variation of opportunities for converting primary resources into quality of life and valuable freedom.¹ The latter evaluates value merely in terms of consequences without taking into account the individual's process of selecting a viable, functional, and meaningful combination of what constitutes a worthwhile life (Sen 2000, 60). Sen's perspective is more inclusive, based upon a broader information base, and thus concerns with a wide array of value elements. However, the confusion between the ends and means is rather dangerous.² Therefore, we should make a conscious effort to move towards substantive freedom rather than stopping blithely before achieving it.

First, commodities, as well as commodity characteristics, do not truly reflect the objective state of the object under study, particularly in rankings on human well-being and living standards. The characteristics of commodities embedded in commodities tend to vary for different individuals. Sen claims that the relationship between commodities and the achievement of certain states and behaviours can be characterized by "conversion factors". Individual heterogeneity, social climate and environment, and intra-household allocation all affect the degree to which people are able to convert goods into capabilities. Interestingly, this view corresponds to some extent with

Rowntree's investigations (Rowntree 1901). In his famous inquiry of poverty, although Rowntree attempts to define poverty biologically-total income is insufficient to provide the minimum amount of necessities for maintaining physical efficiency-he makes a further distinction between primary and secondary poverty. "Secondary poverty refers to those who seems to have the resources but are still unable to utilize these to raise themselves above the subsistence level." (Alcock 1997, 71). Although more implicitly expressed, this is likely to corroborate Sen's view on the conversion factor. Through conversion factors, commodities play an instrumental role in realizing capabilities; and the type, quantity, quality, and combination of commodities also contribute to the realization of capabilities. However, these factors do not reflect the true nature of capability claims.

Second, the capability approach differs from the utilitarian perspective that emphasis utility. Utility refers to the psychological perception of the use of a commodity. However, this psychological perception cannot be equated with an accurate evaluation of the standard of living. We cannot assume that the standard of living of the contented poor peasant is better than that of the grumbling rich (Sen 1983, 160). Well-being measures should be assessed objectively and based on specific criteria. Note that this view does not deny the importance of utility, only that although it is sensible enough to take note of happiness, we do not necessarily want to be happy slaves or delirious vassals (Sen 2000, 62).

With a concise core and broad information base, the capability approach attempts to sketch out the accurate contours of human development and well-being evaluation. Following the outline, we address the superiority of the capability space over commodity and utility space. In particular, the utilitarian perspective does not see rights and freedoms as inherently essential in themselves; instead, they are valued only indirectly and only to the extent they influence utilities (Sen 2000, 62). Therefore, we should be simultaneously concerned with "conditions of deprivation" and "feelings of deprivation". Measures merely based on "feelings" can only determine individual states of deprivation to an ambiguous extent, and cannot deal with interpersonal comparisons. However, this superiority is not exclusive; the commodity space remains indisputably significant, even though it is primarily viewed as means rather than ends.

2.3 Poverty as deprivation of Capabilities

In the above, we provide a brief overview of capability approach as a framework for analysing human development and well-being. In this section, we aim to explore the nature of poverty as a lack of basic capabilities.

Among theories on poverty, poverty is often viewed as the product of individuals' weakness or fecklessness (Murray 1990, 1994).³ This is a pathological model characterized by social causation and commonly adopted by underclass theorists, but which attributing poverty primarily to the victims' behaviors and even their genetic and personality traits. Additionally, Ferge and Millar (1987) perceive poverty as the effect of complex interactions among social forces in the social and economic order, providing a structural model of social causation. However, despite the complexity of theories dealing with the causes of poverty, the aim of identifying income or consumption deprivation has dominated studies of poverty.

However, as early as Pigou (1920) and Cannan (1946, Chapter 13), welfare economists assert that poverty and welfare problems cannot be easily described and solved by economic indicators expressed in monetary terms. First, the approach obscures the link between poverty and the life cycle (Beaudoin 2006, 4). In many instances, poverty is associated with gender (female empowerment), age, child poverty, and marital status. While income does not always capture the effects of poverty, such as child malnutrition and child mortality, and stunted and wasting children may still exist in households above the poverty line. In South Asia and Sub-Saharan Africa, child poverty is particularly acute and not negligible. Likewise, the unidimensional income scale ignores the institutional changes in women's rights regarding exchange rights and free development. Economic reforms in India have accelerated economic growth, but the status of women remains low, and female malnutrition and labour-force participation have not been addressed by rapid economic growth (Drèze and Sen 2013), thus making it difficult to accurately reflect female poverty through simple income terms.

Second, defining poverty in terms of income blurs the distinction between the necessities of survival and individual expenditures. Infrastructure services such as water, electricity, drinking water, and sanitation are not dependent solely on individual expenditures; and households above the poverty line are likely to live in a multidimensional environment of deprivation that lacks clean drinking water, reliable electricity, and a proliferation of infectious diseases. These are all factors that contribute to poverty and a return to poverty.

Third, income or consumption as instrumental measures confuse means with ends. The ultimate goal of reducing poverty is not merely to increase income; but rather to promote a significant improvement in human well-being, including health, education, employment, housing, and asset ownership. In this way, social inclusion and shared prosperity will be enhanced.⁴ Income-based poverty reduction policies do not represent the full picture of poverty, leading to policy biases and deteriorating the effectiveness of poverty reduction.

Given the inherent shortcomings of income and consumption poverty, Sen (1985a) suggests that "poverty is the deprivation of capabilities". In addition, World Bank defines poverty as "poverty as a deprivation of well-being" (World Bank 2000). Due to lack of basic capabilities, poverty occurs and as a result people lose partially or entirely of their freedom to pursue the life they cherish and are entitled to. However, to avoid ambiguity, it is worth noting that poverty as defined by the deprivation of capabilities is by no means a third measure independent of absolute and relative poverty (Dos Santos 2017, 132). As per Sen, the main characteristics that distinguish the capability approach from the absolute approach are its broader information base and the multidimensional nature of the metrics. However, it remains essentially absolutist with an irreducible absolute core (Sen 1981, 1983, 1985b). The following section will focus on this main idea.

3. Absolute Core

In *Poverty and Famines*, Amartya Sen first refers to poverty as having an irreducible "absolutist core" (Sen 1981, 17). Hunger, malnutrition, and other visible plague are transformed into diagnosis of poverty without consideration of the relative pattern first. For the social analysis of poverty, famines will always be considered a manifestation of extreme poverty, regardless of the relative picture of income distribution in a society. Despite the fact that the majority of the literature implicitly accepts the validity and rationality of this viewpoint, and studies on relative poverty measures in capability space appear to readily embrace this theoretical premise without discussing its appropriateness for application, we can still see specific questions and debates raised in some articles. None is better known than the debate between Sen and Townsend in the Oxford Economic Papers from 1983 to 1985 concerning the nature of poverty. Although this argument ended in a misunderstanding between the two scholars, and much of the subsequent research on the nature of

poverty has firmly reproduced this split, there still remains a need to clarify the relevant insights of both scholars objectively, and to rethink the problematic issues that arise from these perspectives.

3.1 Misunderstandings and Understandings

Sen, in his famous article, "*Poor, Relatively Speaking*", stresses the irreducible "absolute core" of identifying and measuring poverty in capability space. Whenever we attempt to use capability sets to examine whether someone can live the life they value and have reasons to value, our analysis should be absolutist, even if it is relative in terms of income and resources space. Responding to Sen's argument, Townsend (1985) argues that:

"He argues along very familiar lines 'if there is starvation and hunger, then-no matter what the relative picture looks like-there clearly is poverty'. What he calls the 'relative picture' (what to most of us would then be implied as other needs) have 'to take a back seat behind the possibly dominating absolutist consideration' (Sen 1983, 159). I find this passage wholly unacceptable. he does not say anything about the scientific criteria by which we identify, or prioritize, human needs. In observations of behaviour in every society the drive to satisfy hunger sometimes takes second place to other drives..."

In his attempt to critique Sen's position, Townsend might commit a straw man fallacy in his argument. Based on the passage quoted above, we can interpret it in reverse. Townsend claims that not every individual in society prioritizes nutritional requirements. Therefore, we should explicitly define human needs and prioritize them in terms of scientific criteria, rather than presuming whatever the relative importance of other requirements, as long as nutritional demands are not met, individuals and families will suffer deprivation and poverty. Clearly, Townsend interprets the relative picture as "other needs". In this regard, Sen (1985b) further explains that:

"People's deprivations are judged absolutely, and not simply in comparison with the deprivations of others in that society. If a person is seen as poor because he is unable to satisfy his hunger, then that diagnosis of poverty cannot be altered merely by the fact that others too many also be If a person is seen as poor because he is unable to satisfy his hunger, then that diagnosis of poverty cannot be altered merely by the fact that others too many also be hungry (so that this person may not be, relatively speaking, any worse off than most others)."

Firstly, some clarifications of the relevant details are required. Sen (1983) and Sen (1985b) interpret the absolute core in slightly different ways. The former alleges the diagnosis of poverty resulting from deprivation of capabilities irrespective of the relative pattern of income; whereas

the latter indicate the estimation of poverty independent of the relative ranking of the capability under consideration. According to Sen's explanation, for example, an individual is poor if he or she unmet a minimum nutritional standard, regardless of the income distribution of the society to which they belong or the nutritional status of other individuals in that society.

Thus, regardless of whatever the above "relative pictures" one falls into, there is no evidence that Sen believes nutrition take precedence over other needs. As Sen articulates in his article, "if we shift our focus to other aspects of living standards besides hunger, the absolutist core of poverty remains." (Sen 1985b) Therefore, it is clear that the "relative picture" does not imply a trade-off between nutrition and other requirements.

In addition, in his critique of thoroughgoing relativism, Sen claims it is necessary to distinguish between "relatively less than others" and "absolutely less because of falling behind others". Sen then explains, for instance, "the ability to enjoy an uncrowded beach may depend on your knowledge about it, while others do not. So your absolute advantage - enjoying a beach that's not crowded - will depend on your relative position - knowing something that others do not know. You want to get information about this not because you want to be relatively better or as good as others, but because you want to be absolutely good." Townsend finds it confusing that Sen jumps from "deprivation" above to a discussion of "advantage". However, both views are the same thing; "relatively more or as well as others" and "absolutely good" are the opposite of the previous view. Sen indicates Smith's explication for conceptualizing the necessity in the *Wealth of Nations* captures this well:

"By necessities, I understand not only the commodities which are indispensably necessary for the support of life, but whatever the country's custom renders it indecent for creditable people, even the lowest order, to be without...custom ... has rendered leather shoes a necessity of life in England. The poorest creditable person of either sex would be ashamed to appear in public without them (Smith 1776, 351-352). "

Townsend reacts fiercely against this argument and questions it on two points. First, Townsend contends perceptions which are shaped by the value or belief systems of sectional groups, the State or whole communities can never be considered properly indicative of "reality out there". There must be forms of "objective" social observation, investigation and comparison against which they may be checked. Secondly, Townsend seems to interpret "absolutely less because of backwardness" as "people are completely unable to meet certain needs with diminished resources",

and therefore argues that "even at the lowest levels of resources, some people still possess more than others."

Taking the first view, Townsend holds that the nature of poverty should be viewed objectively and socially.⁵ From a sociological perspective, this view is undoubtedly attractive. To assure the scientific and objective nature of research, it is important to be as value-neutral as possible regarding the objectives under consideration. We should not imply what others should behave from our own beliefs. Sen's perspective of the absolute avoidance of shame is merely normative, with no foundation for justification. When we consider other basic capabilities, such as self-esteem in comparison to others, living in a comfortable house or being educated, it appears to be impossible to defend the existence of "absolute needs".

For the second view, Townsend seems to steer the debate towards a wrong direction. Sen highlights that the relative pattern of commodity and resource spaces influence the fulfillment of basic capabilities, and whenever resources are scarce, the opportunities of achieving substantive freedom may be limited, rather than a complete failure to meet specified requirements.

Several decades ago, Sen and Townsend engaged in this academic debate concerning the nature of poverty from economic, philosophical, and sociological perspectives. However, their divergent perspectives have inevitably resulted in disparities between absolute and relative metrics which seem to be irreconcilable. However, it should be remembered that the influential insights they provide inform us an unquestionable illumination to dialectically examine Sen's arguments grounded on capability space, especially the view of "absolute core".

3.2 A Re-examination

In this section, we proceed to revisit the rationality of the absolute core by questioning two arguments. First, poverty is defined as deprivation of capabilities, but in what sense is deprivation regarded as poverty when conditioned in identifying stage?

To shed light on this issue, we must acknowledge the inherent complexity of the concept of poverty. The complication is not merely from semantic ambiguity, but also of the need for an appropriate evaluation framework, which draws on knowledge of individuals' and families' ordinary living patterns and arrangements to reveal the detailed economic and social roots of deprivations, and thus to make judgements about whether they should be classified as poverty.

Specifically, taking Sen's argument as a starting point (but not limited to nutritional needs), we argue that the judgements based on absolute core are biased to some extent. As mentioned earlier, the substantive freedom implies both the "opportunity" and the "process" of individuals' choices. Sen appears, nevertheless, to have overlooked his address on the "process" to some respect, that is, how living arrangements, which shaped partially with preferences, social norms, and traditional conventions, of each individual or family affect their choices between food and other requirements. As a consequence of the heterogeneity of individuals' preferences and social norms in different time as well as places, present absolute notions of poverty tend to be inadequate and, in part, inconsistent, and more evidence is called for to obtain more general results. In identifying stage of poverty, therefore, a fundamental distinction has to be made between autonomous choices and passive choices of deprivation. As Sen states lucidly, "the agent acts and brings about change, and whose achievements can be judged in terms of her or his own values and objectives, whether or not we assess them in terms of some external criteria as well" (Sen 2000, 19). Based on this line of reasoning, many empirical facts can be used for illustration.

In general, a "poor" person is defined as someone who does not have enough food, according to Banerjee and Duflo (2007, 145). But paradoxically, even the extremely poor spend much money on unusual non-food items, and weddings, funerals, festivals are important parts of household budgets. South Africa, India, and the Côte d'Ivoire are among the countries where 90 percent and more than half of impoverished households, respectively, spend on festivals under limited resources. Therefore, rather than investing in nutrition, health and education, many poor people prefer to spend more on recreational activities. One possible explanation is that the poor do not want to fall behind their neighbors (Banerjee and Duflo 2007, 163). Thus, by exploring the living arrangements of the poor, we will dismantle the inherent societal perceptions of marginalized groups and demonstrate that there are more important things for the poor than food. Similarly, as Duflo and Banerjee (2011, 36) shows, someone feels television and other entertainment amenities more important than food, even if the family does not have enough to eat. Furthermore, for certain traditional convention like religious reasons, many people refrain from achievements in certain functionings, for instance, fasting during Ramadan (Alkire 2015, chapter 6).

In the same vein, based on a sample from two villages in the southern Indian state of Karnataka, Rao (2001) finds that socially observable celebrations, such as weddings and festival celebrations, under the influence of social norms and rituals, can enhance the family's social prestige and

network of responsibilities and serve as a competitive arena among communities. As reported in this article, on average, a family spends nearly seven years of its income on daughter's wedding and dowry; and 15% of the total expenditure is spent on village festivals. Undoubtedly, food, education, health and other productive investments are inevitably affected. In a study concerning dowry saving in rural India, Anukriti et al. (2022) shows that, in rural India, in the households where first-born is a girl, as expected dowry expenditures increase, the boys may sacrifice their education to save for their sister's dowry. Moreover, in South Africa, people have developed social norms regarding funerals which pertain to children and the elderly. However, the death of many young people due to the AIDS has changed the mortality patterns of society. According to the research, families typically spend 40% of their annual household income on funeral services for adults. Thus, family members have less access to adequate food following the loss of a family member, and funeral costs are a significant cause of poverty; and as costs increase, their children are more likely to be forced to drop out of school (Case and Menendez 2011).

Taken together, it implies that individuals' preferences, rituals, and social norms play a significant role in shaping economic outcomes. The ranking of household choices under these factors often leads to counterintuitive outcomes, even when the pressure to achieve such outcomes is so great that basic requirements such as nutrition, education and health have to take a back seat. In this sense, if the deprivation is "selectively unsatisfied" and the choice is "positive", we need to collect more other evidence to illuminate the poverty profile.⁶ From this point of view, policies that directly target nutrition, education, and health may prove to be biased or even ineffective. In contrast, if the choice is primarily "passive" or "forced into these situations", a more inclusive identification strategy is needed, not merely with the notion of absolute standing.

The capability approach, in practice, assumes substantial agreement on the dimensions and indicators of capabilities and functionings. The absolute core through the lens of this metric goes without "controlling for taste" (Mack and Lansley 1985, 92), which tends to blur preferences with "enforced lack" (Mack and Lansley 1985, 39), and emphasizing the indispensable role of social conventions, equals social consensual approach views and experts' analyses of needs, among others, with actual requirements for individuals and families. The idea of absolute core in terms of poverty assessments has not yet been able to reasonably address the above issues. In particular, as for the preference *per se*, a well-known problem of "cheap" and "expensive" tastes has unresolved,

and the extent to which these tastes should be recognized in identification stage needs further investigations (Robeyns 2006).

Secondly, as states in Qizilbash and Clark (2005, 109), "not all social indicators that might be used in applications of the capability approach are straightforwardly related to an absolutist core". In Smith's case, perhaps we could argue that people do not want to feel relatively less stigma than others, but absolutely avoid such feeling. However, we cannot help but wonder to what extent the assessment of basic capabilities is entirely absolute. Basic needs stem from the kind of society to which people belongs, society imposes expectations, through its occupational, educational, economic and other systems, and also creates wants, through its organization and customs (Townsend 1979, 50). At this point, for instance, our decisions on educational attainment will take into account how we can prevent social exclusion and marginalization, which might vary across periods and cohorts. In particular, with economic growth, economic flourishing places a higher real demand on basic capabilities corresponding to variations of requirements raised by institutions, industries, communities and technologies. Standards might upgrade steadily, or even in a subtle and imperceptible fashion, which implies the same high-school diploma has a different real value in the labour market at present compared to ten or twenty years ago. Building on these views, educational indicators measured by nominal educational attainment in absolute terms may not be captured accurately and comprehensively. A further exploration shall be given in what follows.

4. Relative Poverty Measures under Capability Space

In light of the issues rooted in the absolute poverty assessments within capability approach, the relative standing is called for as supplements rather than supplants. Sen argues that the relative position of income, commodity, and resource spaces affects the absolute dispossession upon capability space (Sen 1981, 1983), which in turn resolves the conflict between these two measures (Dos Santos 2017, 135). In this sense, nonetheless, the multidimensional relative poverty approach still remains beyond the range of capability space, though it is not irreconcilable. In seeking to address this issue, we shall pursue in three-pronged ways.

First, despite the relative deprivation approach cannot fully capture the effects of preferences and social norms on poverty measures, the role of these factors is frequently debated and refined in related studies. Townsend, in his pioneering work "*Poverty in the United Kingdom*", assumes the absence of items which are customary, or widely encouraged and approved in the society they

belong to as relative deprivation. Using the lens of conditions of deprivation, not feelings relative to others (Townsend 1979, 49-50), he overlooks the fact that some respondents may have chosen to go without the items in question; what surely matters most is the choice a person has, and the constraints he or she faces (Piachaud 1981). Mack and Lansley (1985) scrutinizes this theme by focusing on "enforced lack", which distinguishes the actively choosing not to be satisfied with being forced into unsatisfied. The former, after "controlling for taste" is simply excluding from the mainstream. Gordon et al. (2000), McKay (2004) and Hick (2013), among others, conducts further exploration in terms of enforced lack criteria. Furthermore, Mack and Lansley (1985, 42) for the first time ever, identifies a minimum acceptable standard of living by taking on board the views of the whole society, which essentially is a socially consensual approach. However, there is not any binding agreement on what items should be regarded as essentials.

As a multidimensional poverty method, relative deprivation analyses attempts to provide an appropriate consideration on preferences and social norms. In most cases, these investigations include a two-part survey question. Firstly, asking respondents whether they possess an array of necessities which are conventionally approved in a particular society, if they do not, whether this is due to inability to afford or forgoing by choices. In this manner, although relative deprivation remains unable to fully account for human diversity and reflect the specificity of human choices, it does explore the ordinary living arrangements that entrenched in the economic and social context, which are typically neglected by the capability approach.

Second, as already argued, not all social indicators are directly related to an absolutist core. In *Wage Labour and Capital*, Marx wrote that "Our desires and pleasures spring from society; we measure them, therefore, by society...they are of a relative nature" (Marx 1952, 33). "Desires" and "pleasures" do not necessarily be reflected in the space of commodities and resources, they might also be part of capabilities and functionings that we value and have reasons to value. These feelings and conditions are not formed in isolation or invariant over time. Individuals are fundamentally a social animal (Sen 1981, 15), therefore, the poverty standard cannot be established independently of economic and social context within which needs arise and are defined (Smeeding *et al.* 1993, 247). Furthermore, the pattern of people's requirements for basic capabilities changes dramatically over periods of time. In what follows, we shall attempt to elaborate in greater detail in terms of education, water supply and sanitation indicators, respectively.

To begin with, all the constitutions place an emphasize on the important of education, and some countries explicitly refer to education as human flourishing (Burchi *et al.* 2021). As a fundamental indicator in reference to multidimensional poverty measures, educational attainment has typically been assessed in absolute terms, using years of schooling as a proxy. Whereas the capability of education can be evaluated more accurately from a relative point of view, since this method highlights both the relatively scarcity and intrinsic relevance of the educational resources. Hirsch (1976) asserts that education should be conceptualizing as a positional good,⁷ indicating that the value of education is determined by how much other attain, which might vary across periods and cohorts in a society (Fujihara and Ishida 2016). In addition, Thurow (1975) proposes an impressive job competition model to reflect the relative nature of the education. In the job-competition model, individuals compete against each other not so much for higher wages as for better job opportunities based on their potential training costs (75). Generally, employers use the background characteristics of their potential employees to estimate the training costs they are likely to incur and then rank and hire the most cost-effective candidates to those with the highest training costs (91). This ranking refers to the labour queue, and the education attainment becomes the most essential background characteristic, more specifically, a defensive necessity. To protect one's "market share", individuals' will be affected by other's actions to acquire a higher qualification, implying one's relative position in the labour queue outweigh the absolute one (95-97). Therefore, the relative profile of educational attainment, to some extent, can influence the capability of individuals by virtue of job opportunities, and thus captures the relative risk of poverty.

Additionally, water and sanitation supply indicators are typically considered in multidimensional poverty measures, these two indicators are closely correlated with health and intrinsically essential for the realization of substantive freedom. According to the World Health Organization (WHO), for both sexes in Africa, the mortality rate attributed to exposure to unsafe wash services is 45.85%;⁸ and more than one-fifth and half population still openly defecate in rural India and Angola, respectively.⁹ Studied through the lens of empirical investigations, water and sanitation facilities typically be broadly divided into two parts-improved (not shared) and unimproved (or shared).¹⁰ The former implies no deprivation and vice versa, which executes in an absolute term. In line with this consensus-building formulation, the households with a "flush to piped sewer system" or "pit latrine with slab" are considered to have the same level of deprivation. Likewise, following the improved drinking water sources, families established piped water on

premises and those fed on rainwater would reflect the same policy relevance. Undoubtedly, we need a more inclusive identification mechanism to capture different degrees of poverty under the same stratification mentioned above. As a result, the relative distribution of modalities within each indicator should be examined to accurately reflect the distinct shades and degrees relevant to basic capabilities.

Third, with respect to the intertemporal poverty analyses, ensuring an invariant and consistent threshold of each dimension is a prerequisite for comparative studies in terms of the absolute technique. However, the rationality is questionable, especially from a longer time span view. With economic growth and the structural transformation of societies, immutable cutoff ignores the new obligations and expectations placed on members of the community.

Taking India as an example, NFHS data is one of the key data sources for studying multidimensional poverty in India, with the second to fourth rounds of surveys conducted in 1998-99, 2005-06, and 2015-16, respectively. In terms of the "years of schooling" indicator under the educational dimension, the cutoff is typically defined as "no household member (aged ten years and above) has completed five (six) years of schooling" (Alkire and Seth 2015; Alkire, Oldiges and Kanagaratnam 2021).

There is, nevertheless, one further important exploration, even if years of schooling can be used as a uniform comparable metric for poverty assessments. Holding the criteria constant across seventeen years from 1999 to 2016 fails to capture the widespread phenomenon of "degree inflation". Narrowly speaking, the "degree inflation" indicates that the employers seek for a candidate with a four-year college degree for a position currently held by someone with a high school diploma or an associate's degree, which tends to lead to a more inefficient labour markets (Fuller, Raman et al. 2017). In a broader sense, we do not distinguish this concept from "credential inflation", which conveys the value of academic qualifications gradual diminish as more people attain them (Collins 2002), and thus lower educational levels, such as the primary school diploma, can be involved. From this point of view, as educated labour concentrates, minimum entry requirements for jobs increase simultaneously and irreversibly (Collins 2002). Since the economic reforms, the primary education completion rate in India increased from 71.5% to 94.6%¹¹ in 1995 and 2020, respectively, which implies the real or actual value under the nominal educational categories may have changed dramatically. To some extent, therefore, the poverty reduction progress might be overestimated.

The second and third issues can be partially refined by using the multidimensional relative poverty measures based on the capability space. A preeminent approach is known as the "totally fuzzy and relative approach" (TFR), proposed by Cheli and Lemmi (1995). In terms of this method, an array of modalities for each indicator can be ranked from lowest to highest risk, which depends upon the distribution of the specific indicator per se rather than its relative position within the income distribution. Hence, this fuzzy poverty technique shows a considerable intrinsic capacity when dynamic information is involved; and the improved or deteriorated distributions of basic capabilities over time can be observed, which indicate the risk and vulnerability of poverty, in intertemporal comparative studies. The multidimensional relative approach based on fuzzy sets measures the degree of poverty, places differential weights for various modalities. Through this notion of method, we can examine the "social scarcity" and "upward mobility" of educated individuals, and place distinct levels of policy priorities and targets on various water and sanitation services.

In general, there seems to be no uncompromising room for incorporating multidimensional relative poverty into the space of capabilities. An absolute definition of poverty necessarily refers to relative notions to be applied to any given society; a relative definition requires some absolute core to be distinguished from broader inequalities ... neither of these definitions can be accepted or used to define poverty from a pure perspective (Alcock 1997, 72). If we wish to retain poverty as a basis for analysis, measurement, and ultimately political action, we need to avoid the shortcomings of both, or rather, take advantage of their strengths (72). The absolute poverty measurement involves broader political implications to inform poverty alleviation programs. Relative poverty, as a supplement, acknowledges different levels of deprivations within a given society. By combining the two, each with its own strengths, the capability approach can provide a more comprehensive mechanism for identifying poverty.

5. Conclusions

The purpose of this paper is to reconcile the conflict between the "irreducible absolutist core" and the multidimensional relative poverty approach grounded on the capability space. The absolute metric is highly policy relevant and intrinsically important in terms of capabilities and functionings. Whereas this approach suffers from some drawbacks, such as neglecting the role of preferences and social norms on poverty identification, and assumes that all social indicators with respect to basic capabilities are straightforwardly related to an absolutist core.

In this paper, we first revisit the well-known debate between Sen and Townsend to clarify the main notions of "absolutist core" and "relative picture". Second, following a re-examination of absolutist core, we find that identification from a purely absolute perspective cannot capture the full profile of poverty, and two core issues mentioned above remains. Therefore, we take a three-fold perspectives to tackle this problem. To start with, we find that the relative deprivation metrics have widely taken into account the effects of choices and social norms which typically ignored by the multidimensional absolute approach. The survey questionnaires have been refined to distinguish the "autonomous choices" from the "enforced lack", which reinforced the role of "agency" emphasized by Sen. Additionally, many social indicators have a relative component, even if corresponding to poverty evaluations. Educational attainment from a job-competition model of labour queue implies individuals will be influenced by others' actions to obtain a higher diploma. Thus, in order to defend their "market share", years of schooling as a defensive necessity, shows a relative nature of the capability. Water and sanitation facilities are typically expressed as multiple modalities, however, a crisp threshold which dichotomize them into improved and unimproved groups may confuse the extreme dispossessed with the better-off. Hence, a relative standing is needed to capture the distinct opportunities to achieve the life we value. Finally, for intertemporal analyses, the real or actual value of nominal social indicators *inter alia* "years of schooling", may be exposed to "inflation". We particularly stress the "degree or credential inflation". In this manner, the invariant threshold cannot reflect new expectations and obligations imposed to the members of a given community. Relative approaches can be a supplement by describing the changes of distribution of basic capabilities, which may express the variations of clusters concentrated. In conclusion, the relative poverty approach is a complement rather than a substitute of the absolute term, not just in the income, commodities and resources space but also in the capability space.

Notes

1. In John Rawls' s view, primary goods are all-purpose means such as income and wealth, powers and prerogatives of office, the social bases of self-respect and so on (Sen 2009, 254).
2. While we try to distinguish between ends and means carefully, in some cases, the degree to which the two are intertwined and interdependent frequently thwarts such efforts. In the case of health and education, for example, good health and educational attainment can serve both as means to promote the achievement of substantive freedoms and as functional activities in which accordance with individuals' desirability.
3. As early as 1920, Pigou challenged this view in his book "*The Economics of Welfare*". Pigou argues that he disagrees with those who hold that poverty and inborn inefficiency are obviously and certainly correlated (Pigou 1920, 104).
4. "shared prosperity" is a concept developed by the World Bank. To analyze both prosperity and equity dynamically, the World Bank focuses on the growth experienced by people of the bottom 40 in terms of income or consumption distribution within a country (World Bank 2016, 24).
5. Gordon (2019) claims that the fundamental problem with the argument of "poverty is absolute in terms of capabilities" is that it is non-sociological. People feel ashamed because they are unable to meet their social obligations or perceive themselves to have broken the rules of their culture or society.
6. Among those with the lowest living standards, the exercise of choice is minimal and lack of a necessity because they do not want it is likely to stem from very different causes from those whose choice is based on an ability to afford alternatives (Mack and Lansley 1985, 95). The choice reflects a lower level of need, and also reflects low expectations stemming from lack of money (98). This means that, while some people chose to go without certain capabilities and functionings, we cannot categorically judge such choices as equivalent to not being deprived of.
7. See Shavit (2013), Tam (2013), Goldthorpe (2014), Rotman, Shavit, and Shalev (2016).
8. Source from the latest WHO data for 2016: [https://www.who.int/data/gho/data/indicators/indicator-details/GHO/mortality-rate-attributed-to-exposure-to-unsafe-wash-services-\(per-100-000-population\)-\(sdg-3-9-2\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/mortality-rate-attributed-to-exposure-to-unsafe-wash-services-(per-100-000-population)-(sdg-3-9-2)) .
9. Source from the latest WHO data for 2016: <https://www.who.int/data/gho/data/indicators> .
10. According to exist MDG sanitation ladder, improved facilities including flush/pour flush to: piped sewer system, septic tank and pit latrine; ventilated improved pit latrine; pit latrine with slab; composting toilet. While the unimproved refer to pit latrines without a slab or platform; hanging latrines, bucket latrines and, worst of all, open defecation. SDG also requires safely management (Source https://www.who.int/water_sanitation_health/monitoring/coverage/step-by-step-with-definitions-621-20161021.pdf). In terms of water services, improved drinking water supply include piped water into dwelling; yard or plot (on premises); public taps or standpipes; boreholes or tube-wells; protected dug wells; protected springs; packaged w

ater; delivered water and rainwater (E-Handbook on SDGs, <https://unstats.un.org/wiki/display/SDGeHandbook>).

11. Source from World Bank data: <https://data.worldbank.org/indicator/SE.PRM.CMPT.ZS?locations=IN&view=chart> .

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