

Heterodox Economics Newsletter

DEFINING POVERTY IN THE DEVELOPING WORLD, edited by Frances Stewart, Ruhi Saith, and Barbara Harriss-White. Palgrave Macmillan, 2007, ISBN 978-0-2305-1672-4; 256 pages.

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Frances Stewart, Ruhi Saith, and Barbara Harriss-White have brought an extremely vast literature and scholarly research done in the area of what has now come to be known as poverty studies, into one edited volume entitled *Defining Poverty in the Developing World*. With a razor-sharp focus, the editors identify and analyze four approaches in defining and measuring poverty: Monetary Poverty, Capability, Social Exclusion, and Participatory approach. There are separate chapters on the four approaches, which explain each approach, concept, conceptual framework, method, and philosophical basis, while providing analytical sophistication and the limitations of each approach. They then clearly apply these specific approaches in their study of poverty in Peru and India as discussed in separate applied chapters.

The editors lay out the basic premise of the book in the introductory chapter when they say, "There are a number of general questions about how to define and measure poverty that apply to all approaches." These general questions follow:

1. The differences in the approaches they consider
 2. The universality of the definition of poverty
 3. Whether the methods are objective or subjective
 4. The critical need to differentiate the poor from the non-poor through the use of one (or several) poverty lines
 5. The unit over which poverty is defined
 6. How to deal with multidimensionality
 6. Time horizon over which poverty is identified
 7. The extent to which a definition of poverty offers (or should offer) a causal explanation for poverty while others offer descriptive approaches and point to policies towards its alleviation.
- For example, the editors provide a visual depiction of the various components that create capabilities and show the link between these components, simply the clearest representation of leads to a capability set. The introductory chapter contains a treasure for anyone interested in this field, a table that compares the four approaches to poverty across nine criteria. This is an extremely useful and operable rubric for students and researchers alike.

The four individual chapters follow similar templates by introducing the conceptual framework, its foundations, definitions and meanings, implementation methodology, identify the concept using certain criteria, indicators of the criteria and ordering the outcomes of the measure using the different criteria if warranted. For example, Saith in chapter three on Capabilities, identifies 'basic capabilities' using criteria indicated by the basic needs approach, Doyle and Gough, Qizilbash, Desai and Nussbaum. Those familiar with the field will recognize this literature and those who are new are introduced to the vast literature in this field. Each approach to measuring capabilities results in different outcomes on well-being and functionings in a variety of dimensions.

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In the chapter on Social Exclusion, Saith provides a list of main features that distinguish it particularly from monetary poverty. Saith points out that these features capture the fact that under the social exclusion definition, poverty is multidimensional, relational, relative and dynamic which emphasizes the process as well as outcomes. Laderchi in the chapter on Participatory Methods revisits the meanings of the concept of participation. Laderchi notes Chambers assertion that Participatory Rural Appraisal, known more popularly as PRA "... emerged in the early 1990s building on the insights and methodological innovations arising from a variety of sources..." which essentially "... enabled local people to share, enhance and analyze their knowledge of life and conditions, to plan and to act." The methodology section in this chapter is particularly helpful because it is accompanied by an example of the tools used by the World Bank in rural Zambia.

The applied chapters, six and seven, on Poverty in India and Peru are rich in data and results as they apply the four approaches separately to analyze poverty in each of these countries. Chapter eight by Barbara Harriss-White on Destitution in India and Peru is an extremely important work in this book because at the most basic level, destitution is a subject that is an extremely under-researched area. In addition to the economic and social aspects of destitution she discusses the aspects of criminalized poverty and law-induced destitution. They take issue with the idea that destitution cannot be incorporated into political economy using Marx's examples and argue that destitute people are not 'nebulous.' They are, in fact, the object of institutionalized state and social hostility.

The final chapter explores the policy implications of the different concepts of poverty and their empirical implications particularly for differences in estimates of poverty. Their conclusions are captured in table 9.2, which reports the findings on studies comparing monetary measures of poverty and 'subjective' assessments in a variety of developing countries spanning South Asia, Africa and South America.

The authors have arguably made one of the most vital contributions to students and researchers in the area of poverty and development studies. They have captured the complex multidimensionality of the condition of poverty using four different approaches with significant cross country empirical and policy implications.