

Understanding Poverty: the human development approach

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EILIDH MACKIE, APR 17 2012

Discuss the merits of a human development approach in relation to alternative approaches to understanding poverty

The emergence of the human development paradigm underpinned by Amartya Sen's conceptual framework (Sen 1999) broadened existing understandings of both poverty and development. The merits of this approach have been recognised by its rapidly widespread proliferation which consequently has placed human focused poverty reduction at the centre of global development agendas. The interdisciplinary capabilities approach (Sen 1999) challenged existing commodity based understandings of poverty such as the human capital approach (Laderchi et al. 2003) and the concept of basic needs (Fukuda-Parr 2003 p. 304). The capabilities approach (Sen 1999), combining elements of philosophy and economics, has become the principal alternative to previously dominant economic frameworks and discards the measurement of poverty based solely on income and the assumed maximisation of utility (Laderchi et al. 2003). Instead poverty is understood from a broadly humanist perspective as the deprivation of one or more rudimentary capabilities (Sen 1999 p. 87). These capabilities are essential for individuals to achieve minimum functioning within their society (Banerjee et al. 2006 p.1) and subsequently access freedom to live the lives they value (Laderchi et al. 2003).

The foremost advocate of the human development paradigm, Mahbub ul Haq translated this people centred understanding of poverty into policy through his configuration of the Human Development Index within the UN Development Programme's annual Human Development Reports (UNDP 1990; Sen 2000). Consequently, the progression of this approach conceived specifically for developing countries has furthered a broader, multidimensional and more contextual understanding of poverty. The utilization of participatory research methods have created a broader informational base on poverty and have allowed the poverty stricken to become stakeholders in the development process rather than merely beneficiaries (Chambers 1995; Streeten 2000). The departure of economic growth as the sole criterion for development, has led to new insights in the understanding of poverty that are particularly evident in recent gender perspectives on poverty (Gasper 2002; Fukuda-Parr 2003). Nonetheless, while the various merits of the capability approach have ascribed a valued human face to the field of development, in comparison to alternative approaches Sen's intentionally vague concepts have proved difficult for policy makers to operationalise.

The human development approach addressed the limited scope and failings of previous economist interpretations of poverty by broadening definitions of ill-being to incorporate more than simply average income and consumption levels (Desai 1991). The dominant monetary and modernisation approaches equated development with economic growth and top down market growth strategies such as the 1980's structural adjustment programmes pursued by the International Bretton Woods Institutions (Wade 2004; Wade 2004). These neoliberal policies directed by economists, formulated on GDP growth and household survey data on income and consumption, did not overcome issues of poverty (Srinivasan 1994 p. 239). Instead, the impact of a largely human cost became apparent as a result of these free market programmes of privatisation and deregulation (Ruckert 2007 p.1051). The social consequences of invoking theories that assumed economic growth would trickle down to overcome poverty led instead to widening inequalities and evidence of worsening levels of HIV/Aids, environmental concerns, crime and the weakening of social fabric in spite of sustained economic growth in many developing states (UNDP 2011; Banerjee et al. 2006 p.

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As a result of the mounting objection to these narrow economic development approaches and policy formations, scholarship began to question common monetarist conceptions of poverty. In 1987 Camp and Speidel (Srinivasan 1994) advocated the International Human Suffering Index, which included ten measures of human welfare. However, the interdisciplinary capabilities approach (Sen 2000) became the first people centred coherent theoretical framework to stimulate and be translated into UNDP policy in order to enhance contextual understandings of poverty from the chief perspective of freedom (Gasper 2002; UNDP 2011). The annual Human Development Reports have consequently comprehensively broadened understandings of development from the perspective of enhancing human freedom and measuring poverty “not by the yardstick of income alone but by a more comprehensive index... the human development index- reflecting life expectancy, literacy, command over the resources to enjoy a decent standard of living...for capturing the many dimensions of human choices” (UNDP 1990). The human development approach constructively combines previously inadequate poverty measurements, such as household income and consumption, with a more generalised outlook of capability deprivation when investigating welfare and lends understandings of poverty “considerable reach and depth” (Alkire 2005 p.123).

The theoretical elements of the capabilities framework (Sen 1999) that underpin the human development approach demonstrate the shortcomings of previous poverty policies, such as the monetarist and basic need approaches, in order to create a multidimensional and realistically nuanced picture of the realities of poverty (Sugden 1993). The capabilities approach expands on former commodity based approaches for instance the ad hoc nature of basic needs practices founded in the 1970's (Streeten 2000), which draw poverty lines to determine poor and non-poor, by identifying basic physiological needs such as nutrition and the minimum income necessary to afford them and identifies poverty levels through household survey data. However, the broader and multidimensional nature of human development encourages research on poverty to penetrate much deeper than this level of household maximisation of utility and rational distribution of commodities, which cannot be uniformly assumed as has been typified under previous development frameworks (Shaffer 1996). This multidimensional approach to inadequate income levels overcomes the weaknesses of previous approaches and considers elements such as economic shortfalls, metabolic rates and gender inequalities alongside monetary data (Ibid 1996). Consequently, a more complicated yet realistic picture of poverty can be gained through this deeper understanding of household activities and the way income is shared and utilized. This allows the human development approach to focus on the life achievements of those in developing countries value as opposed to the basic needs assessment of poverty which simply identifies and classifies detached goods that households possess (Anand & Ravallion 1993 p. 136).

The capability approach takes an individualistically nuanced understanding of poverty and awards the accomplishment of capabilities as both the ends and means of development (Gasper 2002). The approach further highlights the limitations of frameworks which rely on GDP and income in conceptualising poverty as the utilisation of income to gain basic material needs cannot be achieved without other capabilities like social, political and economic arrangements such as education, healthcare, political and civil rights (Sen 1999 p.14; Banerjee et al. 2006). This more representative approach allows evaluations of poverty to be multifaceted and carefully considers handicaps such as age, diversity, social exclusion and illness as these may impede the individual in achieving essential functionings like the conversion of income (Sen 1999 p.88). The human development approach incorporates income levels alongside the measure of key functionings. These are necessary to realise a full capability set which enhances a person's choices and thus allows the achievement of freedom (Laderchi et al. 2003 p.269). In contrast to the human capital approach, where wealth expansion is the ends of all life activity like education or healthcare, this freedom to live the life one values is both the means and ends of development (Anand & Ravallion 1993 p.133). Therefore, the reduction of poverty is understood in terms of individuals constructed realities, not by simply increasing household income by means which justify direct economic return as per the human capital approach but poverty is the deprivation of one or more capabilities because without these freedom cannot be attained (Sen 1999 p.90).

The human development approach encourages a broadening of the informational base on poverty by investigating the deprivation of functionings and capabilities that create freedom in a framework that was generated with developing perspectives at its centre. This contextually relevant approach is in direct contrast to modernisation,

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monetary and the neoliberal approach which the Washington consensus advances (Ruckert 2007). These were formed with the knowledge and perspective of western nation state formation and seek to impose conditional western conventions through prescribed policies such as the World Bank and IMF Poverty Reduction Strategy Papers, the imposition of stringent conditions for those who qualify under the Highly Indebted Poor Countries Initiative to be granted debt relief (Fukunda-Parr 2003; Laderchi et al. 2003 p. 260). Yet, these policies of implementing poverty reduction are advanced by policy makers who control the fragmented incorporation of the global south into the world financial system where subsequently developing nations become economic “losers” (Bush 2007). This competitive and controlled system does not resemble the same global environment that previously enabled European state formation (Tilly 1985 p. 170; Fukunda-Parr 2003). The broader and multifaceted understanding of poverty that the human development approach advances are underpinned by contextually relevant frameworks, the recognition of diversity throughout the developing world and the incorporation of developing countries inhabitants’ constructions of reality through comprehensive participatory research methodology (Shaffer 1996; Chambers 1995).

The inception of the human development approach has witnessed the increasing use of participatory research methods which allow those experiencing poverty to be involved in conceptualisations of poverty and the proposal of their own interpretations of wellbeing in direct contrast to previous top down approaches (Shaffer 1996). Those scholars and policy makers following the human development paradigm have been forced to seek the input of developing populations in order to generate contextualised data which reflect individuals’ capabilities, interpretations of freedom and the values they ascribe to their lives in the face of case specific adversities (Srinivasin 1994). This participatory research approach, incorporating the utilization of both quantitative and qualitative methods (Chambers 1995), is a fundamental element to the human development approach and valuably aids understandings of poverty without imposing rigid dictated beliefs about poverty as is evident in the rights based approach to development (Shaffer 1996; Streeten 2000). However, like previous elements of monetarist approaches the global discourse of the rights based approach to development is incorporated into the philosophical underpinnings of Sen’s (1999) capability approach and the forms of development policy this approach has stimulated, principally the UNDP Human Development Reports demonstrate that “the language of rights tends to supplement that of freedom” (Streeten 2000 p. 231). The formulation of poverty reduction policies and understandings from a human development perspective therefore rests upon the granting of developing populations the freedom to become involved and shape, to a limited extent, the informational basis of their own development strategies (Gasper 2002, p 139). Consequently, through the employment of participatory research methods the human development approach has gained a greatly informed understanding of poverty by utilizing the limitless abundance of information that those deprived of basic capabilities within the global south have to offer.

The broadening of understandings of poverty and the innovative perspectives gained through extensive participatory research has allowed the field of human development to herald new insights of poverty, which in instances have been at odds with long established development approaches (Sen 1999; Sen 2000). Through the expansion of poverty conceptions in regards to capability deprivation, the human development paradigm has stimulated the production of enlightening results about wellbeing by examining other indicators of poverty and not solely determining poverty through narrow conceptions of economic growth and the purchasing power parity (PPP) of developing households (Banerjee et al. 2006). In a comparison of Sub-Saharan Africa and South Asia, the two areas with the highest rates of extreme poverty, Sen and Dreze (1999 p.102) did not measure all capability deprivations and outcomes but investigated three basic capability deprivations; adult literacy, infant mortality and life expectancy. The comparisons of India and Sub Saharan Africa demonstrated similar results in terms of adult literacy and infant mortality but differed in terms of life expectancy. However despite discrepancies in life expectancy, with India averaging 60 years in 1991 and Sub-Saharan Africa averaging 52 years, taking a capability approach generated findings on mortality and nutrition that showed a greater prevalence of undernourishment in India than Sub-Saharan Africa, despite India being considered self-sufficient in food. Consequently, without producing an aggregate measure of deprivation, Sen concludes that through the human development paradigm a “more illuminating picture can be obtained from information on aspects of life in these parts of the world” (Sen 1999, p. 99). These results highlight the striking failures of narrow economic based approaches to development that do not pursue wide-ranging research questions and validate the merits of employing a highly detailed humanist approach when understanding and informing policy on poverty reduction.

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In addition, the development paradigm shift from dominant economic approaches to the human development agenda has extensively aided the study of development from gender perspectives. The incorporation of participatory research and the deeper understandings of capability deprivation on an individual level (Sen 1999; Sen 2000) have brought to light evidence of poverty reinforcing gender inequalities. The capabilities approach highlights the shortcomings of human capital and basic need approaches pseudo-scientific poverty lines that claim developing households rationally maximise their utility in order for all household members to meet their nutritional physical needs for survival (Laderchi 2003; Shaffer 1996). The flexible people centred framework of the human development approach allows policy makers a greater insight of the different obstacles women face in overcoming inequality through participatory research methods and delves deeper than previously economically favoured household survey data which did not consider divisions of labour, female consumption levels and the inequality reflected in the distributions of resources (Fukuda-Parr 2003; Sugden 1993; Laderchi 2003). The breadth of the capabilities approach for studies of gender inequalities was highlighted by Sen's (1992) assertion in the *British Medical Journal* that due to a range of gender inequalities, such as neglected female health and childhood nutrition, women within the developing world have artificially lower survival rates and therefore endure different experiences of poverty with gendered deprivations of capabilities (Sen 1992; Sen 1999 p. 108). He concluded that as a result of these unequal capability deprivations, in comparison with high ratios of women to men in Western nations, there were 100 million women missing from the global South (Streeten 2000 p.158). The insights gained by the human development approach prove its merits in gaining greater informed understandings of poverty. However, due to the deliberately vague theoretical underpinnings of the capability framework it has proved difficult to directly translate into policy.

The criticisms levelled at the human development approach in comparison to more simplistic understanding of poverty, are Sen's deliberate obscurities in central concepts, and the difficulties faced logistically in operationalizing the commendably broad, multidimensional, and nuanced aspects of the paradigm into reliable policy practice (Gasper 2002; Fukuda-Parr 2003; Alkire 2005). The Human Development Reports have advanced the Human Development Index as a measurement for poverty, however Srinivasan (1994 p. 241) calls for improved conceptual tools to overcome empirical weaknesses such as incomparable education enrolment. Sen's reflection on a decade of human development (2000) urged the human development paradigm not to be a "stagnant pool" but to expand through critical evaluation, the creation of investigative research methods and further outlooks on his framework such as Nussbaum's (2001) interpretation of basic, internal and combined capabilities. However with the recent advent of the Post-Washington consensus, post-development critiques and social movements within the Global South may prove to reconceptualise the subject of poverty further (Matthews 2008).

In conclusion, within a relatively short period of time the human development paradigm has become one of the prevailing approaches invoked in evaluating, understanding and measuring poverty within the development sector both in academic and policy making circles. The intrinsic humanist values that innovators like Amartya Sen and Mahbub ul Haq have invoked, ensured conceptions and parameters of development have dramatically broadened. The approach has successfully pressed the acknowledgment of the devastating human cost of poverty to the forefront of international development agendas, which now centralise policies on poverty reduction. The human development approach, while underpinned by interdisciplinary capability frameworks, combine elements of previously dominant and useful approaches with participatory feedback from those experiencing poverty to inform a representative, individualistic and multifaceted understanding of poverty. While this has allowed crucial new insights on poverty and development come to light, the translation of such complex and nuanced informational bases into policy implications have proved an incredibly difficult task for those powers that control the global financial system. The incorporation of economic and philosophical theoretical foundations has given the human development paradigm a broad base to be furthered conceptually and improved methodologically. With further scholarship, a clearer yet complex understanding of poverty can be gained and hopefully prove informative to poverty reduction and furthering the development agenda.

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