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**“URBAN POVERTY ASSESSMENT AND SOCIAL SECURITY
IN ARGENTINA: Towards a Conceptual and Methodological
Framework for Gender-Sensitive Policy Research”.**

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*Baila y baila Casandra
digo bien bien bien la pude ver.
No hablo yo de fantasmas ni de Dios
solo te cuento las cosas que....
se te suelen perder.*
Charly Garcia - "El tuerto y los ciegos"

*We are the sad people
those scared eyes
insane unseen
an island inside
inside out minds
unbeing dead isn't being alive
what's wrong with the air?*
Hart, Austin, McDonald / Frente - "Air"

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CHAPTER I: SOCIAL SECURITY IN ARGENTINA: OVERVIEW AND PROPOSAL.

I.1. Introduction: objectives and structure of the paper.

This paper has a double objective. It aims to provide some theoretical and methodological elements for social policy research in Argentina, and in so doing it gives some arguments to compare the current social security system with the alternative proposal of monetary transfers with a universal base, i.e. the citizen income policy, seen: a) as a poverty alleviation policy, and b) as a policy that takes into account gender inequalities.

The main assumption is that the social security system, after having been subjected to the crisis of the traditional welfare state during the eighties and to deep reforms during the nineties, is not providing any more (if it ever did so), the security net needed to guarantee a minimum level of well-being for the population. On the contrary, having transferred to the ownership or management of private enterprises many of the services and benefits, this process of transformations has placed the market as the ruling institution, with its consequential uncertainties and disadvantages for those with less resources. Therefore, it is necessary to think about alternative proposals of social security arrangements, that can be more effective in the alleviation of poverty and that can better tackle the inequality between groups, not least between women and men. The description of this process of transformation of the welfare state institutions in the case of Argentina, as well as the presentation of an alternative proposal, i.e. the citizen income policy, is developed later in this chapter.

However, the enquiry goes further. It searches for the understanding of poverty as a multi-dimensional concept, a particular state of well-being, or better, ill-being. We can observe that people use their resources (endowments) to acquire a set of commodities whose characteristics will provide some capabilities to achieve a certain quality of life, satisfying (or not), in different levels, their human needs. These different situations in terms of actual functionings will define them as more, less, or not at all, deprived or poor¹, and will give a picture of the state of human development of the individuals, the households they belong to, and at last, the community they participate in.

Some theoretical and methodological discussion is hidden in these statements: Should well-being be defined and assessed in terms of possessed commodities, of their characteristics, of the capabilities they provide to those who use or hold them, or of the actual functionings achieved by each individual? How is the boundary that distinguishes between poverty and non-poverty situations defined?

Furthermore, the possibility of achieving a certain level of well-being, of satisfying certain given basic human needs and of escaping from poverty situations, is associated with (depends on) not only the characteristics of the context (degree of economic and social development of the community, availability of goods and services, human rights situation), but also the characteristics of the households and people living in them, including: i) the number of working age members or the number of income earners; ii) the

¹ In following chapters I will discuss how poverty and therefore, the poor, are defined.

number of dependants and the level of income of the members on whom they depend; iii) the possibility of household production and community exchange and participation; iv) the features of the survival strategies carried out; and v) the family organisation (intrahousehold power relationships). Therefore, the assessment of well-being should consider interhousehold differences as well as how gender relations are situated in intrahousehold dynamics, how the resources and benefits are allocated among different members and how household decisions are made. These issues are discussed in Chapter II from a theoretical perspective, and in chapter III from the point of view of the methodological complexities concerning measurement.

The next two chapters (IV and V) describe how poverty has been studied in Argentina, and how the gender dimension has been taken (if at all) into account. The focus of the description is in urban areas, and Gran Buenos Aires is considered as the reference point². From the conclusions of these studies two type of implications are then derived in Chapter VI. In the first place I will analyse what those characterisations are lacking, in light of the theoretical and methodological discussion of the previous chapters, in order to understand how the existing data sources could better be used in social policy analysis, and what other kind of information should be generated. On the other hand, the existing social security system is compared with the citizen income proposal in order to understand how each of them approaches the issues highlighted, and to illustrate how the methodological framework can be used in social policy research.

I.2. The Argentine context: social security in times of structural adjustment.

In the present decade the Argentine economy has been subjected to drastic transformations whose main features are in line with the structural adjustment policies suggested for the Latin American region in the context of the Washington Consensus³. The most notable and early indicator of the changes introduced was the reduction of the inflation rate from hyperinflation levels to almost zero. However, the transformations also included very deep reforms to many important institutions that had regulated in a way or other the economic relations of production. These major changes included⁴:

- privatisation of practically all public enterprises that provide the supply of major public services (telecommunication, gas, electricity, water, transport, iron and steel works);
- promotion and opening up of free movement of capital;
- reduction in import tariffs and removal of most non-tariff regulations;

² Gran Buenos Aires is the major urban conglomerate in Argentina, where 1/3 of the total population of the country lives, i.e. more than 10 million people. It includes the Capital City and its suburbs.

³ Washington Consensus is the name given to the set of policy recommendations that the international organisations based in Washington “suggest” to the government of developing countries that are trying to cope with economic crises and need financial support. To follow those recommendations is very often a requirement for any kind of support. Among others, the following are the most universal recommendations suggested: i) markets’ “deregulation”, ii) increase of foreign and domestic savings, iii) free movement of capital, iv) neutral commercial policy, v) elimination of fiscal deficit, vi) decrease of public spending, vii) privatisation of public enterprises (Lo Vuolo, 1995a; Minsburg, 1995).

⁴ Part of this enumeration follows Lo Vuolo (1997).

- perfect convertibility between the local currency and the US dollar;
- re-programming of the foreign debt with a commitment to strict payments in the context of the Brady Plan, together with the contracting of a new debt, which more than doubled the borrowing figure for the beginning of the 1980s;
- 'flexibilization' of the regulations in the labour market in terms of contracts, contributions to the social security system and compensations for diverse workers' adversities;
- reduction of the numbers of public administration personnel, by firing or forced retirement of public servants;
- liberalisation of regulations in different commodities markets.

The immediate response of the economic agents to these reforms and to the new environment provided by the monetary stabilisation allowed a first stage of "euphoric" economic growth. Between 1991 and 1995, total consumption increased by 20.2% and investment increased by 57.9%, pushed up by the influx of imports, that grew 104.6%. While exports also increased, this was not enough to avoid the impact on the balance of trade, that presented a permanent deficit during these first years of the decade. The domestic economy grew, based on external financing. In other words, world savings and increasing Argentine indebtedness. (See Table 1 below).

Two main additional factors contributed in an essential way to this first stage of euphoria in the economy: i) the political support to the macro-economic policy from the domestic economic groups, the trade unions leaders and the population, at least as manifested in the elections; and ii) the political and economic support from the multilateral organisations and credit institutions, as well as the international community.

This phase of expansion was interrupted at the beginning of 1995, when the structural problems of this type of growth became evident. The increase in the productivity in marketable goods was not enough to overcome the competition of foreign products in a context of an overvalued exchange rate. The financial crisis caused by the "tequila effect" in Mexico made the situation more complex, and most international credit was cut. The natural consequence was a period of economic recession: more enterprises were closed down (especially smaller ones); the situation in the labour market, that had already shown a serious increase in the unemployment rate, became even worse; and a process of economic concentration and transnationalisation started. The necessary "financial rescue" from the multilateral organisations implied a deeper and more severe adjustment, that impacted mostly on labour conditions and public spending.

Table 1
Argentina: Macro-Economic Indicators

	Absolute terms				
	1991	1992	1993	1994	1995
National Accounts (1)	10180.3	11228.8	11930.7	12947.7	12355.4
GDP	8398.8	9518.8	10061.6	10753.9	10093.0
Consumption	1620.8	2164.1	2510.5	3056.9	2559.9
Investment	1121.0	1144.6	1171.9	1358.3	1667.0
Exports	960.4	1598.7	1813.3	2221.4	1964.5
Balance of trade	160.6	-454.1	-641.4	-863.1	-297.5
Public debt (2)	58156.0	60251.0	69631.0	79455.0	89719.0
Unemployment	5.9	6.7	10.1	12.1	18.8
	Variations (%)				
	92/91	93/92	94/93	95/94	95/91
National Accounts (1)	10.3	6.3	8.5	-4.6	21.4
GDP	13.3	5.7	6.9	-6.1	20.2
Consumption	33.5	16.0	21.8	-16.3	57.9
Investment	2.1	2.4	15.9	22.7	48.7
Exports	66.5	13.4	22.5	-11.6	104.6
Balance of trade	-382.8	41.2	34.6	-65.5	-285.2
Public debt (2)	3.6	15.6	14.1	12.9	54.3

(1) Thousands of pesos 1986

(2) Million of US\$

(3) Gran Buenos Aires - Percentage

Source: Ministry of Economics and Public Works and Services. INDEC.

Within this context, the possibilities of any social policy initiative were defined by two factors: i) the necessity of diminishing public spending to reach the targets of fiscal deficit; and ii) the recommendations of the multilateral organisations, that prioritise “*asistenciales*” and focused programmes, with the idea of compensating the social costs of the adjustment, which they believe are only temporary. Though the total public spending decreased as a consequence of the privatisation process and the diminishing of public investment in economic infrastructure, the social public spending, remained around 17% of the GDP with a slightly upward trend, though that could not anyway sustain the level of public social spending in per capita terms⁵. Besides, the increase in the expenditure was almost totally explained by the larger amounts allocated to the pension system. Other components like education, health and housing show values that are below the levels of the middle and beginning of the eighties. “Likewise there was a transfer of spending responsibility from the nation to the provinces in public health and education, which was not accompanied by a corresponding transfer of tax-raising powers from the nation to the provinces. At the same time the tax on wages, designed to finance social policies, was reduced and funding was moved about between the social policies themselves” (Lo Vuolo, 1997: 4). This process of adjustment and

⁵ The population grew while the public social spending remained almost constant in real terms (Barbeito and Rodríguez Enríquez, 1995).

reallocation of public social spending was developed together with deep transformations in the institutions that had ruled the welfare state since the middle of this century.

I.3. Welfare state institutions and gender inequalities.

The Argentinian Welfare State was built as a hybrid with a 'corporative' body of social insurance schemes (whose principal programmes were social security provision, social health insurance or '*obras sociales*'⁶ and family allowances)⁷, including also important 'social-democratic' institutions (education, public health, housing) to which access was free and universal. The assistance programmes were poorly funded and functioned in a disorganised and barely structured way. 'Unemployment insurance' and active employment policies were not part of the first design of the system of social policies. (Lo Vuolo, 1997). Income security was related to employment security, and its absence was mostly considered a temporary failure. Poverty was understood as a consequence of this temporary income absence or of its insufficiency relative to the family size. Policies to support income level were therefore directed to the unemployed and to those dependants that were supposed not to participate in the labour market (Lo Vuolo, 1995a)⁸. The well-functioning of this system involved some necessary assumptions: i) the possibility of reaching full employment in the economy, based on a permanent increasing of effective demand; ii) ample capacity to finance growing public expenditure; iii) the existence of formal employment contracts⁹ as the rule; and iv) a social consensus about the solidarity that this scheme implies.

Furthermore, there was an additional strong assumption, which is that people organised themselves in families, with a man breadwinner heading the household and a housewife in charge of taking care of the children and of solving domestic problems. Thus, if the income of the head of the household was guaranteed, all the members in the family were supposed to be able to reach a minimum level of living standard¹⁰. Therefore, the institutions of the welfare state were meant to provide:

- security in the labour market, with policies to sustain the desired level of employment rate;
- security in labour income, with policies of minimum wage, family allowances and other social insurance schemes;

⁶ 'Obras sociales' is the Spanish name for the health insurance scheme for wage-workers in Argentina. It is organised by sector of activity and it is financed with employers and employees contributions. Only wage-workers with formal employment contract are beneficiaries of this system.

⁷ This 'corporative' component of the Argentinean Welfare State is in line with the ideas of the Beveridge Report published in Britain in 1942. The central idea of this model is that every primary income earner (workers or capital owners) compulsorily renounces part of her or his income in order to build a fund that will provide every member of the community with a minimum level of resources, when they are not able to get that by themselves, either because of their old age, lack of health, inability, or because they cannot find a job (Van Parijs: 1995).

⁸ In his quotation of Parker, Hermione (1989). *Instead of the Dole. An Enquiry into Integration of the Tax and Benefit System*. London and New York: Routledge.

⁹ The rule was understood as full time jobs, during active age, and with little rotation. (Lo Vuolo: 1995a).

¹⁰ A strong assumption in this statement is that households are cooperative institutions, which denies the reality that every member has her/his own interests, and those different interests might (and certainly do) conflict. It is more realistic to assume that those with less resources and power within the households will receive less benefits.

- security in the job, with legal support to guarantee stability in the position;
- security in working conditions, with legal support in terms of labour accident compensation, security norms, etc.;
- income security in times when the access to the labour market is denied, with the creation of the pension system for old age people and the provision of unemployment compensation¹¹.

The expansive dynamic needed to support this scheme reached its own limits in the middle of the '70s, and its crisis became totally evident during the '80s. Fiscal deficit, external debt, chronic inflation and recession imposed the economic limitations. The increase of technological competence, the integration of international markets, and the opening of domestic ones, set the exogenous limits. At the same time, the neo-conservative ideas in many vested interests groups and in the parties in government, defined the ideological constraints (Lo Vuolo, 1993) The problems in financing public spending, the increase in the unemployment rate, the deterioration of the wages level and labour conditions, the growing inclusion of female and young human resources in the labour market, and the new family arrangements contributed to the break down of the old consensus.

To confront this situation, the government started some reforms in the social security system that are consistent with the ideology promoting the general macroeconomic policy described in the previous section. This implies:

- to dismantle all the components that defined the labour security, but keeping the “work ethic” and the merit involved in the labour status;
- to promote the “corporative component” of the system, shifting its administration to private enterprises and keeping the benefits closely related to the individual contributions;
- to destroy the “universal component”, replacing it with residual policies targeted to solve specific and temporary problems.

In practice, these reforms include: i) the transformation of the pension system, to a mixed one, with components both of the capitalisation type and of pay-as-you-go¹²; ii) the deterioration of the family allowances and other transfers, due to the cutting of the public budget; iii) the implementation of an

¹¹ However, as explained before, the scheme of unemployment compensation was not fully developed. The compensation mostly concerned temporary incapacity to work due to labour accidents or disabilities, rather than the impossibility of finding a new job.

¹² The new pension system gives the option to every worker, to opt between two alternatives: i) to remain in the “old” pay-as-you-go scheme, where both employer and employee contribute to the public system; ii) to choose one of the new “Pension Funds Administrators”, private enterprises with public endorsement, where the employee contributions are capitalised until her or his retirement. In this case, the employer contribution still goes to the public budget. This is because the received benefit has two components: one part is paid by the public budget [financed by the employee and employer contributions of group i) and the employer contributions of group ii)] and the other part is either an extra payment received from the public budget [in the case of group i)], or the capitalised contributions [in the case of group ii)]. In practice, older workers and current pensioners remain in the “old” system, and younger people who can still capitalise their contributions for many years, have opted for the “new” alternative. Of course, the actual burden for the public budget is too heavy, and this is translated into the payment of very low benefits.

unemployment benefit system¹³, trying to compensate for the worse situation of the labour market; iv) the “flexibilisation” of regulations in the labour market; v) the reduction of the public budget allocated to health care and education.

The consequences of these adjustments are greater disadvantages for those lacking resources, since the ruling conditions are now imposed by market forces; major uncertainty and insecurity in terms of present and future income, due to the conditions in the labour market and the features of the “new” pension and income maintenance transfers systems; deterioration of public services freely provided (specially health care and education); and polarisation of the quality of life between those with high and low income levels.

Besides the figures¹⁴ that show that the reforms have worsened the situation of “income insecurity”, the most relevant feature for the discussion in this paper is that they have not changed the assumptions of the traditional welfare state. They have modified neither the value system, nor the institutions that were based on the “work ethic” that assumes wage-earnings as the principal income of the population and the nuclear family as the natural basic social organisation. This is a problem, when as Fraser (1997) put it, “a new world of economic production and social reproduction is emerging - a world of less stable employment and more diverse families”. (p. 42)

It is clear that a social security system with these roots exclude many people from its benefits:

- all those that develop their activities in the informal sector, though they are in general the ones receiving lower incomes and working in worse conditions, needing in consequence the most special assistance;
- those who cannot easily get access to employment: i.e. disabled people, young people without working experience, adult people with obsolete skills, etc.;
- dependants (basically women and children), as far as their only incomes are a share of the male-head’s earnings;
- all those people living in arrangements that do not fit in with the nuclear family model.

Much theoretical work suggests that “welfare states are best understood as mechanisms for social control” (Ackelsberg, 1992: 485). In this sense, feminist scholars agree in criticising social policy institutions in their control over women’s life, “as supporting relations of dependency within families; as putting women into caring roles; and as controlling the work of reproduction” (Pascall, 1997: 3). Women as “clients” of the welfare state institutions have been therefore considered in two ways, either as workers or as members of

¹³ Figures provided by the National Institute of Statistics and Census (INDEC, in Spanish) show that the actual coverage of the unemployment benefit is less than 10% of unemployed people. This is basically due to the strict requirements needed to apply for the benefit, specially regarding previous contributions and the existence of a broken formal labour contract. These rules clearly exclude all those people that has never worked before (i.e.: young people) and those workers coming from the informal sector.

¹⁴ For example: the actual coverage of the pension system is 46% of men and 55% of women over age of 60; the minimum pension benefit is 21% of an average wage; the average pension benefit is 47% of the average wage; the average family allowance (for a nuclear family, couple with two children) is 9% of the average wage; 40% of the labour force is located in the informal sector, therefore receiving none of these benefits; the unemployment rate for urban areas has increased from 7.45% in 1990 to 17.4% in 1995. (These figures are based on data provided by the INDEC). For a further description of the evolution of employment and income level and distribution in the era post-reforms, see Barbeito and Rodríguez Enríquez (1995).

families. In the first case, the social policies offer the same legal rights and protection to women and men, but without avoiding the discrimination that takes place in practice: women receive less salaries for the same work, are relegated to positions that require lower skills levels, and are mostly able to participate only in “feminine” jobs. In the case of Argentina, 25% of the female economic active population works in domestic services, i.e.: a fully informal activity. Thus in this case women are not even receiving the formal rights and protection intended by the welfare state institutions.

If they do not enter the labour market, women are then only protected in so far as they are depending on a husband or if they became widows. For the rest of women (single, single with children, with partner but not married), the ruling trend is the absence of any type of allowances (Pautassi, 1995). The exception to this rule are the residual programmes targeted, for example, on lone mothers with many children. Besides their negligible size in terms of the resources (public budget) allocated to them, these programmes are once again related with women, not as such, but in their role as mothers.

I.4. The citizen income proposal.

If the institutions of the traditional welfare state have excluded many people (specially women) from the enjoyment of their benefits and if their reforms have done nothing but worsen the situation, it is more than necessary to think about an alternative. Is the citizen income a sensible one?

Briefly, the citizen income policy proposes a new consensus that guarantees some kind of unconditional income to every person (citizen), regardless of age, gender, marital status, the existence or lack of other incomes, the willingness or not to work. It is a system of integration of fiscal transfers. Based on the collection of income taxes, it replaces any other existing allowances (i.e. pension benefits, unemployment subsidy, family allowances). The unit for both income tax and basic income is the individual rather than the nuclear family.

It should not be understood as a proposal that by itself will allow people to avoid poverty, at least not in its multidimensional characterisation. But it can be analysed as a policy that might give a different starting point for the improvement of well-being, and as a proposal that addresses inequalities among different groups (between women and men), due to its universal basis.

“Proponents of basic income have one or both of two aims. 1) Those in the ‘basic income’ tradition are looking to prevent poverty, as opposed to relieving poverty after it has struck. 2) Those in the ‘social dividend’ tradition are more concerned with the distribution of the nation’s wealth. They argue that a person’s prosperity depends on membership of a prosperous society as well as on personal effort or talent, and therefore a civilised society should distribute the dividends of prosperity not just to those who succeed in earning or who have special needs but also as a national dividend to all citizens”. (Walter, 1989: 18).

In any case, the focus of this proposal is a matter of inclusion, i.e.: of giving to all the members of the community the possibility of access to the benefits of the institutions that rule their social organisation. It is not only a matter of legal rights, but, in terms of Sen, of capabilities. The point is to provide individuals with access to those social goods that define the capability to function in a given social system, in so far as what a person can do (and be), depends on the characteristics of the resources she or he controls. In

monetarized capitalist economies, that access and control depends to a great extent (but not only) on the income that people can dispose of. (Lo Vuolo: 1995b).

The citizen income proposal differs from the current existing social policies in its relationships with three key dimensions of the traditional welfare state institutions¹⁵:

i) In relation with the labour market, or with the requirements of working in the formal sector at present (in the case of the family allowance), or having worked (in the case of the pension benefit) or being willing to work (in the case of the unemployment subsidy), in order to receive the benefit.

In this case the citizen income proposal recognises the right to receive the benefit regardless of any paid-work condition. This is important in a context where the informal sector represents the only alternative for many people, specially those from low-income strata. Besides, the separation between the benefit and paid-working conditions has to do with the idea that citizens are able to do (and in fact do) many activities that are socially useful, but that are not currently compensated, not even exchanged in a market, and that deserve to be remunerated with part of the socially created wealth. The most obvious example are those “nursing” activities done mostly by women, i.e.: domestic work and child and elder care.

ii) In relation with the existence of other income sources.

The citizen income proposal differs in this point with the alternatives that suggest to pay “the difference” (between the level of income that the state wants to guarantee and the level of income that people are receiving) in the following aspects:

- a) It does not require a means-test since it is payable to all. In this respect, it might be easier to implement and avoids the “stigma” problem.
- b) It is an ex-ante benefit and not an ex-post one, since it does not require the evidence of present lack of income. In this sense, the proposal aim to avoid poverty situations due to lack of income, rather than to try to alleviate or reduce them once people’s quality of life has already deteriorated.
- c) It indicates a minimum from where people can get other incomes and improve their living standards. In this way, the level of the benefit is not the maximum income that people can get, but the minimum level, “the floor” from which the individuals can accumulate other resources and get more capabilities.

The definite financial outcomes of both the citizen income proposal and the alternatives that suggest to “pay the difference” might be the same, but the values involved, the incentives and capabilities provided to people, are very different.

iii) In relation with the basic human needs.

The notion of basic needs has very often been a concern of social policies in two senses: a) as the reason for receiving a benefit; and b) as the measure of that coverage. People were considered poor if they did

¹⁵ For this presentation I am following Lo Vuolo (1995b).

not get resources that allowed them to reach some minimum living standard; this situation gave place to the payment of a benefit that covered the difference between what people were getting and that adequate level. In this case the benefit was paid regardless of the reason why the individual (or more commonly the household) had fallen under the accepted threshold.

This relationship between contingency (the fact of being poor, structurally or temporarily) and the benefit is not present in the citizen income proposal. Because it does not focus on the individual needs but rather on needs that apply to everybody. In other words, the citizen income proposal does not forget about the basic human needs. They are important at the time of deciding “how much to pay”, but their non-satisfaction is not the reason why the benefit is paid. Nevertheless, the study of human needs is very important in the design and implementation of the citizen income proposal, to answer questions like: what is the income level that allows people to satisfy their more basic human needs? is this level the same for everybody? if not, what are the criteria to establish the differences?

This short presentation gives the needed elements to analyse, in further chapters, the citizen income proposal comparatively with the existing social security scheme, in terms of their effectiveness to deal with some of the dimensions of poverty and to address gender issues. There are some other essential aspects concerning the citizen income proposal that are not taken into account in this paper, but that are discussed extensively in other literature (i.e.: ethics considerations, fiscal feasibility; alternative partial implementations; effects on incentive to work; impact on the labour market; etc.)¹⁶. It is not the aim of this research to discuss in detail the citizen income proposal itself, but to prepare some inputs in the urgent debate about alternative social security arrangements that can help to avoid and alleviate poverty in Argentina.

CHAPTER II: WELL-BEING, POVERTY AND GENDER INEQUALITIES: CONCEPTUAL DEBATE.

One of the main targets of economic policy is to improve the welfare of the population. One of the main objectives (and business) of economists is to try to define, measure and assess that welfare. A theoretical discussion about the conceptualisation of well-being and poverty is the first step in the analysis of any policy, that intends to improve people’s living standards. Social security schemes were originally built with that objective. In particular, they were the expression of the responsibility of the State to provide assistant and support (in money or kind) to those citizens suffering needs and risks specific of mercantile societies

¹⁶ Besides the references already mentioned, the following can be consulted:
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(Offe, 1990). Furthermore, “[i]n addition to securing the living standards of the poor, social security may redistribute resources over the lifetime or within the family” (Atkinson, 1989: 99). Thus, it is important to elucidate how different streams of thought understand those concepts as “the poor” and “the family” (or the household), and what are their implications in terms of assessment methodologies, and consequently, in policy.

The aim of this chapter is therefore to capture the more relevant aspects of the conceptual debate about the definition of well-being and poverty, as well as describe those views that open the analysis to include gender dimensions in this conceptualisation. In the first part I present briefly the ideas of welfare economics regarding well-being, as well as the critiques this view has received. In the next two sections I present two alternative approaches that I argue should be the basis for a conceptual framework in the study of living standards. Next, I enter the discussion about the understanding of poverty. And I end the chapter by presenting some ideas about the gender dimension of these concepts.

II.1. Mainstream thought in well-being assessment.

In the mainstream of economics thought¹⁷, the conceptualisation of well-being has been mainly the concern of welfare economics¹⁸. From this point of view, the welfare of a community is understood as a vector of individual utilities. In a Paretian version, this welfare is maximised when none of its components can be better off without making another one worse off. The only constraint is given by the technological possibilities of the economy to produce the necessary goods and services to satisfy the individual preferences.¹⁹

In spite of being the dominant stream of thought, these perspectives have received much criticism. First, because it is not evident that the individual has perfect information or limitless capacity in order to behave rationally in the determination of her/his wants-satisfaction. On the contrary, this process is shaped by the institutions that command production and distribution in the economy. In capitalist societies, where the market is the ruling institution, such a rational perspective confronts all the criticisms available for the free-market system (market failure, limitation of the demand function as expression of social wants and unrevealed preferences, lack of knowledge about market situation, etc.) (Doyal and Gough, 1991). Second, because the subjectivity of the preferences’ definition and assessment makes almost impossible

¹⁷ I understand by mainstream all the developments based on the neoclassical style of thought, that has proved to be the dominant one among economic studies in this century. It rests on the idea of a Rational Economic Man (person) who can achieve rational choices to satisfy very well defined individual preferences, maximising his/her utility.

¹⁸ Mainstream welfare economics is a broad concept, within which different perspectives are situated: some are libertarians (focus on freedom) and some are outcomes focus. Within this last group we can identify those utility-base (focus on utility, pleasure, happiness). These can be Paretian or non-Paretian. In the first case interpersonal comparisons are not possible, while in the latest there are different mechanisms of aggregation (e.g. rank of social welfare by sum of individual utilities). The last one is the fully utilitarian version. (I am indebted with Des Gasper for this contribution).

¹⁹ For a description of welfare economics’ foundations see: Reder (1947), Pigou (1950), Little (1957), Arrow and Scitovsky (1969), part I of Dobb (1969), Nath (1971) and Sen (1982).

any inter-personal comparison among levels of wants-satisfaction or desire-fulfilment²⁰. For Paretian economists this relative weakness is not important, since they are worried about the welfare of the community and less about the relative welfare of its individual members.

In the judgement of an individual's well-being, the welfarists focus on the utility "defined in terms of some mental characteristic, such as pleasure, happiness, or desire. This is a restrictive approach to taking note of individual advantage, in two distinct ways: 1) it ignores freedom and concentrates only on achievements, and 2) it ignores achievements other than those reflected in one of these mental metrics" (Sen, 1992: 6). The mental state of a deprived person can be very different to that of an opulent one, and the two of them will give very different value to goods as primary or basic as water. The provision of the latter can be the only source of happiness for a poor person living in the middle of a desert area and can be really insignificant for a rich person in a modern city with every service available. It would be quite biased or at least misleading, to say that the poor person has a higher level of well-being than the rich one, because she/he is happier regarding water provision.

The critiques of welfare economics regarding well-being conceptualisation gains a special dimension when trying to shift from the analysis of households' well-being, to the analysis of individuals' well-being, or as Nelson (1996, 36) put it, in her quotation of Folbre and Hartmann (1988)²¹, when trying to shift from "the common dictatorship models of the household [...] in favour of attributing some form of agency to female actors". The premise that an individual's well-being depends upon the extent to which her or his preferences are satisfied is also questionable when, as in the case of many women, there is not a great degree of awareness of one's own interests and values, or these are mingled or confused with those of other members of the family group. "Expectations about appropriate feminine behaviour, expectations about marriage, families, and careers are barriers women often have to overcome to discover their own interests" (Woolley, 1993: 8).

In the same line of reasoning, and distinguishing between altruistic and egoistic preferences, the neoclassical resource allocation that maximises household utility should be one where more resources are allocated to the selfish, who cares only about her or his own consumption, and less to the altruistic, who derives satisfaction from the consumption of others. "While this may be an accurate description of how a

²⁰ However, Sen (1982) argues that since the times of the main developments of neo-classical welfare economics, many attempts have occurred to make systematic use of interpersonal comparisons of welfare. He himself proposes an alternative for interpreting them and for formal structures of the type of comparability. There are at least three distinct descriptive interpretations, based on: i) Behaviourism (Little, Waldner, Ryle): the focus is on developing theories connecting desires to observable other than choices; 'different persons' behaviour are used to compare their mental state. ii) Introspective welfare comparisons: "interprets interpersonal comparisons as personal statements, each reflecting a particular person's thoughts in answering a question of the kind: 'Do I feel I would be better off as person i in social state x rather than as person j in social state y?'" (p.267). iii) Introspective as if choice: in this case the question asked is: "which position would I choose?" In any case, Sen developed these ideas because he was worried about the differential situations of people in terms of the quality of their lives (as his work on well-being, poverty and inequality can show). This is not the case for most of neo-classical welfarist.

²¹ Folbre, Nancy and Heidi Hartmann (1988). "The rhetoric of self-interest: ideology and gender in economic theory". In: Arjo Klamer, Donald McCloskey and Robert Solow (eds). *The consequence of Economic Rhetoric*. Cambridge: Cambridge University Press.

mother might divide food between herself and her children, it hardly seems fair” (Woolley, 1993: 12)²². “[T]he lack of perception of personal interest combined with a great concern for family welfare is, of course, just the kind of attitude that helps to sustain the traditional inequalities” in intra-family resources allocation (Sen, 1990: 126)²³. Furthermore, not only is the perception of interests ambiguous, but also “because of the sex-based biases about what constitutes productive work, the women’s perceived contributions to the household are likely to be considerably less than their actual contributions” (Moller Okin, 1995: 288).

Besides, some theorists assume the household as an institution similar to the market when analysing the way its members pursue their decisions regarding allocation of labour and time, and acquisition or self-production of goods and services. As Folbre (1986) noted, this analogy is quite forced. For example, “[t]he cost of home produced goods, like children, is not exogenously determined” (p.247). Likewise, it is rather contradictory to perceive the same individual as entirely selfish when acting in the market and entirely “selfless” within the household. On top of this, the theory failed in taking into account intra-household conflicts in every day decisions and existing negotiation over assets (Bruce, 1989).

In summary, it is possible to argue that these widely accepted perspectives are not a good conceptual framework for analysing well-being and poverty, since they fail to capture the multidimensional characterisation of these concepts, as well as some aspects of reality that strongly affect and shape them. Still, alternative views have been developed based on some of the already mentioned criticisms, and from a different way of understanding economic theory. The two approaches presented in what follows, should in fact be the basis for a conceptual framework in the study of living standards.

II.2. The Basic Needs Approach (BNA).

The BNA rests on the idea that the satisfaction of everyone’s basic needs should become the core of development planning and policy. These basic needs are not confined only to material needs but may also include other dimensions such as human rights, freedom and participation. They are also not considered static but evolving over time and changing through cultural traditions, countries and regions (Ghai, 1977). A need is, in this approach, distinguished from a want, in the sense “that the continuous failure to satisfy needs results in progressive, and sometimes irreversible, human malfunctions, whereas unsatisfied wants lead to little worse than frustration” (Ekins and Max-Neef, 1992: 181).

There are some conflicting issues raised by this perspective: Are there any (minimum) levels of basic needs that can be universally derived? How broad should the concept of ‘basic’ be? How should the

²² Woolley (1993) tries to provide a feminist alternative to neoclassical welfare economics. She analyses the example of a mother who wakes up in the middle of the night to feed her baby, applying Sen’s suggestion that people have multiple rankings of action. “For example, the ‘responsibility’ ranking might put action F, feeding the baby, above action S, sleeping, while the ‘egoism’ ranking might put S above F. At times one ranking guides actions, at times another.” She concludes that “[t]he problem with applying Sen’s approach to women’s internal conflict is that a ranking of the currently available choices may not include the action that is preferred from a feminist perspective. Men and women may well consider, as I do, that the responsible action is often the better one, and rank action F above action S. [...] Yet the best outcome from a feminist perspective may well be one that has not yet been discussed, outcome SP or shared parenting, where both parents get up with equal frequency to comfort a crying baby.” (p. 11)

²³ With “resource allocation” I am referring in the context of this paper to the net balance between contributions and benefits resulting from the interaction within the household.

different needs be “weighted” or prioritised? What are the more accurate indicators of basic needs satisfaction?

Ghai and Alfthan (1977, 24) argue that “there are indeed certain minimum levels of personal consumption and access to social services which are universally regarded as essential to a decent life. But basic needs are also socially determined and few societies can be content with a situation where the subsistence needs of the masses are met in a context of sharp differences in material welfare and access to communal services”. They also assert that fundamental human needs and rights cannot be treated in the same way as each other, and that a good solution to this dilemma is to define, before assessing the fundamental material human needs, what are the values that should form the basis for the basic needs strategy.

Once this context of norms and values is clear, these authors assume that it is better to concentrate on a core of basic needs instead of having a broader list of goods and services that might enter into a basic needs basket. In this way, it would be easier to highlight deprivation and to allocate efforts on attaining targets in these deprived sectors. They consider that in poor countries the core bundle of needs should include food, clothing, shelter, health, education and water supply. In fact, this enumeration coincides with what are considered “basic needs” in a great part of the development literature. The concept of *basic* refers, here, to the threshold that is necessary to reach in order to avoid serious harm that threatens the possibility of a decent life.

There are some perspectives that consider the above a too narrow view, arguing that the focus of analysis and policy targeting should not be limited to the satisfaction of these ‘classical’ needs and of the desires promoted by the marketplace, but be extended towards a multi-dimensional approach. Kamenetzky (1992), for example, propose a holistic view of human needs identifying: i) biological needs, those which, if not satisfied, lead either to the physical disappearance of the individual or to an imbalance in its life-supporting system, e.g. nutrition, sleep, sexual activity; ii) bio-psychological needs, that are intertwined with desires which respond to mental requirements, e.g. clothing, shelter; iii) psychological needs, for knowledge, recreation and a dialogue with the spirit; and iv) socio-cultural needs, that require active membership in a society in order to be satisfied, e.g. participation, emotional communications.

In a similar line of thought and while presenting their model of human scale development²⁴, Max-Neef, Elizalde and Hopenhayn (1986) define human needs as an interrelated and interactive system²⁵. The dynamics of this system implies that there are no hierarchies or priorities among the different needs, though a “pre-systemic threshold must be recognised, below which the feeling of a certain deprivation” would be too severe. They classify needs in two ways: existential (being, having, doing, interacting) and axiological (subsistence, protection, affection, understanding, participation, creation, leisure, identity and freedom). In fact, the latter are the ones that are really considered needs while the former are described as their satisfiers. For example: to be physically healthy; to have food, shelter and work; to eat, procreate

²⁴ The Human Scale Development is a concept of an alternative praxis in development based on three pillars: the satisfaction of fundamental human needs, the improvement of the levels of self-reliance, and the organic articulation of: i) people with the environment and the technology, ii) global and local processes, iii) civil society and the state. The basis for this praxis is a set of conditions that empower people to participate in the decision making processes that have impact on their own future.

²⁵ In their work they present a comprehensive matrix as an example of needs, satisfiers and their interrelationship. (See Max-Neef, Elizalde and Hopenhayn (1986: 54) Table 1. For an English version see Max-Neef (1992: 206).

and rest; and to interact with a living environment, are all *satisfiers* of the fundamental need of subsistence. In this context, fundamental basic needs are assumed to be “finite, few and classifiable” while the means by which they are satisfied (satisfiers) change over time and through cultures. Finally, these satisfiers are not the same as the available economic goods, since they can (and they do) also include “forms of organisation, political structures, social practices, values and norms”, among other things. In their own words, “while a satisfier is in an *ultimate sense* the way in which a need is expressed, goods are in a *strict sense* the means by which individuals will empower the satisfiers to meet their needs” (Max-Neef, 1992: 202).

A very comprehensive presentation of what they called “a theory of human need” is made by Doyal and Gough (1991). They clearly define some basic needs as being universal and objective, and preconditions for human action and interaction. They claim that “since physical survival and personal autonomy are the preconditions for any individual action in any culture, they constitute the most basic human needs -those which must be satisfied to some degree before actors can effectively participate in their form of life to achieve any other valued goals.” (p. 54)

Physical health is defined as the need to optimise life expectancy and to avoid illness and disease. Individual Autonomy is understood as the combination of three key factors: i) the understanding a person has about herself, her culture and what is expected from her; ii) the psychological capacity of formulating options for herself; and iii) the objective opportunities enabling her to act.

Although these two needs are considered basic and universal, the ways they are satisfied as well as the minimum considered as an adequate level of need-satisfaction vary across culture. More specifically, this view is complemented with the analysis of satisfiers, defined in this case as all objects, activities and relationships which satisfy the basic needs. Their characteristics are subdivided to identify a set of *universal satisfiers characteristics*, that are all “those properties of goods, services, activities and relationships which enhance physical health and human autonomy in all cultures” (p. 157). These universal satisfiers characteristics are then called *intermediate needs*, and a list of them is provided²⁶. “The only criterion for inclusion in this list is whether or not any set of satisfier characteristics universally and positively contributes to physical health and autonomy” (p. 158)²⁷. Finally, the degree of need-satisfaction is assessed by establishing a standard of critical optimum level of these two variables.

²⁶ This list of intermediate needs that are most important for basic need-satisfaction includes: i) nutritional food and clean water; ii) protective housing; iii) a non-hazardous work environment; iv) a non-hazardous physical environment; v) appropriate health care; vi) security in childhood; vii) significant primary relationships; viii) physical security; ix) economic security; x) appropriate education; xi) safe birth control and child-bearing. (Doyal and Gough, 1991).

²⁷ This critical optimum level “can mean either the best level of need-satisfaction achieved anywhere in the world at the present time, or a better standard than this which is materially feasible at the present time” (p. 160). The social grouping to use as the best-off group may depend on the task of the evaluation and can be chosen by different criteria: social classes, income categories, racial groups, gender, etc. Finally, in the building of indicators of need-satisfaction it has to be considered that a particular level of satisfaction of each intermediate need is required to reach an optimum level of health and autonomy. Beyond that particular level, no further additional inputs will improve basic need-satisfaction.

II.3. The Capability Approach (CA).

Amartya Sen developed this multi-function approach, one of whose possible uses is the assessment of human *well-being*²⁸. For him it is clear that this concept cannot be judged just by the characteristics of goods possessed. On the contrary, well-being is concerned with a person's achievement: how 'well' is his or her 'being' and 'doing'? (Sen, 1985)²⁹. He defines this state of a person as her *functionings*: the various things that he or she manages to do or be in leading a life. The *capability* of a person reflects the alternative combinations of functionings she/he can achieve, and from which she/he can choose one collection.

"A person's combination of actual functionings, her 'functioning vector', is the particular life she actually leads. The person is leading this life of 'beings and doings' but could lead alternative lives. Her 'capability set' is the total set of functionings that are 'feasible', that are within her reach, that the person could choose" (Crocker, 1995: 158). In this sense, the capability set is a representation of the level of freedom a person enjoys in choosing one mode of living or another, i.e. of freedom to achieve (Sen, 1995). "Achievement is concerned with what we manage to accomplish, and freedom with the real opportunity that we have to accomplish what we value." (Sen, 1992: 31)

Gasper (1997) makes an interesting summary description of the capability approach that can help to clarify the concepts presented above and their relationships.³⁰ Every person is provided with a given set of 'endowments' (i.e. resources). These will then specify a person's entitlements (i.e. set of attainable goods vectors), that enable a person to acquire goods and services³¹. These commodities themselves are not important, rather the combination of characteristics or qualities that they provide. "The characteristics of a pattern of consumption provide the consumer with the ability to do or be a range of things: in other words with a range of capabilities and an overall capability" (p. 283)³². As explained above, the individual will

²⁸ In a strict sense, standard of living (SOL), well-being and quality of life (QOL) are three different concepts. SOL refers only to those aspects of a person's well-being determined by the nature of her own life, "rather than from 'other-regarding' objectives or impersonal concerns" (Sen, 1993: 37). Well-being might refer either to actual functionings or to capability to achieve, depending on the way freedom to choose is conceptualised, but in any case refers to a state that can be influenced by other people's life ("for example, the happiness generated by a purely other-regarding achievement (e.g. the freeing of political prisoners in distant countries) may enhance the person's well-being without, in obvious sense, raising his living standard" (Sen, 1993: 37)). Finally, an individual's QOL "can be said to differ from (usually broader in reference than) her own well-being; for people often pursue other ideals besides own well-being" (Gasper, 1997: 284). In the context of this research, SOL and well-being will be used indiscriminately but referring mainly to the meaning of the latest: i) because the boundary between one another is quite diffused; ii) to avoid abusive repetition of words; iii) because even Sen uses them without distinction in many cases.

²⁹ Sen (1993) distinguishes between 'well-being achievement' and 'agency achievement'. The former "can be seen as an evaluation of the "wellness" of the person's state of being (rather than, say, the goodness of her contribution to the country, or her success in achieving her overall goals). The exercise, then, is that of assessing the constituent elements of the person's being seen from the perspective of her own personal welfare, though including 'sympathy', i.e.: the nature of lives of significant others" (Gore, 1997: 238). The assessment of people's 'agency achievement' is a broader exercise, "which covers their ability to form and realise objectives which include their own well-being and 'commitment', the pursuit of all the other various things which they want to see happen (such as, to give some examples that Sen uses, fighting for the independence of one's country, working for the prosperity of the community, building a monument to one's hero, and putting pressure on a government to take timely action to avert famine)" (Gore, 1997: 238).

³⁰ See specially figure 1, page 284.

³¹ The process of acquisition of goods may reflect choice, preference and ethical valuation.

³² Gasper calls this capability set, O-capability (O for Options and Opportunities), i.e. the set of alternative ways of living one could adopt. These will be influenced by what he calls S-capabilities, i.e. person's set of skills, powers, capacities.

choose or otherwise arrive at one vector of functionings among this set, and these actual attained functionings will largely define her/his well-being.

The evaluation of a person's well-being is therefore divided in two parts: i) the specification of functioning achievements, and ii) the valuation of functionings achievements (Sen: 1985). The first process, that of defining what is going to be valued, results in the definition of an evaluative space³³. Sen does not take any fixed position either about what elements should be included in this space, nor about the way they should be valued. He recognises that the process of defining the functionings has in itself a good deal of cutting power, and that "various substantive ways of evaluating functionings and capabilities can all belong to the general capability approach" (Sen, 1993: 33). For him, it would depend on the underlying concerns and values in each type of welfare analysis. In a context of extreme poverty in a developing country some basic capabilities and functionings should be enough for a starting analysis of well-being (e.g. the ability to be well-nourished and well-sheltered, the capability of escaping avoidable morbidity and premature mortality, etc.). In a different context of a more opulent community, other kind of functionings and capabilities should be included in a basic list. Besides, the weighting of the different functionings and capabilities should be part of the same evaluative exercise. (Sen, 1992).

Nussbaum (1995), who made important contributions to this approach, goes a bit further in this point and describes two thresholds of capability to function. The first is the one below which a life would be so impoverished that it would not be considered a human life. The second is a higher one, below which the characteristic functions are available but in such a reduced way that it would not be possible to consider that human life a good one.³⁴ For her, this specification has to be made in terms of capability to function, not actual functioning, because that "should be the goal of public policy" (p. 82) (i.e., to assure that everybody in the community counts with a minimum level of capability to function), in order to leave

³³ The primary specification of a person's well-being is in terms of a functionings vector, but this one can only be converted into a scalar measure of well-being through a real-valued 'valuation function'. Sen (1985: chapter 6) presents some different alternatives of coping with the valuation problem.

³⁴ These two thresholds constitute the two levels of the conception of the Human Being. The level one is the Shape of the Human Form of Life: i.e. what seems to be part of any life that would count as a human life. It includes: mortality; the human body, including in this concept: need for food and drink, need for shelter, sexual desire, mobility; capacity for pleasure and pain; cognitive capability: perceiving, imagining, thinking; early infant development; practical reason; affiliation with other human beings; relatedness to other species and to nature; humour and play; separateness. The level two in the Conception of the Human Beings are the Basic Human Functional Capabilities. They include: 1) being able to live to the end of a human life of normal length; 2) being able to have good health; to be adequately nourished; to have adequate shelter; having opportunities for sexual satisfaction, and for choice in matters of reproduction; being able to move from place to place; 3) being able to avoid unnecessary and non-beneficial pain, so far as possible, and to have pleasurable experiences; 4) being able to use the senses in a way informed and cultivated by an adequate education; having also legal guarantees of freedom of expression with respect to both political and artistic speech, and of freedom of religious exercise; 5) being able to have attachments to things and persons outside ourselves; 6) being able to form a conception of the good and to engage in critical reflection about the planning of one's own life (this includes, today, being able to seek employment outside the home and to participate in political life); 7) being able to recognise and show concern for other human beings, by protecting the freedoms of assembly and political speech; 8) being able to live with concern for and in relation to animals, plants, and the world of nature; 9) being able to enjoy recreational activities; 10) being able to live one's own life and nobody else's (this means having certain guarantees of non-interference with certain choices that are especially personal and definitive of selfhood, such as choices regarding marriage, childbearing, sexual expression, speech, and employment); 10a) being able to live one's own life in one's own surroundings and context. (Nussbaum: 1995)

enough room for choice. Capabilities, then, are also an important part of individual freedom, and therefore, “to secure capabilities is to ensure that certain ways of acting can be chosen” (O’Neill, 1995: 149)³⁵.

Sen (1992) argues, in this respect, that since an important part of the force of the capability approach lies in moving away from the space of commodities, incomes, utilities, etc. on to the space of the constitutive elements of living, there is no difference as far as the space is concerned between focusing on functioning or on capabilities. Nevertheless, if freedom had only instrumental importance in the assessment of well-being, then it would be correct to focus on the chosen functioning combination³⁶. However, this should be done very carefully in order to avoid mis-interpretation. As Sen (1987b) puts it:

Given the close connection of functionings with actual living, it might seem reasonable to concentrate on functionings rather than capabilities in evaluating the living standard. I believe that this is, to a great extent, right. But it is not fully right. Capabilities have a direct role, too, since the idea of living standard has an aspect that is not quite independent of the perspective of freedom. Suppose I can choose various styles of life -A, B, C and D- and I choose A. Consider now that the other styles of life -B, C and D- become unavailable to me, but I can still choose A. It might be said that my standard of living is unchanged, since A is what I would choose anyway. But it is not absurd to argue that there is some loss in my living standard in this reduction of freedom. (p. 36).

Although there seem to be, therefore, some advantages in assessing well-being achievement directly through the analysis of the capability set, this might be more difficult in practice than observing the actual functionings. Concentrating on this last set, we can still respect the principles of the capability approach.

If in the evaluation of well-being the focus is on the capability to achieve, the usefulness of the capability set is clear. If, on the contrary, the focus is on the actual functionings, the capability set is still useful as the context from where one specific combination of functionings had been chosen. The relevance or role given to the freedom of choice, is the main difference in each case. Furthermore, there are cases where it is possible to represent functionings in such a way to reflect the freedom of choice involved. “For example, ‘fasting’ as a functioning is *not* just starving; it is *choosing to starve when one does have other options*” (Sen, 1992: 52).

³⁵ Gasper (1996) makes some related interesting points when wondering about cultural traditions as opposed to women’s rights. For examples, he highlights Nussbaum (1995: 84) conceptualisation of humanness, where she includes the need of critical autonomy, i.e. “being able to form a conception of the good and to engage in critical reflection about the planning of one’s own life”. Therefore, “the capabilities version of needs theory can justifiably reject people’s utility as *sufficient* indicator of their situation, insofar as people have resigned and adapted themselves mentally to positions of disadvantage, or misused the capabilities they enjoyed” (p. 650). This brings us to the discussion about relativism and individualism, how much choice people really want and what should be the basis for acceptable consent (AC). Gasper illustrates this point with some examples, the key one being the case of women that “have real alternatives and reasonable awareness of them, but are culturally and psychologically moulded into accepting, and perhaps relishing, (mainly) subordinate roles. [...] The AC rules do not object to the acceptance, only require that women continually have the alternatives and (access to) a good awareness of them - even if these two conditions go against the local culture. If such an awareness generates dissatisfaction by women with their culturally given roles, [...] AC rules would imply that the role are not just” (p. 654). In this case “one possible conflict is between (a) local culture and (b) women’s posited rights to make informed and uncoerced choices; the other is between accepting (b), women’s informed choices and consent, and (c) an ultra-rationalist or ultra-feminist wish that the women could make choices without any cultural moulding. [...] I support the middle position (b), accepting women’s informed and uncoerced choices and consent, without considering this position either perfect or always clear. Basic rights include the requirements of autonomy of agency, not least the capacity and confidence to decide and act.” (p. 655).

³⁶ In this case the exercise would be one of “elementary evaluation”, i.e. valuing a set (set of capability) by the value of one distinguished element of it (the chosen set of functionings, that is supposed to be a best element in this space if the person is trying to maximise her/his well-being and this solution does not need to be unique).

II.4. The conceptualisation of poverty.

The aspect of well-being assessment that is more relevant for this paper is the study of those cases that show a very low level of living standard, i.e. those remaining in poverty. This is because those individuals (“the poor”) are the ones that need some kind of state intervention to improve their “capabilities to achieve” or to give them better life opportunities.

The definition of poverty is in itself a major exercise. It implies taking decisions about those elements that will represent the minimum living standard considered adequate for a human being, the hierarchies existing or not among them, and the different values given to each. Thus, the definition of poverty is never neutral; it will always reveal, implicitly or explicitly, the normative values of who is deciding (Barreiros *et. al.*: 1987).

The notion of poverty as an absolute concept, concerned with satisfying a defined minimum level of basic human needs, was the foundation of the pioneering works on this issue,³⁷ and is still in the basis of many empirical exercises. This conceptualisation of the term seem to be more related to the basic needs approach, and in this context, a person is considered poor if her/his money income is too low to keep her/him alive and healthy (Barr, 1987). In other words, poverty “denotes the inability of an individual or a family to command sufficient resources to satisfy basic needs” (Fields, 1994: 3). The definition of the threshold that indicates the level of health or subsistence allows many different variants, from the idea of primary poverty that only includes the very basic material needs that should be fulfilled to physically survive, to a broader concept that includes other kind of less basic commodities and non-material items (e.g. level of education, possibilities of civic participation, etc.). Being an absolute definition does not mean that this threshold should be fixed over time. On the contrary, “it will vary with the conventions, regulations and material comforts of the society” (Streeten, 1994: 19).

In this point the distinction between absolute and relative poverty becomes less clear. Some experts argue that relative poverty refers to customs in a given country and it is assumed that the threshold below which people are considered poor is a given percentage of the average income or average consumption level in that community. Furthermore, this level of income or consumption is assumed as an indicator of the ruling life-style in that society. (Barreiros *et. al.*, 1987)³⁸. In this sense, relative poverty is also sometimes made alike subjective poverty, and a person is considered poor if he or she feels like that (Barr: 1987); and this perception is revealed by the individual’s behaviour in terms of efforts to get more income, in terms of the composition of the consumption basket and in terms of attitude regarding savings.

³⁷ For example, works developed by Charles Booth and Seebohm Rowntree at the end of last century and the beginning of this one.

³⁸ This is the position of Peter Townsend (1979) [*Poverty in the United Kingdom*. Harmondsworth/Middlesex: Penguin Books] who asserts that “poverty can be defined objectively and applied consistently, only in terms of the concept of relative deprivation [...] Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities” (Quoted in Townsend, 1985: 660).

In a similar way, relative poverty is defined as a result of comparing our level of living with that of a reference group with higher incomes (Streeten, 1994). Like this, the idea of relative poverty might result in an endless problem. In the sense that if an individual is considered poor as far as she/he is in a worse situation than others, this kind of situations will always happen in every community and thus poverty can never be eradicated. Only in a perfectly egalitarian society, without inequality in terms of standard of living, poor people can be said not to exist. This may be the reason why some authors argue that poverty is just a matter of inequality. From this perspective, the focus of study should not be on the definition of a threshold but on the analysis of the characteristics and magnitude of the gap between “rich” and “poor” people.

Other experts argue that even when there is always an inequality component in the analysis of poverty, there is an irreducible core of absolutism: if there is famine and starvation, whatever the relative map is, poverty exists (Sen, 1984). This way, it would be absurd to call someone poor because she/he cannot buy more than one car when the rest of the people in the community are buying two or three.

Sen (1987a) gave particular attention to this conceptualisation and to “the use of minimum living standards for the identification of the poor” (p. 17). He argues that some of the ambiguity in the definition of poverty can be avoided if it is described in terms of functioning and capabilities. However his understanding of relative poverty has to do with what is to be poor in one society and in another, rather than how poverty is defined relatively to the position of others. His statement is that when a person is deprived in *absolute* terms regarding her/his capabilities, this is related with a *relative* scarcity in terms of goods, income and resources, i.e.: commodities and characteristics. (Sen, 1984). Like this, relativism and absolutism are not in conflict, but complementary.

In any case, the conceptualisation of poverty is many times made clearer while trying to apply it in specific measurements. This methodological discussion is given in the next chapter.

II.5. The gender dimension of poverty and well-being.

Questions about the quality of life are questions about the lives of individuals in society. But, apart from the complication that individuals come already grouped into families, there is the crucial complication that individuals come divided into two sexes. (Annas, 1993: 279)

In the previous sections it was made clear that the mainstream ideas, that place in the centre of analysis Economic Man’s exchange activities in the market, were not suitable to approach a study of human well-being. On the contrary, the focus of the ideas that support this paper concerns provision issues, i.e.: the provision of those necessities to achieve a decent quality of life, and the provision of resources and what people can do with them, in their relationship with a specific socially determined “environment”.³⁹

³⁹ “Without such an understanding of material connection, we have the scandal of professional economists working out endless theoretical yarns about preferences while a majority of people in the world live in a state of neediness apparent to any observer who has not lost her or his humanity.” (Nelson, 1996: 35).

These issues are often tackled in policy research considering the household as unit of analysis. From this perspective, a “household is defined as being poor if its average level of resources falls below the poverty standard. In turn, an individual is poor if he or she is a member of a poor household” (Findlay and Wright, 1996: 335). The assumption involved in this perspective is that all members enjoy in the same way the resources available, and that they agree in a co-operative distribution of responsibilities regarding work inside and outside the household. Therefore, the balance between contributions and benefits should be the same for every member.

There is an important portion of literature and public discourse and action arguing that this is not the situation in real life⁴⁰. Households are conflicting organisations, whose members (men, women and children) keep different and many times contrasting interests, and where the definitive distribution of responsibilities and benefits has more to do with power relations than with solidarity agreements. If this is the case, the analysis of individuals’ well-being commonly done is, at the least, incomplete. Living standards cannot be considered homogeneous within the household and only an approach that takes into account the influence of intra-household dynamics in the allocation of resources, as well as its impact on individuals’ possibilities outside the household, can provide a better understanding of the actual functionings of every person.⁴¹

The traditional household economics does not concern these considerations⁴². The “bargaining models”, on the contrary, take into account the existence of conflicts, and perceive the distribution of benefits as well as of responsibilities, as reflecting the bargaining powers of the involved agents. Most of the developments in this line are based on the Nash-bargaining game. Nash (1950) demonstrates that in a simple two-person bargaining situation it is possible to arrive at a solution⁴³ where the two individuals can reach the level of satisfaction they would expect from that situation, and where no action taken by one of the individuals without the consent of the other can affect the well-being of the other one.

The assumption in this case is that the individuals really know what their personal interests are, missing the already mentioned ambiguity of this perception. More explicitly, the assumptions in the simple case developed by Nash (1950) are that the two individuals are highly rational, that each can accurately compare her/his desires for various things, that they are equal in bargaining skill, and that each has full

⁴⁰ The unified household has been considered (and it is still considered) the base for much research work, in spite of the theoretical critique and the empirical evidence that shows that households are not homogenous units. Bruce (1989) identify five reasons that explain this situation: i) it is much simpler to consolidate individuals into households that are assumed to behave as a unit, in contrast to considering the economic behaviour of more numerous individuals; ii) there is some fear that this disaggregation will not bring with it explanatory power far beyond that of the current unified model; iii) the research required to describe lively intra-household bargaining is demanding; iv) policy makers often prefer to direct resource flows and benefits to the “household” as a unit or to the nominal household head, avoiding the issue of internal distribution; v) strong cultural bias also supports the analytic and practical impetus to consolidate individuals into households.

⁴¹ Intergenerational differences in well-being are an important issue within the household. Anyway, in the context of this research I am only focusing on gender-based inequalities.

⁴² For example, the “new home economics” develops an altruistic approach, considering that the optimal allocation within a household results from altruism and voluntary contributions, “and the ‘group preference function’ is identical to that of the altruistic head, even when he [sic] does not have sovereign power” (Becker (1981) [A *Treatise on the Family*. Cambridge, Mass.: Harvard University Press] quoted by Sen, 1990: 131). With this given altruistic utility function, changes in the distribution of resources between family members should be only attributed to changes in prices and incomes (Folbre, 1986).

⁴³ In fact, the solution in Nash’s case is the “determination of how much it should be worth to each of these individuals to have this opportunity to bargain”. (Nash, 1950: 155).

knowledge of the tastes and preferences of the others. It is clear that these assumptions have to be quite smoothed down if the model is to be applied to intra-household “bargaining”.

Besides, this “Nash’s solution” is largely determined by individuals’ potential economic position outside the family (Folbre, 1986), therefore it is important to take into account the gender-based differential opportunities of each and every member in the combination of labour market choices and intra-household responsibilities, as well as the structural influences on individual bargaining power within the household, e.g.: “the influence of employers’ choices, trade union actions or State policy upon women as a group” (p. 251). Probably the problem lies, as Nelson (1996) says, in the starting-point, that should not be “the specification of a formal maximisation problem, but rather a set of questions about who gets what and who does what; how decisions about jobs, purchases, and household chores are made within families; how the needs of dependants are provided for; and how laws and the social environment shape the context for those decisions” (p. 67).

In this line of thinking there are important research developments from feminist economist and other scholars interested in the economic position of women. These approaches take into account in their analysis of the household, issues regarding needs, contributions, well-being, power, control, dependence, traditions and social constraints. They tackle differently the treatment of the family in three ways: i) using a

concept of identity in persons-in-relation⁴⁴; ii) focusing on family behaviour as a process, and iii) broadening the domain of “bargaining” to include agency, affiliation, and the standard of living (Nelson: 1996).

[...] Activities and tasks can be divided into two major types: production tasks that require the organisation of the division of labour, and consumption tasks, that is to say the organisation of the distribution of goods and services to meet specific needs. Decisions on the division of labour are centred on deciding who does what, who works outside the home and who does the domestic work and how, and according to which standards, etc. Regarding consumption, the question is how to organise expenditure or the family budget. How much is spent? Which are the priorities? Who exercises control and makes decisions? There is a third intermediate area that covers the amount of the work and/or income of each member that is socialised and allotted to shared activities, and how much to the individual’s own use. Undoubtedly, these are the main issues causing intra-domestic conflicts and struggles as well as alliances and solidarities. (Jelin, 1991a: 34)

“Conjugal contracts” in the terms of Whitehead (1981) or “co-operative conflicts” in the words of Sen (1990) seem to be the rule in the way production, distribution and consumption activities are solved within the household.⁴⁵ Three main issues give form to these “conflictive contracts”: i) the allocation of time and responsibilities regarding households tasks, or the sexual division of labour; ii) the way in which earning and spending are resolved, or the control over resources; iii) the differential position of the members when “outside” the households, or their relation with the labour market.

Inside and outside the household there is, in every society and with its particularities in each case, a sexual division of labour, i.e.: tasks that are allocated predominantly or exclusively to women and others to men (Mackintosh: 1981). This is not a matter of specialisation in order to achieve some level of “productivity”. It is a matter of power and subordination. This gender subordination is perceived in the labour market when women receive relative lower wages, are allocated to less skilled jobs, have to deal with worse labour conditions and are relegated in the authority structure. Inside the household the sexual division of labour is made clear by the traditional responsibility women have for domestic chores.

“While many activities have shifted from the family to the firm and the state, the family remains a primary site for the care, training, and maintenance of people -the day to day as well as long-run reproduction of the labour force. ‘Housewife’ is probably the largest single occupational category in the world” (Folbre, 1994: 96). And it is a rather peculiar occupation since it does usually not receive any kind of remuneration. This particular characteristic of the domestic labour⁴⁶ reinforces the unfair distribution of power within the household. “Where the sexual division of labour is such that only the husband’s labour power enter the market, and the wife’s work is domestic labour, it is difficult for there to be any commensurability in the

⁴⁴ Opposed to the idea of family members “identified either as independent, autonomous individuals, or as passive nonpersons who can be subsumed into someone else’s preferences” (Nelson, 1996: 68).

⁴⁵ Whitehead (1981) defined conjugal contract as the “terms on which husbands and wives exchange goods, incomes, and services, including labour, within the household.” (p. 88). Sen (1990) explains that “the members of the household face two different types of problems simultaneously, one involving *cooperation* (adding to total availabilities) and the other *conflict* (dividing the total availabilities among the members of the household).” (p. 129).

⁴⁶ Gardiner (1997) defines domestic labour as “those unpaid household activities which could be done by someone other than the person who actually carries them out or could be purchased if a market for those activities existed. It can in this way be distinguished from personal care activities which people perform for themselves (eating, washing) and leisure activities which cannot be delegated to someone else (watching television or reading for pleasure).” (p. 13).

exchanges between husband and wife. Thus we have the familiar problem of how to measure housework, and how it should be rewarded". (Whitehead, 1981: 105).

Though domestic labour does not usually receive any remuneration, it is an essential activity, not only for the reproduction of the household as a social institution, but also for the reproduction of the economic system itself. Sen (1990) puts this contradiction very clearly:

On the one hand, it is not denied that the sustenance, survival, and reproduction of workers are obviously essential for the workers being available for outside work. On the other hand, the activities that produce or support that sustenance, survival, or reproduction are typically not regarded as *contributing* to output and are often classified as 'unproductive' labour. (p. 128)

This characteristic of the domestic labour affects women's own perception and valuation of their work inside the household and influences their bargaining power. Sen (1990) develops this idea in his model of co-operative conflicts and demonstrates that perceived contributions (and therefore the legitimacy of enjoying a certain share of the fruits of cooperation), more than real contributions might determine the position to adopt in a bargaining process. As far as the money contribution (from labour market earning) to the household is socially weighted as more important than the unpaid contribution of domestic labour, women will face bargaining disadvantages, that will be reflected in the distribution and control over resources and in turn, in their lower well-being.

Therefore, the arrangement in terms of distribution of resources within the household will depend in principle on the earning condition of every member. There are three possible situations that are interesting to analyse concerning the position of women in intra-household bargaining and decision-making process: i) a unique male income earner or "breadwinner"; ii) both spouses receiving earnings (with the two possibilities of male earnings being higher or otherwise); iii) female head of household receiving earnings⁴⁷.

Regarding the first case, Whitehead (1981) presents Pahl's⁴⁸ categorisation of household allocation forms when describing British families of a single male breadwinner or social security claimant: i) the whole wage system, characteristic of poor households, where the entire wage is handed over to the wife for housekeeping expenses, and a sum of money is given to the husband for his personal needs; it is the mother/wife's job to manage the scarce resources to meet the household's needs; ii) the allowance system, where the husband hands over a portion of his wage as housekeeping to his wife and keeps the remainder. The asymmetrical position is evident in the control over what is left after spending in household's basic necessities. Men take a sum of money from the domestic budget as their pocket money, and do not give any explanation about how they spend this part. Women, on the contrary, can only support their personal expenditures with what they can scrape out of the housekeeping (there is no

⁴⁷ It is assumed that female-headed households implies the absence of a male spouse. Some surveys adopts this as a definition. In other cases (as in household surveys developed in Argentina), though the definition of the head is a matter of agreement among the members of the households, in the great majority of the cases a woman is pointed as the head only when there is no male partner. For a discussion on the definition and disaggregation of the concept of "female headship" see the introduction of Chant (1997). In any case, it is assumed that in a female-headed household there is no bargaining problem, since she might command all the resources of the family. This assumption can be challenged by the presence of adult sons (specially) and daughters.

⁴⁸ Pahl, J. (1980). "Patterns of Money Management in Marriage". *Journal of Social Policy* 9 (III).

such thing as “pocket money” for the wife). It is clear in this case that women manage the domestic budget, but do not have any control over it.

The situation is not so different when both spouses receive “external” earnings. Because they are often working part-time, in informal and low productive activities, and receive a relatively low salary, women’s earnings are many times less than men’s income. Thus men’s better “position outside the household is translated into a commanding position within the family/household context” (Beneria and Roldan, 1987: 119). Anyway, it is not only a matter of the amount that each of the spouses earns, but a social consideration. Women’s income is mostly considered only as “pin-money” even when it can be a great part of the household total income, and even when the family could not survive without this income. The treatment of their income is rather different than the treatment of men’s income.

Women’s incomes are also often temporary incomes. Since they are considered the second earner in the household, some women only look for waged work when their partners are facing difficulties in providing the needed income (due to temporary inability to work or to unemployment). Women’s money earned in this way is immediately considered part of the domestic income. Even when the household recovers the male’s income, women’s earnings are still completely added to the domestic budget committed to subsistence.

Besides who contributes and how much to the household income, the way in which the earnings are handled shapes the process of decision-making. As Wolf (1990) notices, households are sometimes supposed to make decisions, but “analytic constructs are not so empowered. Rather, certain people within the household make decisions” (p. 60) about how to get resources and how to use them. The importance of the decision-making process lies in its influence upon the final allocation of resources, and in turn in the differential well-being enjoyed by households’ members.

Finally, there exists a dialectic relationship between women’s duties within the household and their necessity (either as a matter of self-realisation or independence gain, or as a matter of needed income for survival) of participating in the labour market. Because of their domestic responsibilities women are vulnerable as workers, and because the labour market segregates them to the lower skilled and remunerated jobs, their marginal earnings keep them as weak members and dependants within the household.

Women workers are particularly useful as this ‘reserve army of labour’ because their family responsibilities and (usually) partial dependence on a man’s wage ensure that they are viewed (and often view themselves) as secondary workers, who can be pushed back into their primary sphere -the home- whenever they are not need on the labour market. Women’s family role makes them particularly vulnerable as workers [...]. (Phillips and Taylor, 1980: 319)

The approaches presented in this chapter try to provide an alternative framework for the assessment of well-being and poverty. Their strength lies in extending the analysis to a multi-dimensional perspective, partly shifting from preferences to capabilities and human needs, and from households to individuals. Like this, they are considering the individual not in isolation but rather in a context that many times constraint what people can really do and be. Furthermore, they take into account the differential possibilities that members of the same unit (household) have, defined basically by their economic position in and outside

the household. The way these approaches might be combined and operationalised in real life measurement are the topics of the next chapter.

CHAPTER III: WELL-BEING, POVERTY AND GENDER INEQUALITIES: METHODOLOGICAL ISSUES.

In the previous chapter the conceptual debate around the definition of well-being and poverty was presented, arguing about the possibility of constructing a framework that provides an understanding of these concepts that is different from that developed by the mainstream economics thought. This conceptual building should take into account the multi-dimensional characterisation of people's living standards and address the inequalities between women and men that are hidden in the traditional analysis. This alternative approach will gain relevance if translated into real life measurements of well- or ill-being of the population. The aim of these chapter is to describe the methodologies and indicators already developed, i) in the assessment of well-being; ii) in the identification of poverty; and iii) in the inclusion or visualisation of inequalities among genders. This chapter, and at the same time the first part of the paper, concludes with a scheme that tries to summarise and interrelate all the concepts involved and its methodological implications.

III.1. A rejoined approach.

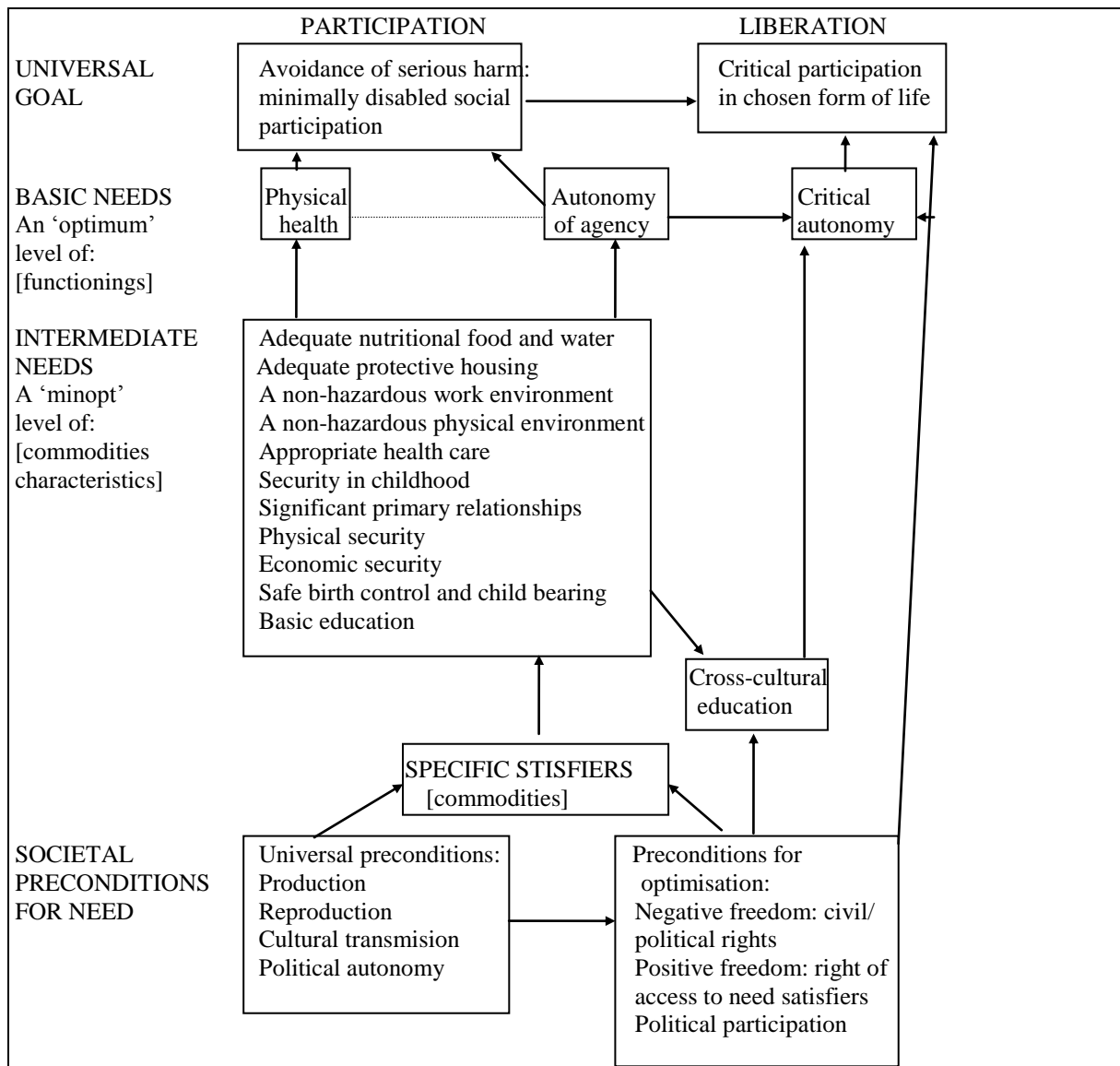
The BNA and the Capability approach can be combined in the assessment of human well-being and in the identification of poverty and deprivation. Sen himself argues several times in his papers that the capability approach is giving to the BNA and other standard of living perspectives some conceptual foundations, and in this way they “can be more explicitly developed, conceptually defended, and empirically applied” (Sen, 1988, quoted by Crocker, 1995: 181)⁴⁹.

He asserts, for example, that “for some evaluative exercises, it may be useful to identify a subset of crucially important capabilities dealing with what have come to be known as ‘basic needs’” (Sen, 1993: 40). However, this emphasis should not distract from the point that commodities (food, shelter, clothing) are not more important in themselves than as means to real ends (being well nourished, being protected from the heat/cold, i.e. valuable functionings). It is useful to identify in this way some ‘basic capabilities’ that will provide a threshold below which people would be considered deprived.

Doyal and Gough (1991) make explicit the relation between their human needs theory and the capability approach. They assume that the basic needs of physical health and individual autonomy are related to the space of functionings. And that the assessment of intermediate needs-satisfaction (through the universal satisfier characteristics) in order to evaluate the level of physical health and autonomy, is similar to the analysis of commodities characteristics in order to assess the sets of attainable functioning vectors (capability set) and further, the actual functionings set (well-being). (Figure 1).

Figure 1: A Theory of Human Needs.

⁴⁹ Sen, Amartya (1988). “The Concept of Development”. In: H. Chenery and T.N. Srinivasan (eds). *Handbook of Development Economics. Vol I*. Amsterdam: North Holland.



The analysis of how these approaches, individually or combined, have been translated into real-life measurements of standards of living and poverty, raises some issues that are interesting to observe in the existing methodologies and indicators, in order to identify their limitations and build a more comprehensive framework for well-being assessment. For example, it is important to realise at what level the analysis is done: at the level of the commodities, at the level of their characteristics, at the level of endowments (that allow people to acquire commodities), at the level of functionings or at the level of capabilities? Does the assessment focus at an overall well-being or only at those basic capabilities or needs? Are poverty measures just a matter of number of people above or below a threshold or do they also consider inequality? How are the differences between women and men addressed in these measurements? These are the issues developed in the following sections.

III.2. Well-being measurement.

The efforts in translating these approaches into concrete measurement exercises have produced a broad literature on social indicators, that try to capture well-being in its multiple dimensions. Perhaps the most difficult issue in doing so is the search for a composite indicator that can provide a single figure. A development along this line is the pioneer Physical Quality of Life Index (PQLI) that is an unweighted average of indices representing infant mortality, life expectancy at age one and basic literacy (Morris, 1979). The World Bank has also developed i) the Priority Poverty Indicators, that besides the definition of an upper and a lower poverty line, include short-term indicators (e.g. wages for unskilled workers, CPI, rural terms of trade), and social indicators (e.g. share of public expenditures for basic social services in GDP, net primary enrolment, under-five mortality, child malnutrition, total fertility rate, maternal mortality); and also ii) the Living Standard Measurement Study (LSMS), that does not produce a fixed set of indicators but a comprehensive data base that allows one to study multiple aspects of household welfare and behaviour⁵⁰.

Probably, the most well-known composite indicator in the last few years is the Human Development Index (HDI). The United Nations Development Programme (UNDP) started in 1990 the publication of a series of reports on Human Development. They define this concept as a process of enlarging people's choices. These choices can be infinite and change over time. But at all levels of development, the three essential⁵¹ ones are for people to i) lead a long and healthy life, ii) to acquire knowledge and iii) to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect (UNDP: 1990).

This perspective differs clearly from other more conventional approaches to development. It differs from theories of "human capital" that focus the problem from the supply side, understanding human beings as a means to achieve a more efficient goods-production. It is also far from the social welfare view, that conceives people just as beneficiaries of development processes, focusing only on the distribution aspect and not taking into account human beings' participation in production structures. It also goes beyond the BNA, or to be precise beyond the developments within this approach that insist only on the necessity of provision of material basic needs.

The HDI is therefore an outcome of this different understanding of development. It is built with three components that represent the level of deprivation in the three fundamental choices. They include: life expectancy at birth, adult literacy and real income level. Because it is an index of relative deprivation, "a *minimum* value (the maximum deprivation set equal to one) and a *desirable* or *adequate* level (no deprivation set equal to zero) had to be specified for each of the three indicators" (UNDP, 1990:13). These levels are determined taking into account the available information on different countries, and choosing the best and worst off to define the limit values "of a scale indexed from one to zero for each measure of deprivation. Placing a country at the appropriate point on each scale and averaging the three scales gives

⁵⁰ LSMS has been developed in a number of countries and though keeping a core set of characteristics, has been adapted to better "fit the client countries' institutional settings and analytical needs" (Grosh, M. and P. Glewwe: 1995). More information about LSMS and a full copy of the mentioned reference can be found in: <http://www.worldbank.org/html/prdph/lsm/lsmshome.html>.

⁵¹ These are essential choices in the sense of being preconditions for other choices.

its average human deprivation index, which when subtracted from 1 gives the human development index (HDI)” (p. 13).

Regarding these composite indexes, the question remains whether a single indicator is useful or even necessary. While some experts consider that policy analysis and overall descriptions become very complex when dealing with highly disaggregated indexes, others suggest that “there is no adequate theory underlying such an aggregate so that weights for the aggregation are inevitably arbitrary and it is more informative (both from an analytical and policy point of view) to keep the different indicators separate” (Mejia and Vos, 1997: 5)⁵².

This is the position, for example, of Miles (1992) who considers that “different sets of indicators may be appropriate for different sets of comparisons” (p.294), and the choice of those indicators will very much involve decisions about the way of understanding social affairs⁵³. In any case, he considers that “[t]he use of a range of indicators of different aspects of each QOL category at least gives more chance of finding statistics on which broad agreement can be obtained” (p.294). He then proposes a set of four groups of indicators: health (versus disease), survival (versus vulnerability), autonomy (versus constraint) and identity (versus alienation) that should be expressed both in terms of needs and capabilities, and of positive and negative direction of development⁵⁴.

Doyal and Gough (1991) also share this perspective when they suggest their grouping for the assessment of intermediate need-satisfaction (that was described previously). They argue that “since all such indicators are surrogate measures -proxies for the strictly unmeasurable concepts which underlie them- there will always be scope for proper debate about the suitability of any measure as an index of the satisfaction of any need” (p.165)⁵⁵.

These indexes are trying to provide a measure of overall well-being and are at the same time giving information at the level of functioning achievement (literacy, life expectancy, infant mortality, health, etc.), but also regarding satisfiers (food, shelter, water, etc.) and even resources (real income) that will enable people to acquire commodities whose characteristics might satisfy some basic need or be transformed into a being or doing. When these measurements turn to the exclusive observation of basic needs satisfaction or basic capabilities to achieve, we are entering in the domain of poverty analysis.

⁵² Srinivasan (1994), for example, makes a strong critique of the HDRs and the HDI. He says that “the HDI is conceptually weak and empirically unsound, involving serious problems of non comparability over time and space, measurement errors, and biases. Meaningful inferences about the process of development and performance as well as policy implications could hardly be drawn from variations in HDI” (p. 241).

⁵³ “For example, if schooling is understood to be more of an institution of repression than of real education, then the availability of schooling will hardly increase the scope for autonomy; similar challenges may be levelled against many other ‘institutional indicators’” (Miles, 1992: 294). That is why he proposes to group indicators less according to institutional concerns, than according to an explicit view of what constitutes social progress.

⁵⁴ For example, health indicators would be talking about physical well-being (need) and ability to use bodily resources and basic psychological capacities (capability); this would be expressed in the access to (satisfiers) food, shelter, water, basic goods (positive) and the absence of disease and health-endangering conditions such as pollution (negative). Miles (1992) provides illustrative indicators of these four dimensions of QOL (see table 8.3, p.295).

⁵⁵ Townsend (1987, 1993) presents some examples and a long list of references regarding the determination of these “basic” indicators. Jonathan Bradshaw has made other interesting contributions working with budget standard methodologies, focusing in British social policy analysis (see for example: Bradshaw, 1993 and Bradshaw et. al., 1987).

III.3. Poverty and income inequality.

Some of the matters tackled by the basic needs and the capability approaches have also been considered by poverty studies. For example, the definition itself of poverty involves a conceptualisation of what is considered basic or essential for subsisting. The same two steps in the assessment of well-being described by Sen, are necessary in the definition of absolute poverty: a) the decision about what are the components of the basic “basket” of satisfiers and b) the quantitative valuation of those requirements. (Barreiros *et. al.*, 1987).

There are two main and more traditional methods used to operationalise the conceptualisation of poverty. The first is an *indirect* method, mostly based on money-income indicators. The level of income is considered as a representation of the power of acquiring satisfiers for human needs. A certain income level is defined as the minimum needed to purchase a basket of commodities whose characteristics will provide a decent degree of need-satisfaction. All those people whose incomes are below this minimum level are considered poor. This method is basically recognised by the definition of a *poverty line (PL)*. The second method is referred to as a *direct* one, and consists of measuring each component of the living standard on a separate basis. Those people that are not effectively able to access some of those satisfiers at an adequate level for a decent life, are considered poor. This method is mostly known as *unsatisfied basic needs (UBN)*.

Boltvinik (1994) describes the steps of each of these methods as follows:

- i) indirect method or poverty line: a) definition of basic needs and their satisfiers, b) definition of a standard basket of essential satisfiers (SBES) for each household, c) cost estimation of the SBES, which makes up the poverty line⁵⁶, d) comparison of the poverty line with household income (or consumption), e) classification of households whose income (or consumption) is below the poverty line, as poor;
- ii) direct method or UBN: a) definition of basic needs and their satisfiers, b) selection of variables and indicators that, for each need and satisfier, express their degree of satisfaction, c) definition of a minimum level for each indicator, below which the need is considered unsatisfied, d) classification of households as poor when one or more basic needs are unsatisfied.

In both of these methods every member of the household is considered to share the standard of living of the household as a unit: i.e. if the household is considered poor, every member is as well considered poor; if the household is not considered poor, none of the members is considered poor.

What are the differences, similarities and complementarities between these two methods? In principle, the two of them are objective, in the sense that they observe real circumstances of the household (income or expenditure, access to different goods and services) instead of being based on the household's subjective own assessment of its position. “While the UBN method involves a factual concept of poverty, identified by observed non-satisfaction of basic needs, the PL method involves a potentiality concept as it looks for the

⁵⁶ These two steps can also be like this: b) definition of a standard food basket and estimation of its cost, which gives the extreme poverty line, c) multiplication of this line by the Engel Coefficient to obtain the poverty line. The Engel Coefficient is estimated as a quotient of a group of households' total consumption expenditure and food expenditure.

incapacity to satisfy basic needs due to insufficient income (or consumption)” (Boltvinik, 1994: 59). Of course, the assumption underlined in the PL method is that there is an inverse correlation between income and poverty.

In fact, a further discussion is whether to use income or expenditure level in order to define the poverty line. There are some reasons why an analysis based on income may lead to different conclusions from one based on expenditure: i) a household can have a higher level of expenditure than of income, due to down savings, borrowing, receiving benefits in kind, sharing consumption with others; ii) the analysis of spending may reveal households’ preferences and tastes as much as consumption possibilities (Atkinson: 1989); iii) the analysis of income does not say much about the real allocation of those resources and the access problem (i.e. people might be receiving any given income but not being able to spend it due to lack of supply)⁵⁷.

The poverty line is a threshold that defines a limit between who is poor and who is not. With this indicator it is possible to measure the *incidence* of poverty, i.e.: how many people there are below this level. But this does not say anything about: i) what is the gap between these ‘poor’ people’s level of income or expenditure and the poverty line (magnitude, intensity or *severity* of poverty); and ii) what is the distribution of degrees of poverty between those below the minimum level.

An additional inconvenience of the PL method is how to compare with the same indicator, the situation of households of different size. Any comparison should take into account the different requirements of people of different age, sex, labour condition, etc., as well as the fact that larger families have greater needs than small families, while at the same time they benefit from economies of scale. “What all developing countries do is to adjust for family size so that a single poverty line can be used for families of different sizes. The simplest way of making this adjustment is to express the poverty line on a per capita basis and to compare a given household’s per capita income or consumption with that amount. Otherwise, differences in needs may be allowed for by making the family adjustment on an adult-equivalent basis.” (Fields, 1994: 5)⁵⁸.

Once the poverty line, its components and level are defined it is time to choose the poverty measure. The one commonly used is the *head-count index*, that refers to the proportion of the population in poverty⁵⁹. This first rough indicator has been extensively critiqued and some alternative measures has been

⁵⁷ Atkinson (1989) argue that the evaluation of poverty from the point of view of expenditure or of income reveals two different considerations. “The first is concerned with the *standard of living*, and it leads in the direction of studying total expenditure (or the consumption of specific commodities). This approach is perhaps the natural one for those who see concern for poverty as stemming from individual caring or compassion for others (or utility interdependence). The second conception is that of poverty as concerned with the *right to a minimum level of resources*. On this basis, families are entitled, as citizens, to a minimum income, the disposal of which is a matter of them. This approach may be more appealing to those who see concern for poverty as based on a notion as to what constitutes a good society.” (p. 12).

⁵⁸ Ringen (1996) argues that “[i]n multi-person households, as long as efficiencies are positive, the value of aggregate well-being is higher than the market value of available goods. The difference between the value of goods and aggregate household well-being is the value added through the transformation of goods into services and services into well-being” (p. 423).

⁵⁹ Actually, total of households below the poverty line vs total of households.

proposed.⁶⁰ A second common measure is the *poverty gap*, that “considers the total shortfall from the poverty line, divided by the poverty line or by total income” giving an indication “of the average depth of poverty” and “of the relative cost of relieving it.” (Barr, 1987: 138). An alternative measure that is sometimes used, though it is also very rough, is the proportion of income or expenditure spent in food. “A proportion higher than, say 75%, indicates poverty, and a unchanging proportion with growing income, ultra-poverty”. (Streeten, 1994: 26).

Regarding of the UBN method the range of indicators is totally variable and depends mostly in the available information in each case. Nevertheless some “fixed” grouping is present in almost all the literature on this topic. This includes⁶¹:

- i) indicators of material deprivation: a) dietary deprivation (e.g. level of nourishment), b) clothing deprivation (e.g. possession of footwear for every weather), c) housing deprivation (e.g. sanitary conditions, availability of potable water and electricity), d) deprivation of home facilities (e.g. lack of electric appliances), e) deprivation of environment (e.g. level of industrial pollution in the neighbourhood), f) deprivation of location (e.g. lack of transport to shopping area);
- ii) indicators of social deprivation⁶²: a) lack of rights in employment (e.g. no paid holiday), b) deprivation related to family activity (e.g. disabled or elderly relative in the household), c) lack of integration into community (e.g. racial harassment), d) lack of formal participation in social institutions (e.g. lack of participation in formal elections), e) recreational deprivation (e.g. no holidays away from home), f) educational deprivation (e.g. low educational level).

Both methods have been criticised for different reasons: i) they are hiding that poverty is indeed a process, i.e.: people move in and out of poverty; ii) while considering the household as unit of analysis, they are misrepresenting the well-being of its members (we know that neither the contributions nor the benefits are evenly distributed inside the household); iii) they look only at ex post magnitudes, regardless of the influence of choice ex-ante.⁶³

As explained in the previous chapter, an important component in the analysis of poverty is the study of inequality (either considered as synonymous with poverty, or just as a key element). In this regard, the

⁶⁰ To enumerate some of them: i) Watts (1968) argued that poverty is not really a discrete condition, in the sense that one does not immediately reach a better condition by crossing any particular income line. On the contrary, there is a continuous gradation as one crosses the poverty line, and it is not a question of an either/or condition. He therefore proposed a continuous function of poverty. ii) Sen (1976) proposed an axiomatic and ordinal approach to welfare comparisons. The index he built is sensitive to the extent of the short-fall of income of the poor from the poverty line, as well as to the number below the poverty line and to the pattern of distribution of the incomes of the poor. iii) The Foster-Greer-Thorbecke index “combines the head-count ratio, the proportionate shortfall of the average poor person below the poverty line, and a poverty aversion parameter that gives greater weights to the poorest of the poor”.(Streeten, 1994: 26). iv) Desai and Shah (1988) propose a measure based on the distance between the individual’s consumption experience and the norm. Consumption experience is defined in terms of events and the modal frequency of an event in the community defines the norm. Atkinson (1989) makes an interesting comparison between different alternative measures of poverty (see section 2 in chapter 2).

⁶¹ This enumeration follows Townsend (1993) and it is only meant as an example of the most common indicators of UBN.

⁶² This set of indicators are not always (mostly rarely) included in systematic UBN estimation.

⁶³ “I may eat no meat and have low expenditure and income, and so be poor according to all three measures [consumption, expenditure and income]. But if by choice I am a vegetarian ascetic, then my opportunity set (i.e. my *potential* living standard) may exceed the poverty line. (Barr, 1987: 133).

existing methodologies have mostly focused on the observation of income distribution. There are two basic types of distribution: *functional distribution*, i.e. the distribution of the income generated by the economy among the different productive factors, and *size distribution*, i.e. the share of the total income received by different income groups. This last indicator allows us to classify the unit of analysis (commonly household) by high-, middle- and low-income, as is often used as a measure of welfare (Gillis *et. al.*, 1992), and could be understood as an indicator of the differential capability to achieve functionings through the acquisition of valuable satisfiers.

The analysis of income distribution has promoted the development of different inequality measures. One of the most frequently used is the Gini concentration ratio, derived from the Lorenz curve⁶⁴. This coefficient range from 0 (perfect equality) to 1 (perfect inequality). Other common inequality indicator is the relationship between the bottom and top sector of the income distribution.

III.4. Gendered poverty and well-being.

The methodologies for applying measurements of well-being and poverty focus mostly on the household as unit of analysis. The previous chapter described the problems of this perspective due to the lack of consideration of differences among the members of the households. In general, in a world of gender differences, well-being cannot be assessed with an indiscriminate methodology for women and men. Likewise, poverty affects differentially these two groups, and this feature should be addressed in the methodology used for its measurement. The aim of this section is to observe how this issue has been tackled in the existing studies.

Morris (1979) takes into account the importance of collecting separate male and female PQLIs' data, in order to provide a tool for analysing the differential impact of policies on women. He argues that “[t]he issues involved in comparing the PQLIs of women and of men are not merely arithmetic. A case can be made that the potential PQLI performance of women is different from that of men and that, therefore, the female PQLI and the male PQLI should not be based on the same 0 to 100 scales” (p.86). But he himself did not proceed with the needed research in order to establish the differential values for the index.

Similarly, UNDP developed the gender-related development index (GDI) and the gender empowerment measure (GEM). The first one “measures achievement in the same basic capabilities as the HDI does, but takes note of inequality in achievement between women and men. The methodology used imposes a penalty for inequality, such that the GDI falls when the achievement levels of both women and men in a

⁶⁴ The Lorenz curve is an arrangement of income distribution data. To draw it, “income recipients are ranked from lowest income to highest along the horizontal axis. The Lorenz curve itself shows the percentage of total income accounted for by any cumulative percentage of recipients. The shape of this curve indicates the degree of inequality in the income distribution. [...] If all recipients had the same income, the Lorenz curve would lie along the 45-degree line (perfect equality). If only one individual or household received income, it would trace the lower and right-hand borders of the diagram (perfect inequality). In all actual cases, of course, it lies somewhere in between. The inequality of the distribution curve is greater the further it bends away from the 45-degree line of perfect equality”. (Gillis *et. al.*, 1992: 74).

country go down or when the disparity between their achievements increases. [...] The GEM⁶⁵ examines whether women and men are able to actively participate in economic and political life and take part in decision-making” (UNDP, 1995: 73)⁶⁶.

One already mentioned existing effort to improve the study of individuals' well-being through models that use household survey data is the development of equivalence scales⁶⁷. Muellbauer (1987) describes three models: i) Engel's model, that takes the share of the budget spent on food as the welfare indicator and builds an equivalence scale of the ratio between the share of an observed household and that of a reference household⁶⁸; ii) Rothbarth's model that classifies goods between those exclusively consumed by adults and the rest, considering that households with different numbers of children are at the same welfare level if their consumption of the goods not consumed by children is the same; and iii) Barten's model that, using the same utility function as Engel, assumes that only the need for those goods not exclusively consumed by adults alters as the number of children alters.⁶⁹ Clearly these models give elements to say something about the distribution of welfare within the household, but are only taking into consideration the differentials concerning adult vs children. The assumption remains about the needs of female and male adults being the same.

Though poverty is clearly a women's issue, it is only recently that research attention has focused specifically on the gender dimension of poverty, and this observation is more qualitative than quantitative, especially in-depth research on the day-to-day lives of women in their families (Millar, 1996; Mikkelsen, 1995).

In fact, besides the already mentioned gender-based adjustment to the composite indicators of well-being, the disaggregation of poverty data by sex and the consideration of equivalence scales, there are not systematic quantitative assessments regarding the issues highlighted in the previous chapters. The data for the estimation of poverty is provided mostly by household surveys and censuses. O'Laughlin (1996) highlights the problems of using household surveys for analysing gender relations⁷⁰. There are at least

⁶⁵ The GEM concentrates on three broad types of variables: i) power over economic resources based on earned income (per capita income in PPP dollars); ii) access to professional opportunities and participation in economic decision-making (share of jobs classified as professional and technical and administrative and managerial); iii) access to political opportunities and participation in political decision-making (share of parliamentary seats). (UNDP: 1995).

⁶⁶ Dijkstra and Hanmer (1997) discuss the relevance and validity of these indexes and argue that a separate measure of gender inequality is needed, regardless of absolute levels of human development. "Whatever the absolute level of human development, a high gender inequality in welfare is an ethical problem and should concern government" (p.11). They contribute with the presentation of a conceptual framework that they suggest can form the basis for an alternative measure.

⁶⁷ Though, the "[u]se of equivalence scales to adjust for demographic differences at the household appear to have fairly little impact on poverty rankings, while the existence of economies of scale is plausible but we lack an empirical basis to make apriori corrections for this" (Mejia and Vos, 1997: 12).

⁶⁸ "[...] the equivalence scale for a household with children is constructed by taking the budget x at which its food share is the same as that of a reference household, say without children, with a reference budget x_0 . Thus x/x_0 is the equivalence scale". Muellbauer (1987: 53)

⁶⁹ The original references for these three models are: i) Engel, E. (1895). "Die Lebenskosten belgischer Arbeiterfamilien fruher und jetzt". *International Statistical Institute Bulletin*, 9. ii) Rothbarth, E. (1943). "Note on a method of determining equivalent income for families of different composition". In: C. Madge (ed). *War-Time Patterns of Saving and Spending*. National Institute of Economic and Social Research. Occasional Paper 4. London: Macmillan. iii) Barten, A. (1964) Family composition prices and expenditure patterns. In: P. E. Hart, G. Mills and J. K. Whitaker (eds). *Econometric Analysis for National Economic Planning*. London: Butterworth.

⁷⁰ Problems lie not only in surveys' assumptions but also in the way they are carried out.

three areas where the premises underlying the methodologies of these surveys are questionable: “the identification of the household group, recognition of agency within the household, and the classification of household work” (p.12). Therefore, it is not so easy to use these sources to take into account those aspects that need a further analysis i.e.: the value of the contribution of domestic labour, the intra-household dynamics of allocation of resources, and the differential situation in the labour market.

Some advancements have been done, anyway, in the estimation of the value of domestic labour as a dimension of the national accounts, in the belief that the product generated by the economy is a function not only of waged-labour, but also of family work (domestic labour). “To add domestic work into the national aggregates does not mean to increase production. It means to reveal the hidden quantum of labour embodied in production which is hidden” (Picchio: 1995).

The estimation and valuation of domestic labour involves major methodological difficulties, that up to now have been handled with more success in industrialised than in developing countries. Regarding domestic labour time allocation, for example, the British have found time budget studies, based on respondent diaries, the most effective method (Gershuny and Robinson, 1988, quoted by Gardiner, 1997)⁷¹, though these do not have yet an official institutional support.

In the same way, although the participation of women in the labour market is, among the three issues highlighted, the one with more development in terms of data generation, there is still a great degree of undervaluation because: i) the definition of work in the labour market is still very concerned with those activities that are regular, remunerated and full-time, and we know that women are very often engaged in temporal, partial, non-remunerated or family-enterprise jobs; ii) the observation of the production of goods and services for self-consumption is still not fully developed; iii) there are still problems in relating women’s participation in the labour market with their stage in the life-cycle; and iv) there are methodological problems regarding the way questions are asked about activities, time of reference and minimum time of work (Arriagada, 1990). In any case, it is still possible to obtain data about differential sex participation in the labour force and by economic activities, and to take note about the gender disparity in earnings by direct and indirect wage discrimination (Kabeer, 1996).

Finally, the literature about income pooling and allocation of resources within the household shows the necessity of disaggregated household survey data in order to account for changes in intra-household contributions and sharing of resources. In these regards, some microsimulation model have been developed for using data from household surveys in developed countries (for example, Findlay and Wright, 1996; Harkness *et. al.*, 1995; Machin and Waldfogel, 1994). In developing countries this evidence is mostly based in qualitative research (for example, Gonzalez de la Rocha, 1994; Beneria and Roldan, 1987; Whitehead, 1981).

It is clear that the translation of a comprehensive theoretical framework for the analysis of well-being and the identification of poverty has yet not been very satisfactory in empirical studies and measurements. A threshold of basic capabilities could not yet be defined in an operational way, and assessments lie basically at the level of income (and/or resources/endowments), expenditure or acquired commodities

⁷¹ Gershuny, J. and J.P. Robinson (1988). “Historical changes in the Household Division of Labour”. *Demography*, 25(4), 537-52.

(satisfiers). Besides, the identification of human needs still depends too much only on material needs. Finally, the gender dimension of well-being and poverty, though installed in the technical discourse and in the intention and work of many sensitive scholars, has still a long way to go before reaching an institutionalised level of research and data generation. Table 2 tries to summarise the concepts of the theoretical and methodological issues developed in these two chapters, and points out the weaknesses that these approaches still have and that should be the basis for further research.

In the following part of this paper, the focus shifts to how these approaches have been applied in the case of urban Argentina, and what are their implications in methodological and policy terms.

CHAPTER IV: POVERTY ASSESSMENT IN URBAN ARGENTINA.

In the first part of this paper I tried to clarify the theoretical concepts that enable the assessment of well-being and poverty. I also summarised the existing methodologies pointing to their deficiencies, specially regarding the gender dimension of the analysis. The aim of this chapter is to observe how these methodologies have been developed in the case of urban Argentina, and to describe briefly the picture that they provide, in order to give an idea of the dimensions of the problem of poverty and deprivation and the consequent need of policy interventions.

The focus lies on poverty assessment because there does not exist in Argentina any systematic data or studies on evaluation of overall living standards or overall well-being⁷². Probably this bias is due to the urgent need of information about those people living in worse conditions, in order to direct and target poverty alleviation policies. In any case, this is an important lack, because broader information would give the opportunity of developing more significant studies about for example, inequality, differential access to goods and services, justice, etc. However, there is still something important to say about the current assessment of poverty itself, and this is the topic of the following sections.

IV.1. The Poverty Line Method.

During the 1980s the United Nations Economic Commission for Latin American and the Caribbean (ECLAC)⁷³ produced an updating of the statistical sources regarding poverty studies in Latin America. As part of this project, they estimated a new poverty line for Argentina⁷⁴ (CEPAL: 1988)⁷⁵. The procedure to calculate this line is based on the estimation of the cost of a basic basket of food that is supposed to fulfil the nutritional requirements specified for the population of the country, and that also takes into account the prevalent consumption habits⁷⁶, the effective availability of food products and their relative prices⁷⁷. The value of this basket is then added with the quantity of income required to fulfil other type of basic needs:

⁷² Only recently the design of a survey on living standards started in the context of the System of Information, Training, Monitoring and Evaluation of Social Programs (SIEMPRO, in Spanish), Secretariat of Social Development.

⁷³ In Spanish: CEPAL = Comision Economica para America Latina y el Caribe.

⁷⁴ In fact, the poverty line built corresponds to Gran Buenos Aires (the major urban conglomerate in Argentina).

⁷⁵ Previous to this study there have been some others based on the combination of criteria of nutritional requirements with the estimation of food balance sheets (Altimir: 1979, Britos: 1987, Beccaria y Minujin: 1985).

⁷⁶ In order to study the prevalent consumption pattern, a specific group of households was chosen, based on a distribution of households according to their total income per capita. The size of that group was decided based on two general criteria: i) the consumption habits should represent the decision made by households that are not facing any important and unusual resources' constraint; ii) the size should be big enough as to be representative of the rest.

⁷⁷ Therefore, the poverty line for the case of urban Argentina, has an absolute component (the set of nutritional norms) and a culturally relative one (since it takes into account the consumption habits of the population).

dwelling, clothes, education, health, transport and leisure⁷⁸. The former value represents the indigence line and the last one the poverty line. This estimation was based on data provided by the Households' Expenditure Survey, carried out by the National Institute of Statistics and Census (INDEC⁷⁹) in 1985-86.

INDEC (1990) built another food basket, based on data provided by this same survey. It differs from the previous one in the chosen group of reference and in the Engel coefficient used to expand the indigence line to the poverty line⁸⁰. Minujin and Scharf (1989) contributed to this project with the analysis of methodological issues regarding the estimation of a household's per capita income and the poverty line by the utilisation of adult-equivalence coefficients.

With their methodology they tried to make homogeneous the different requirements, that depending on their age and sex, the members of the household might have upon the family budget. They built a table of equivalence scales considering the adult man between age 30 and 59 with moderate activity as the unit, and providing coefficients for the other groups in the population⁸¹. However, they pointed out some severe difficulties and consequential strong assumptions in their estimation. Since the data required to establish these equivalencies for the different types of expenditures is very difficult to obtain, they assumed that the weights they observed for nutritional requirements is the same for the rest of needs involved in the measurement of the poverty line⁸². They also observed that the estimation of poor households by the analysis of the adult equivalent per capita income, is an indicator that varies a lot with changes in the equivalence coefficients⁸³. Therefore they suggest to be very careful with the coefficient finally adopted; this should depend, from their point of view, on the type of policies in whose analysis the indicator is used⁸⁴.

⁷⁸ The quantity of this income is derived from the relationship between the total expenditure of the household and the money spent on food. The assumption is that those households that manage to fulfil adequately their food needs, should at the same time, fulfil the minimum requirements of the rest of their basic needs. In practice this is estimated studying the expenditure structure behaviour of households at different income levels. The consumption pattern of the different groups of households varies according to the goods income elasticity, and at the same time respects Engel's law regarding the distribution between food and non-food expenditures as income increases. In the case of this particular estimation, CEPAL adopted as the value of the poverty line for urban areas, double the basic budget for food.

⁷⁹ INDEC is the Spanish short word for the National Institute of Statistics and Census (Instituto Nacional de Estadísticas y Censos). It is a department within the Secretariat of Economic Planning, Ministry of Economy and Public Works and Services.

⁸⁰ In this case the consumption habits are based on the behaviour of households from the lowest stratum and the adult man between age 30 and 59 was considered the unit of consumption, to estimate the energy requirements of each group. The Engel coefficient used to convert the indigence line into poverty line, by adding the proportion of expenditures in those items different than food, was equal to 2.07.

⁸¹ For example, a child below age 1 is equal to 0.33 adult man, a young man between age 18 and 29 is 1.06 times the adult man between 30 and 59, and a woman between age 30 and 59 is 0.74 times the man of the same age. (Minujin and Scharf, 1989: 118, table 1).

⁸² For example, we know that the food expenditure of a child is probably less than that of an adult, but that the expenditure in education goods is probably the other way around. However, in the methodology applied in Argentina, both proportions are assumed to be the same (that of the food expenditure).

⁸³ The variable percentage of poor households estimated by the comparison of monetary indicators, income in this case, is strongly affected by the weights given to the members of the household in the estimation of the per capita.

⁸⁴ In their exercise Minujin and Scharf (1989) observe that the estimation of the adult equivalent per capita income implies, comparing with the utilisation of the "normal" per capita income, an exclusion of some households with more children from the category of poor. If this indicator is used in social policy analysis, this can be exactly the opposite effect to that desired, since having many children is one of the reasons that increases the risk of becoming poor. In this case, they suggest that the analysis should not be focused only on the characteristics of those households considered poor, but also on those households that are excluded from this category.

During recent years, the “official” poverty measurement by the PL method was transferred to the Secretariat of Economic Planning where the Executive Committee for Poverty Studies in Argentina (CEPA)⁸⁵ has been updating and adjusting the poverty line. These estimations introduce two methodological improvements: i) they do use adult equivalence coefficients in the calculation of the household expenditures; and ii) they use a variable Engel coefficient, according to changes in the relative prices of food and other goods and services (CEPA, 1993).

There have been other contributions to the methodological discussion about poverty measurement and alternative indicators. Beccaria (1993) proposes a methodology for a continuous estimation of poverty incidence by the income method for urban Argentina, based on data from the Permanent Household Survey⁸⁶ of the INDEC. He suggests the use of two different poverty line. Both of them define a basic basket that considers the effective structure of food and non-food expenditures of households with low income level, at the same time that they fulfil the normative nutritional requirements. Being defined entirely in physical terms, it is easy to adjust these lines by changes in relative prices. The difference between the two lines is that one considers those households that pay rent for their house and the other does not take this into consideration⁸⁷. The results that he obtains in terms of percentage of households below the poverty line are quite different from that obtained by CEPA. Unfortunately, and although the data base for applying this methodology is available, this exercise remains only as the paper Beccaria wrote and has not been translated in systematic estimations. A final contribution to this debate has been done by Petrecolli (1996) who proposes some alternative poverty measurements. He discusses the limitation of the head-count ratio and proposes instead the use of the Pyatt (1987) Index, that follows the ideas of the axiomatic approach presented by Sen (1976), and include in their indicators a measure of income distribution.

Table 4 below shows the trends in “official” poverty indicators for Gran Buenos Aires in the last nine years. The first three columns correspond to the estimation by the income method (poverty line and indigence line). In October 1996, 20.1% of the households and 28% of the population in Gran Buenos Aires (around 3.2 million people) were getting a per capita income below the poverty line, and 5.5% of the households (around 630 thousands people) were not able to reach the indigence line⁸⁸. Though these levels are still below those of the end of last decade, when the economy was facing the hyperinflation crisis, they show an important increase in the last two years. Experts attribute this tendency to three main reasons: i) the high rate of unemployment (18.8% in this same period); ii) the deterioration of wage levels; and iii) the relative increase of the poor’s consumption basket prices in comparison with the Consumer Price Index (CPI) (four times more).

⁸⁵ In Spanish: CEPA = Comité Ejecutivo para el Estudio de la Pobreza en Argentina.

⁸⁶ The Permanent Household Survey is carried out by the INDEC twice a year with the main purpose of collecting information about income and employment condition of the population of 24 urban conglomerations in Argentina.

⁸⁷ This is because the structure of expenditures of these two groups of households is quite different, since rent takes a big share of the total income of the household.

⁸⁸ Although the Ministry of Economics provides this information about poor households and people, the level of the poverty and indigence lines remain confidential. Unofficially, the poverty line in May 1996 was \$ 154.8 and the indigence line was \$ 65.9. Thus, the Engel coefficient in this estimation was 2.35 (the parity between the peso [\$] and the dollar is 1:1).

Table 3
Gran Buenos Aires
Poverty and Inequality Indicators

	Gini Coefficient	Pyatt Index
1989		
October	0.1407	0.27629
1990		
May	0.1228	0.24037
October	0.0796	0.15863
1991		
May	0.0697	0.13869
October	0.0464	0.09271
1992		
May	0.0446	0.08897
October	0.0429	0.08530
1993		
May	0.0458	0.09074
October	0.0463	0.09179
1994		
October	0.0524	0.10365

Source: Pretecolla (1996)

Table 4
Gran Buenos Aires: Poverty Indicators
(Percentage of total households and population)

	Below Poverty Line		Below Indigence Line	With UBN (1)
	Households	Population	Households	Households
1988				
May	22.6	39.9	6.0	15.1
October	24.2	32.4	7.0	19.5

1989					
	May	19.7	25.9	4.9	16.1
	October	38.3	47.4	10.5	17.0
1990					
	May	33.7	42.6	9.2	16.2
	October	25.3	33.8	3.9	15.8
1991					
	May	21.8	28.8	4.0	15.1
	October	16.3	21.6	2.4	15.1
1992					
	May	15.1	19.3	2.3	14.4
	October	13.7	17.8	2.5	14.1
1993					
	May	13.6	17.8	2.9	13.7
	October	13.1	16.9	3.2	13.1
1994					
	May	11.9	16.1	2.6	15.5
	October	14.2	19.0	3.0	14.0
1995					
	May	16.3	22.2	4.3	12.1
	October	18.2	24.8	4.8	11.5
1996					
	May	19.6	26.7	5.5	12.0
	October	20.1	27.9	5.5	12.6

(1) Unsatisfied Basic Needs

Source: INDEC

The application of the Pyatt Index proposed by Petrecolla, confirms this tendency when the poverty indicator is affected by income distribution measures. With the Gini Coefficient, we can arrive to the same conclusion: though the income distribution is less regressive than that of the times of hiperinflation, it has worsened during recent years (See table 3).

The indicators presented up to now say nothing about the characteristics of the households or the population that are considered poor. This is how information about poverty is often published in Argentina. However, the database of the Permanent Household Survey allows a further description. CEPA (1993), for example, identifies that in Gran Buenos Aires, the average size of poor households is bigger than that of the total population (4 people against 3). At the same time, the relation between total of members and active members shows that in poor households there is one dependant more than in the rest of households (3.5 against 2.4). People in poor households have more problems in accessing jobs and income; both the participation rate in the labour market and the average number of income earners by households are lesser than for non-poor households. The share of the principal earner's income in the total household income is also more important in poor households, i.e.: these households are more dependant on the income of the principal earner.

Therefore, it might be important to look at some of the attributes of the principal earners of poor households compared with those from non-poor ones. It is seen that the educational level of this person is

highly correlated with poverty conditions. CEPA (1993) indicates that 29% of the principal earners from the poor households have not finished primary school, while only 17% for the rest of the households. More than 60% of principal earners of poor households have not finished secondary school. Another characteristic strongly associated with poverty is the age of the principal earner, who tends to be younger in poorer households. However, in this group of households the increase of the participation of earners with age 55 or more is quite evident, probably associated with the deterioration of the pension benefits (p.20).

IV.2. The Unsatisfied Basic Needs Method.

The method of the UBN has been applied in Argentina based on data provided by the National Censuses. This information has been analysed and published by the INDEC. During the last two decades, three major studies have been produced.

INDEC (1984) analysed data provided by the National Census held in 1980. It is a foundational work in the sense that the categories defined in this study have been used for updating the description with information from the National Census 1991. The objective of these studies is to build indicators that measure the proportion of the population that are either i) not reaching a minimum level of satisfaction of some set of basic needs (e.g. proportion of children suffering some degree of undernourishment), or ii) not having access to resources that are key in the satisfaction of those needs (e.g. proportion of population without accessing to potable water).

In this study, a final composite indicator of unsatisfied basic needs was built, that considers as poor those households that: i) have more than 3 people living in one room; or ii) are living in an inadequate dwelling; or iii) do not have any kind of toilet; or iv) have at least one child in school age that is not attending school; or v) have more than three “inactive” members by each “active” one⁸⁹, and the head of the household has a low educational level (never attended any educational institution, or even if attended did not go beyond the second grade)⁹⁰. These are all “or” conditions: i.e. the fulfilment of at least one of them, immediately categorises the household as poor. The first three conditions represents critical levels of deprivation in terms of habitat; the fourth condition represents lack of access to basic education; and the last condition represents a potential inability for bigger households with a significant number of “inactive” people, to obtain enough income for an adequate subsistence of all its members.

⁸⁹ This is to say a 3/1 economic dependency rate.

⁹⁰ The final composite index only included these five indicators because they were the only ones that fulfilled the following conditions: i) to represent in each geographic area, the degree of non-satisfaction of some set of specific basic needs; ii) to be highly correlated to poverty situations, so as to be able to be combined in an unique indicator of UBN, that represented the degree and extent of poverty in each area; iii) to guarantee a reasonable comparability between areas, in order to build a map of the poverty situation in every district. The indicator of access to potable water was discarded because, in urban areas, it is highly associated with other deprivations and varies a lot according to infrastructure's conditions in each area. Besides, in rural areas, it is less clear whether this indicator is really representing any kind of deprivation (people might get potable water from natural sources).

INDEC (1990) focused the analysis on urban poverty⁹¹ and added the following dimensions for the characterisation of households in terms of their UBN: i) employment: identifying situations of “precarious” employment and informal sector; ii) habitat: access to public services and general infrastructure conditions; iii) education: educational level, attendance at school and characteristics of the educational supply; iv) health: access to health services, reproductive practices, with special emphasis on mother and young children; v) adolescence and poverty: teenagers’ participation in civic life, employment conditions and free-time habits.

INDEC (1996) provides an updating of the UBN situation based on data from the National Census 1991. The information for Gran Buenos Aires is presented in Table 5. The main characteristics of urban poverty in Argentina, as estimated by this method are:

- 13,4% of the households and 15,9% of the population are living with unsatisfied basic needs⁹²;
- considering the population by sex and the households by sex of the head, the percentage of people living with UBN remains the same⁹³;
- poverty seems to be positively related with the number of people in the household: i.e. without considering single person households, the percentage of households living with UBN increases as the number of members grows;
- this trend is even more clear regarding the number of children: 12,1% of the households with only one children are living with UBN, while this percentage grows up to 70% for households with 5 and more children;
- this tendency is also confirmed when looking at the number of children per active person in each household: 16,3% of the households with up to 2 children per active person live with UBN, while this percentage reaches 68,1% for households with 5 or more children per active person;
- as expected, poverty by UBN also seems to be positively correlated with the activity condition of the head of the household: while 13,9% of households whose heads are employed are living with UBN, this share is 22,2% of the households with unemployed head⁹⁴;

⁹¹ This study was a result of the Research of Poverty in Argentina (IPA, in Spanish), a two years project that developed a households’ survey in Gran Buenos Aires, and in other four smaller cities in the inland (Santiago del Estero, Posadas, Neuquén and General Roca).

⁹² As it can be seen in table 3, the indicator of number of households with UBN can be estimated annually with data from the Permanent Households Survey. The results, however, are a bit different than that obtained with the Census. In 1991, while the Census indicates that 13.4% of the households are living with UBN, the figure from the Permanent Households Survey is 15.1%.

⁹³ A special consideration should be given to the group of population over age 65. While among the rest of age groups the percentage of women and men living with UBN is quite even, among elderly people only 39% of those with UBN are men and more than 60% are women. This is because of the higher life expectancy that women enjoy, but it suggests the need to study the situation of elderly single women.

⁹⁴ This difference might seem very little, but it should be remembered that poverty by UBN is talking about structural poverty, and not about the temporal lack of income. While the access to the labour market impacts a lot on poverty defined by the income method, the same does not happen in the case of UBN.

- on the contrary, poverty by UBN seems to be less severe for households with an inactive head: 11,2% of the households with an inactive head are living with UBN⁹⁵;
- as should as well be expected, poverty by UBN is positively correlated with the educational level of the head of household: while 28,4% of the households whose heads have not even finished the primary school are living with UBN, only 1,7% of the households whose heads have finished the university are in the same condition.

IV.3. Other studies and indicators.

The studies presented in the previous sections are those that described in a more systematic way the features of urban poverty in Argentina, by the two traditional methods. There are other studies and sources that provide information about related issues and can be used to complete the understanding of the social situation.

For example, Barbeito and Lo Vuolo (1993) present a description of the state of human development in Argentina, based on the methodology introduced by UNDP's reports. Their work was the first attempt to bring into the discussion the concept of human development and its several magnitudes. They provide a picture of Argentina compared with the rest of the countries in the different components of the Index, and even more interesting, they expose the differences between the different provinces within the country. Since the information is aggregated at that level (province) it is not possible to make any conclusion in terms of the reality of urban Argentina itself. However, it can be said, for example, that the HDI for the Capital City is similar to that of Israel or Luxembourg, while the HDI for the Province of Buenos Aires (that includes part of Gran Buenos Aires) is similar to that of Dominica (0.933 in the former case, 0.780 in the latest). Very briefly, the HDI that they constructed using as basic indicators life expectancy, adult literacy rate, average schooling time and gross domestic product (GDP) shows that: i) there is a great level of inequality in terms of human development among different provinces, i.e.: while the Capital City might be scored 19th in the world ranking, sharing a living standard similar to that of high human development countries, many of the rest of the provinces enjoy a HDI similar to that of medium human development countries; and among these groups some districts are very close to the limit that separates medium and low human development⁹⁶; ii) the disparities are bigger regarding the income variable (GDP) than the rest of indicators⁹⁷; iii) the picture does not vary if the index is adjusted considering income inequalities. After this first study, a Commission within the National Senate took the responsibility of updating this information annually.

⁹⁵ It would be interested to cross-check this information with income data. Since the level of benefits from the pension system has been deteriorating during last years, it might be expected that households whose head is inactive and are not considered poor by UBN, might be falling below the poverty line level in terms of income. These households are not "structural" poor but "impoverished".

⁹⁶ While, as stated above, the HDI for the Capital City is 0.933, similar to that of Israel or Luxembourg, the HDI of the province of Chaco is 0.573, similar to that of Mongolia or Tunisia (Barbeito and Lo Vuolo, 1993: Table 47).

⁹⁷ In the case of life expectancy, the difference between the highest and lowest values is 13%, in the case of the adult literacy it is 18%, in the case of schooling time, it grows to 100%. In the case of the GDP the differences can reach up to 500% (e.g. this is the difference between the GDP of the Capital City and that of Formosa, a province in the north of the country).

The data provided by households surveys allows us to complete the description of poverty by analysing income distribution and expenditure structures. In Argentina, and for the case of Gran Buenos Aires, there are two Household Surveys already mentioned: i) the Permanent Household Survey (EPH), that is carried out twice a year and provides information about income, access to the labour market, inter-province migration, habitat, education and general demographic variables; and ii) the National Households Expenditure Survey (ENGH), that is carried out only once every ten years, and is focused on collecting information about households' expenditures in order to adjust the Consumer Price Index (CPI), though it also provides data about income, habitat and general demographic variables. Both surveys are carried out by the INDEC⁹⁸.

The income data provided by the EPH is often used to describe the situation in terms of income distribution. In this regards, the main features of income distribution in Gran Buenos Aires, shown in table 6, are:

- i) the family per capita income⁹⁹ of the 10% richest households is more than 22 times higher than the average income of the 10% poorest households and 11 times higher than the average income of the 40% poorest households;
- ii) the 10% richest households includes 6.9 % of the population in Gran Buenos Aires, while the 10% poorest households includes 15.1% of the population, and the 40% poorest households, 49.3% of the population;
- iii) the receipt of a lower income per capita is positively correlated with the average size of household, i.e.: the average size of the 10% poorest households is 5 members, while the average size of the 10% richest households is 2.3 members;
- iv) the level of inequality among the poorer households shows that the average family income of households in the 4th decile is 3 times higher than the level of family income of the 10% poorest households.

Household consumption is other variable taken into account in the study of poverty. In fact, there is an on going debate about whether it is better to use consumption or income as an approximation of people's well-being¹⁰⁰. Consumption information might give a better idea about the real access of people to goods and services that can be acquired with others than current monetary income (e.g. transfers in kind). On the other hand, income information can provide a better picture of the opportunities available for the individual or the households. In any case, as Mejia and Vos (1997: 10) say, at the end of the day, the choice "is much more driven by either data reliability or data availability".

⁹⁸ The conceptualisation of household applied in these two surveys is explained in section V.1.

⁹⁹ This family income is estimated as a direct relation between the total household income and the number of members. Therefore, the assumption held by these data is that family members equally share family income, and that this sharing is the same type in all families. No specially equivalence scale is used in this case.

¹⁰⁰ In Chapter III I have already mentioned why an analysis based on income may lead to different conclusions from one based on expenditure (see section III.2).

Table 6
Gran Buenos Aires: Income Distribution Indicators- (April 1996)

	Share of the population (%)	Share of the total income (%)	Average Family per capita income (\$)	Average hh's size
Deciles				
1	15.1	2.8	59	5.0
2	13.0	4.5	111	4.3
3	10.2	4.7	147	3.4
4	11.0	6.3	184	3.7
5	9.4	6.8	231	3.1
6	9.4	8.2	277	3.1
7	8.9	9.7	350	3.0
8	8.5	12.4	465	2.9
9	7.6	15.6	656	2.6
10	6.9	29.0	1347	2.3
Stratum				
poorest	49.3	18.3	119	4.1
medium low	27.7	24.7	285	3.1
medium high	16.1	28.0	555	2.7
richest	6.9	29.0	1347	2.3

Poorest Stratum = deciles 1 to 4
 Medium low Stratum = deciles 5 to 7
 Medium high Stratum = deciles 8 and 9
 Richest Stratum = decile 10

Source: EPH-INDEC

Unfortunately, the data published by the ENGH for Gran Buenos Aires corresponds to the survey carried out more than ten years ago (1985-1986). Although the new survey is already finished (field work ended in March 1997), the information is not yet officially available. This information describes the differential access of households from different income levels to the acquisition of goods and services, and give some ideas about what kind of needs they are prioritising. The data is presented in table 7, and the main features in Gran Buenos Aires are:

- i) The level of total expenditure is higher than the level of total income for the households in the two lowest stratum of monthly income per capita. This might imply that these households need to apply some strategies to survive beyond what is available for them with their monthly income. These strategies can be getting market, incurring in debts, dissaving, selling assets.
- ii) The share of expenditure allocated to food consumption is higher the lower the level of income, i.e.: households in the first quintile spend 55% of their budget in purchasing food and drinks, while households in the fifth quintile spend only 28.2%¹⁰¹. This shows how the lower the level of income, people prioritise the satisfaction of more basic needs.

¹⁰¹ Unofficial and preliminary information from the new survey shows that this trend looks a bit different ten years later. Households in the first quintile now spend 47.7% of their budget in food, while households in the fifth quintile allocates 24.57%.

- iii) This assumption is confirmed while looking at groups of expenditures as “recreation”, where households in the first quintile only allocate 3% of their income, and households in the fifth quintile allocate 11%.
- iv) People from lower income strata spend significantly less on “health care”. This is important because it is about the potential degree of satisfaction of a very essential basic need. And it is specially relevant in the actual context of urban Argentina, where the public service of health care, due to cut-offs in public budget, has deteriorated its quality. This indicator reveals how people from higher income level pay for their health care, while people without resources still depend in the deteriorated public service.
- v) The data show almost the same share in education for all the groups of households. It might have been expected, as in the case of health care, that households with higher income would allocate a bigger part of their income in this component, specially in the actual context of rising of private educational service, specially in the case of high school and university studies¹⁰².

¹⁰² Here again, the preliminary data from the new survey indicates that the actual share of spending in education is 2.5% of the budget of households in the first quintile and 4.88% in the case of households in the fifth quintile.

Table 7
Gran Buenos Aires
Structure of Households' Expenditures
(Households Expenditure Survey 1985-86)

	Quintiles of Per Capita Income (% of total expenditure)				
	1	2	3	4	5
Type of Expenditure					
Food	55.0	48.1	42.1	37.7	28.2
Clothes	7.6	9.0	9.2	9.0	10.2
Housing	8.4	9.0	9.1	8.6	9.7
Appliances	6.2	6.2	6.7	7.7	10.0
Health Care	4.8	6.9	7.3	9.2	8.8
Transport	7.2	8.1	10.7	12.8	13.5
Leisure	3.0	5.0	5.5	6.6	11.0
Education	2.1	2.2	2.4	2.9	2.5
Others	5.7	5.5	7.0	5.5	6.1
Total Income	170.0	251.0	344.0	469.0	786.0
Total Expenditure	184.0	259.0	334.0	441.0	675.0

Source: Indec (1988)

IV.4. Concluding remarks.

The studies and information presented in this chapter reveal that:

- i) Urban poverty is still a problem in Argentina. The level of households and population living in poor conditions, whatever the method used in its measurement, is significant¹⁰³. Therefore, it is relevant to continue and try to improve the study about the characteristics of this phenomenon, its causes and its possible and alternative solutions.
- ii) Not only poverty but also inequality remains as a pending issue. The data about income distribution and the different patterns of households' consumption show how quality of life varies between households.
- iii) The studies about poverty have focused mainly on the measurement of the incidence of poverty, i.e. how many people are there below the poverty line or with unsatisfied basic needs. Although there are proposals to take into account other indicators than the head-count ratio, there is still much work to do in this respect.

¹⁰³ Yet, it is clear from the figures in table 3, that structural poverty (that measured by UBN) is less severe than impoverishment (better measured by the poverty line).

- iv) The complexity of methodological issues in the measurement of poverty very often implies that too strong assumptions have been adopted in the Argentinian studies, e.g.: that the weight of nutritional requirements is the same as the other components of the poverty line, when trying to estimate equivalence scales; that members of households share equally the family income and that this sharing is the same in all families; that all children in schooling age should be able to go to school, not taking into account the possibility of “problem” children, etc. These difficulties should provide an incentive for further research to find the better way of taking them into account in the methodologies, or at least clarifying them when building conclusions from the data.
- v) The data about income have low reliability. There is a high level of null or partial answer to question regarding personal income, and a systematic under-declaration (in all income levels). It is then necessary to do sophisticated imputations in order to get a complete income data-base. Further research on what methodologies are better and what are the real features of the under-declaration behaviour, is still necessary.
- vi) The decision about what methodology to use is very relevant, because with different methods we can arrive to different conclusions. It is important to take this into account, specially in policy research. One methodology can be more useful in one case than in another.
- vii) Many of the empirical studies use statistical sources that have not been designed specially for poverty analysis. Therefore, the variables chosen are rarely the ideal, and very often are a very loose approximation.
- viii) In terms of the theoretical framework discussed in previous chapters, these studies and information are located only at the level of resources and satisfiers. There is a need to think about how to translate this into a measurement in terms of capabilities or actual functioning, and a clearer description of need satisfaction.
- ix) The existing studies and methodologies do not systematically include a gender-based perspective. The most that is obtained is the disaggregation of some of the indicators by sex, and the consideration of equivalence scales, though still with many difficulties.

In the next chapter this last issue is tackled. The objective is to find out what other alternative studies and indicators exist that can better describe how poverty differentially affects women and men, and how some variables and areas that are not taken into account in the current analysis might give a more comprehensive description, and therefore be more useful in policy research.

CHAPTER V: GENDER INEQUALITIES ASSESSMENT IN URBAN ARGENTINA¹⁰⁴.

In previous chapters I explained the theoretical and methodological problems that the conceptualisation and measurement of poverty and well-being involve. I also described how the development of some methodologies and the adjustment of existing indicators are trying to counteract the lack of gender-based analysis. The aim of this chapter is to observe how this has been implemented (if at all) in the case of studies in urban Argentina, and what is the description that this material provides for better understanding the differential features of poverty between women and men.

As already mentioned, urban poverty research in Argentina is based on data provided by household surveys and censuses. It is therefore important to clarify the assumptions underlying their methodologies, to know how they are addressing or not addressing gender differences within the household as unit of analysis. In principle, there are two main areas that affect women's livelihoods which cannot be analysed with the data provided by these sources: i) what happens inside the household in terms of who gets what, who contributes what, who does what, who makes what decisions, who owns what properties or assets; and ii) how the distribution of time and responsibilities, between the labour market and the domestic chores, shapes differentially the possibilities of the members of the households.

The impossibility of drawing comprehensive conclusions about these issues with the available quantitative data has promoted the development of some necessary and useful qualitative research. Unfortunately the number of these studies is quite limited. However, they contribute to the description of women's well-being, and can also be complemented with the observation of some characteristics of the same phenomenon in other Latin American cities, that can very well apply to the case of Argentina.

V.1. Gender and intra-household dynamics.

In the two surveys carried out in Argentina, household is defined as the person or group of persons living in the same dwelling and eating from the same kitchen, sharing the cost of food expenditures, regardless of being relatives or not. To live in the same dwelling means to have slept there at least four nights a week, for the last six months, or to have decided to establish residence in that house. If a member is not sleeping in the house often enough, but is still contributing a big part of her/his income to that household, she/he is also considered part of it. Though it is explicitly said that people living together might not be relatives, the assumption remains about family-based relationships being the norm, and co-residence a main characteristic of the household. However, the operationalisation of the definition of households in Argentinian surveys, seems to avoid successfully problems such as double counting, since short-term migrations are not a broad phenomenon in this case.

¹⁰⁴ I am only tackling here the assessment of gender inequalities regarding poverty and well-being. I can say to be looking at the assessment of economic differences in the roles women and men play in production and reproduction in capitalist societies, or at least at part of them. However, I am not taking into account the broad spectrum of gender-based inequalities that can be observed in every possible area of analysis.

Nevertheless, there are still some biases. For example, the head of the household is the person of reference, regarding whom the rest of relationships in the group are established and whose characteristics are many times used to categorise the household itself. The definition of head of household is in theory gender-neutral in the case of the Argentinian surveys. The group is asked whom they consider to be the head. If they cannot agree on a person, then whoever is i) contributing the biggest share to the household budget, or ii) the oldest person of the group or iii) the person who is answering the questions, is then considered the head. However, what sometimes (or often) happens during the implementation of field work, is that when the interviewer has to fill the name of the household's head, she or he just asks "*Señora, cual es el nombre de su marido?*" (Excuse me, what is your husband's name?)¹⁰⁵.

Nor is the problem of agency within the household solved. The way the surveys are structured does not allow us to disaggregate information about possession of assets, allocation of resources, income pooling system or decision-making dynamics. A few qualitative studies prove that this is an important matter for understanding the differential well-being of urban households' members.

Jelin (1991b), for example, presents the findings of a study carried out among working class households in Gran Buenos Aires at the beginning of the eighties, to observe specifically the intra-domestic dynamics that shape differential consumption possibilities between women and men on one hand, and parents and children on the other.

She observed that in households with very scarce and uncertain income, women appear to be the administrators of the family budget, though not the decision makers. Resolutions about how to spend are often the result of much bargaining among the spouses, and also with the children, when they are old enough to enter the labour market, and are contributing to the family budget. The decision about important spending (for example, the purchase of some appliances) is very often taken by the adult male (father/head of household). It is "the evidence of his power as a consumer on the market and as a supplier of satisfaction for his family" (Jelin, 1991b: 189). In any case, women are responsible to make the ends meet. In general, most variable and erratic income is used for daily expenditure and most secure income is assigned to taking care of fixed monthly commitments. When the money is insufficient, women have to decide how to manage: replace certain products with cheaper ones, restrict purchases or use the money that was supposed to be saved.

The existence of male pocket money and the absence of a female equivalent is observed in Jelin's case studies. When the incomes are very low, the husband transfers almost all his earnings to his wife, keeping only the money needed to go and come back from work. When the constraints are not so severe, men kept some more money for their own personal expenditures. On the contrary, if women found themselves with some money left after attending to the basic expenditures, this is mostly spent on children's goods or kept for savings or "extras". Very rarely do women use that money to buy things for themselves. Furthermore, when women contribute to the household's budget with their own waged-work earnings, that income is always allocated to the satisfaction of collective needs.

Acero (1991) analyses the case of textile workers' households in Gran Buenos Aires and also draws a similar picture. Though more men than women in her sample seem to keep nothing or less than half of

¹⁰⁵ I can prove this myself having worked during some time in the methodology group of the ENGH, having participated in training sessions for interviewers and interacted much with them.

their wage for their own use, this figure is a bit tricky. “[I]t was clear that women frequently considered the part of their salary set aside for shopping for their children to be earmarked for ‘personal use’” (p. 197). She also finds that women manage the family budget more than men and that their responsibilities in this sense increases the more they earn. Despite this, men make decisions about how to use possible surpluses. “His lower degree of participation in the administration does not seem to change the family decisions in favour of the women in some aspects of family life. Budget administration may become ‘another job’ for women and sometimes a new source of conflict between the sexes” (p. 200)¹⁰⁶.

The limitation of these case studies is clearly the impossibility of confidently generalising their findings to other households and groups with different characteristics. While illuminating about the issues that households’ surveys does not take into account, this qualitative research is not enough and there should be a way of institutionalising this kind of investigation. However, it is clear that the assumption of harmonious allocation of resources within the households, as well as fair distribution of responsibilities, is far from the reality of urban households in Argentina.

V.2. Gender and labour.

Another “problematic area in household survey research is the classification of unpaid work, particularly of work done within the household. In some surveys, work refers exclusively to paid work. Those who work only within the household are classed as ‘economically inactive’” (O’Laughlin, 1996: 9). In the case of the Argentinian surveys people who only devote themselves to domestic chores (generally women) are explicitly considered inactive, together with students, the elderly, the disabled and loafers. Their work is therefore not valued. Only the production of food goods for self-consumption is taken into account, though its estimation is often very inaccurate¹⁰⁷.

¹⁰⁶ Beneria and Roldan (1987) describe similar patterns of male control over resources in their study of working-class households in Mexico City. They group them in four categories:

- i) Husbands’ ability to withhold or share information on the actual amount of their earnings. In their study, almost half the wives were not sure exactly how much their husbands’ earned each week, and most suspected that they were not pooling all they could to meet collective expenses.
- ii) Husbands’ decision as to what portion of this earnings he would keep as personal spending or pocket money. While wives did not object to husbands’ need for some pocket money for work-related expenses and even for social activities, the amount of this pocket money was the main source of quarrelling and physical abuse among spouses. Despite the conjugal battle, 75% of husbands had the final say on the issue. The average amount kept as pocket money came close to 25% of declared earnings.
- iii) The form in which the allowance or contribution is given to the wife: as a lump sum or in instalments. In 50% of the cases wives received an “extensive” allowance: i.e. weekly contribution was handed over in full and was a fixed amount. Pooled with wives’ contributions, this money was supposed to meet all the expenditures of the domestic group. While this pattern was preferred in the sense that it gave women relatively more autonomy and saved them the repeated humiliation of begging and nagging to secure the promised amount, it was also a source of profound psychological stress, as they were the responsible for making ends meet. Among the rest of the sample, 40% received an “intermediate” allowance, that covered the basic expenditures plus clothing or rent, and 10% received a “restricted” allowance. In these two last groups women do not see this as a form of division of labour, but instead as a means for keeping them in a state of uncertainty, worry and dependence.
- iv) Women’s contribution to the common fund. In all cases, they pooled their entire earnings, not keeping the equivalent of male pocket money. Though the decision to pool earnings was declared to be the wife’s own choice, in actual fact they have little choice, given that their incomes are very low, and that they are devoted to meet collective rather than individual needs.

¹⁰⁷ Simply, people are asked what the value of their production for self-consumption might be, if they were to acquire those goods in the market.

In any case, women's work is undervalued, because their contributions in the informal economy are not taken properly into account (due to the difficulties of current methodologies in measuring any economic activity that is carried out beyond the market), and because their work inside the household that is not devoted to self-consumption production is just ignored.

Furthermore, the observation of domestic labour is not only important for the value it has in itself, but also because the devotion to housework responsibilities is one of the reasons that strongly determine women's possible access to paid-work. In fact, there are three choices available for women in the labour market: i) full time employment; ii) part-time jobs; iii) outworking. What to choose depends on: i) women's position in their life cycle; ii) number of older daughters in the household; iii) income situation of the household; iv) personal self-interests; and v) conditions in the labour market.

The rate of participation in the labour market in the case of Gran Buenos Aires is quite different for women and men. While male participation has been constant and high during the last fifteen years, participation of women in the labour market has historically been very low, though it has shown a steady increase (see table 8). However, this growth has not been the same for all age group of women. In fact, women between 15 and 19 has decreased their participation in the labour market, while women between 35 and 49 are the group that shows the biggest increase¹⁰⁸. Many factors seem to explain the evolution of the female labour supply, but as Berger (1995) points out, it is always directed by a gender-based logic, that develops regarding the changing socio-economic conditions.

Garcia de Fanelli (1991) points out that women from households with a low income level enter the labour market mostly either as domestic workers or, specially since the beginning of the 80s, in the social service and public sectors. She highlights that in the critical economic and social context of that time, the expansion of those sectors was not a sign of modernity, but rather of informality and low productivity, where the working conditions and specially the wages have been systematically deteriorating. Besides, she observes that there is a greater participation of adult women, married or divorced in the public than in the private sector. This concerns the fact that the public sector in Argentina, is a more flexible employer than private enterprises, and reveals how the stage in their life-cycle determines the type of work and the sector where women can be incorporated. The possibility of full-time formal employment is very difficult for women with young children if there are not other people in the household that can take care of them (older daughters or other relatives) or if the State does not provide adequate child care facilities. This is the normal case in Gran Buenos Aires.

Table 8
Gran Buenos Aires
Rate of "Economic Activity"
(April of each year)

¹⁰⁸ The strong increase in women's "economic activity" rate in 1993 and 1995 is explained by the experts as a response to the economic recession suffered during those periods, and the households' need of getting extra incomes from the labour market.

	Total		By Age							
			15 to 19		20 to 34		35 to 49		50 to 63	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
1980	37.8	84.7	31.3	51.1	50.5	92.1	38.4	96.7	22.4	78.0
1981	38.9	83.2	31.7	44.1	51.0	93.0	40.5	96.2	24.7	75.0
1982	38.3	85.0	30.8	45.5	50.7	93.2	40.8	97.2	23.4	77.4
1983	37.0	83.6	28.9	44.6	50.0	92.5	39.8	96.4	21.2	75.7
1984	38.5	83.5	26.8	45.2	52.7	93.3	41.4	97.2	21.9	72.0
1985	39.6	83.7	29.5	44.2	52.0	92.2	42.4	96.7	24.9	76.3
1987	43.9	84.5	25.9	46.4	56.5	93.2	49.5	97.2	29.7	77.5
1988	43.3	84.0	27.7	46.0	55.7	92.9	48.8	96.5	27.8	77.2
1989	46.8	85.0	29.7	46.3	56.2	93.5	53.3	96.7	33.9	78.7
1990	44.9	84.0	27.6	42.7	54.8	94.1	50.7	96.9	29.7	79.3
1991	44.5	82.7	24.0	42.1	54.6	91.8	52.2	96.9	31.2	78.4
1992	45.9	84.4	29.3	44.2	55.8	93.0	52.7	96.9	32.3	80.3
1993	50.7	85.4	28.5	45.5	60.7	93.3	58.9	97.7	38.3	82.1
1994	48.7	84.5	29.2	47.5	57.7	93.5	57.8	96.8	35.2	79.5
1995	54.2	86.0	33.8	48.7	66.7	94.0	60.0	97.7	40.7	84.0
1996	49.7	83.9	24.0	43.0	59.9	92.0	57.8	97.1	38.9	81.8

Note: The absence of data for 1986 is due to problems in the collection of the information.

Source: EPH. INDEC.

The strong conditionality that the existence of children in the family imposes to women's participation in the labour market is confirmed by Berger (1995). She analyses the rate of participation of female spouses in three categories: young without children, with children younger than age 2, and with children between 2 and 4. In every cases the participation of the first is markedly higher than the rest (see table 9). The most interesting point is yet that women with children in the lower stratum have less participation in the labour market than women with children in higher stratum. This is due to the mentioned lack of appropriate public child care policies to support these households¹⁰⁹.

¹⁰⁹ The description of the relation between gender and labour market would be better achieved with data about differential salaries. Unfortunately that information is not available.

Table 9
Gran Buenos Aires
Rate of activity of the wife by stage in family cycle. (1991)

	Stratum			
	1	2	3	4
Young without children	85.7	55.9	62.1	58.8
Child below 2 years old	37.5	37.0	25.9	13.6
Child below 2 to 4 years old	50.0	36.2	25.9	30.0

Note: The Stratum are defined by the socio-occupational level of the male-head of the household:

- 1 = employers and professionals
- 2 = non-manual skilled wage-earners and non-manual self-employed workers
- 3 = manual skilled wage-earners and manual self-employed workers
- 4 = unskilled wage-earners

A final interesting contribution to the description of women's participation in the labour market is done by Geldstein (1994), when analysing the case of women in Gran Buenos Aires who are the principal income earner of their households. She observes that the incidence of poverty among households supported by women is more severe than in the case of households supported by men. The majority of female principal income earners from poor households are spouses or heads of families with young children. In the case of heads of households, poverty is a result of them being the unique income earner due to absence of partner, or because when their children are very young they can only work outside the house during very few hours. In the case of spouses, the more frequent cause of poverty is the inactivity, unemployment or low income of the male head on households with a high rate of dependency.

Geldstein also observed that women that are principal income earners obtained their money from the labour market (not from fiscal transfers or other sources). In fact, a great part of female heads of households and almost half of female spouses that participate in the labour market are the principal income earner of their households. In general, these women work many hours, more than the total of employed women. Actually, they work as many hours as they can. Their hourly incomes are lower than that of men that are principal income earner. This explains the incidence of poverty in households whose unique income earner is a woman, as well as the need of working many hours and the strategy of incorporating more members of the household (adult sons and daughters) in the labour market.

Female principal income earners of poor households work in waged-positions of low remuneration, with a strong lack of social protection, and in domestic work, specially those women that are head of households and have low educational level. In fact, domestic work is a kind of "refugee" activity (where people go when they do not have any other alternative) for those women with high domestic demands¹¹⁰.

Geldstein concludes that although women who are principal income earner do not differ that much from the rest of women workers in terms of their insertion in the labour market, they often belong to poor households, precisely because their income is the principal component, and frequently the only one, of the household's total income.

¹¹⁰ Domestic work represents 25% of female economically active population in Argentina.

V.3. Concluding remarks.

The quantitative information provided by censuses and household surveys is incomplete to understand the phenomenon of feminization of poverty. Though these data can be disaggregated by sex (number of women in households considered poor, number of poor households' with female head), those figures deny what is happening within the households.

Little attention has been given to the possibility of modelling and empirically testing the intra-household distribution of resources while analysing poverty. Furthermore, in the case of Argentina, the data currently provided by the households surveys do not allow this exercise by other than assuming or simulating. Thus, the little existing evidence is based on qualitative research through case studies.

These demonstrate how women in Gran Buenos Aires are many time in charge of administrating the domestic budget, though rarely have a great to say in the decision making. Their responsibility regards finding an strategy to make the ends meet in the daily life. On the contrary, men are the ones who decide about the important spending (such as investment). The perception of the own needs and that of the others (specially children) is usually confused. Women are willing to consider the money they spend in buying things for their children, as their own spending. Like this, though the existence of pocket money is a fact for men, women's equivalent is commonly allocated to the purchase of goods for collective consumption.

In all the cases women are the ones responsible for the domestic chores. While some of them enter the labour market, to contribute to the total household income, they do still dedicate a lot of time to housework. However, their contribution in the form of domestic labour is not correctly perceived by others in the households and even by themselves, and this situation affects their position in the bargaining process. The presence of young children imposes a clear limit to women's possibilities in the labour market. They usually have to choose those activities that allow them to still spend much time in the house (outworking, part time jobs, or public sector positions). These are the jobs that in the present context of the Argentinian economy, are worse remunerated and offer most precarious working conditions.

In summary, the very few available studies presented in this chapter prove the importance and the need of extending the analysis of poverty to better understanding its characteristics. The observation of intra-household dynamics of allocation of resources among members of urban households in Argentina should be further investigated in order to assess how women and men differentially enjoyed the benefits of their contributions to the process of production and reproduction. The phenomenon of urban poverty cannot be fully comprehended without looking at the possibilities of participation in the labour market, and this implies analysing the constraints that social expectations about domestic duties impose upon women. This research should not rely on isolated case studies. Rather the possibility of institutionalising this type of observation within the framework of the existing household surveys must be explored. The methodological implications of the findings of this and the previous chapter are summarised and further described in the next and final one.

CHAPTER VI: CONCLUSION: METHODOLOGICAL FINDINGS AND POLICY IMPLICATIONS.

In the first part of this paper I observed that poverty and well-being are multidimensional concepts in whose assessment it is necessary to tackle complex methodological issues. The studies existing in Argentina, as seen in the previous chapters, have not yet successfully solved these difficulties in the case of the analysis of urban poverty. In this concluding chapter I will summarise what are the shortfalls of these studies and how they can be made better with the existing data bases and with further research. Then, I will highlight what are the questions which an analysis of policies that try to handle poverty problems should answer, if the intention is to improve living standards in a more comprehensive way. In fact, I will describe a scheme for those inquiries, and will then illustrate its possible use by comparing the existing social security system with the alternative proposal of the citizen income policy. To start, I will briefly review the main points that I have argued in the previous chapters.

VI.1. Review.

The debate about the characterisation of urban poverty and the public policies needed to face and try to alleviate has gained new relevance in Argentina due to the impact that the transformations of the institutions of the Welfare State are producing on people's well-being.

In the context of a macro-economic policy that is applying the guidelines of the Structural Adjustment Policies promoted by what is known as the Washington Consensus, the social security system was subjected to changes that instead of improving its capacity to provide a needed security net, has created a new situation characterised by income and employment uncertainty. The transformed scheme prioritises those components that rely on individual insurance, at the same time that it disregards the provision of basic services as health care and education. What is worse, these changes have not modified the assumptions of the traditional Welfare State, that considers wage-earnings as the principal income of the population and the nuclear family as the natural basic unit of social organisation. Likewise, many people are excluded from the benefits of the system. Specially, those with economic activities in the informal sector, and those dependants (women and children) whose only income is their share of the male-family-head's earnings, since the intra-household conflicts in the allocation of these resources are ignored.

The citizen income policy proposes a new consensus that guarantees some kind of unconditional income to every person regardless of any other condition except that of being a citizen. Likewise, it appears to be more inclusive than the current scheme, and it deserves to be considered in terms of its capacity to alleviate poverty and to address the gender dimension. To do so, it is necessary to clarify the conceptualisation and characterisation of this problematic.

Previously I pointed out how the traditional approaches to the study of poverty, based on the idea of a rational economic man that behaves regarding his clear preferences, have failed to tackle the multiple

dimensions of the concept and have relied on assumptions that deny the differential shape of the well-being of women and men. However, there are alternative perspectives.

The Basic Needs and the Capability approaches provide a framework of analysis that does not focus on what people seem to prefer, but rather on what they can and in fact do. This will depend on the resources (endowments) they have, the commodities they can acquire and the characteristics of those commodities. These satisfiers will define the spectrum of capabilities to achieve certain functionings, or the level of needs satisfaction. And this will finally show people's degree of well-being, or its absence, in terms of the achievement of valuable functionings.

This conceptualisation of poverty is enriched when taking into account its gender dimension. In this regard, I highlighted how models of co-operative conflicts or conjugal contracts give a better approximation to the differential well-being of members of households. There are at least three issues in intra-household dynamics that make women's economic position more vulnerable: i) the sexual division of labour, or the non-recognition of the value of domestic labour; ii) the intra-household allocation and control over resources; and iii) the differential position of the members when "outside" the household, or their relation with the labour market.

Though very developed in the theoretical terrain, the "translation" of these concepts to empirical measurements of well-being and poverty is more limited. There are two methods often used to estimate poverty indicators: the poverty line (PL) and the unsatisfied basic needs (UBN). With these methods it is possible to observe how many people are living below a certain threshold, defined either as a given level of income or consumption, or as a set of basic needs that are supposed to be satisfied to a minimum level. These measurements are sometimes combined with other indicators, such as those of inequality in terms of income distribution.

Some efforts have been done to include in these indicators aspects of gender inequalities. This has been achieved more successfully in the adjustment of composite indexes of well-being. In contrast, the measurement of poverty still relies too much on data provided by household surveys. By focusing like this on the household as unit of analysis, they failed to take account of the intra-household differences.

In Argentina, the existing urban poverty studies are in line with these approaches. The information they provide reveals that poverty continues to be a serious problem and that there is much need for social policies to improve people's living standards. Despite the significant research attention given to this problem, its understanding is still limited. In particular, I have highlighted two major shortfalls:

- i) Few attempts have been made to broaden the analysis beyond the levels of resources and satisfiers.
- ii) There has been very little attention to the gender dimension of the analysis.

In what follows I will analyse how the existing data sources can be better used to improve poverty studies, and what lines for further research are still necessary.

VI.2. Towards an improved and gender-sensitive poverty assessment.

While it is not easy to elaborate indicators for capabilities and functionings, and their development is beyond the scope of this research, the use of the models and lists of indicators provided in Chapter II can be a good starting point for extending the analysis. Quantitative data provided by the National Censuses as well as qualitative information from alternative ad-hoc surveys, should be used in this direction. In any case, it is at least important not to arrive at inadequate conclusions with the limited indicators that already exist, and observe at what level the analysis is done. The checklist provided in the next section can also be a useful tool here.

Though limited, the information provided by the household surveys can still illuminate the understanding of poverty and its differential impact on women and men. Besides, these surveys can be improved and focused intensive studies can be developed with smaller samples. In any case, further qualitative information is also necessary. Some possibilities of alternative uses of the current data and some lines for further research are the following:

a) Characterisation of households:

It is possible to improve the characterisation of urban poor households by disaggregating the information by sex of the head of household and the income earners. This characterisation should include at least the following variables: size of household (total number of household members), number of children in different age groups, number of elders, number of income earners, rate of dependence (number of dependants per income earner); source of income, including both labour market incomes (wages, self-employed income, owners and employers' income) and transfers (pension benefits, other social security system benefits, financial returns). This information will allow a better description of the differential composition of poor households, and the different strategies they exercise for surviving: the allocation of members to the labour market and the constraints in these decisions, the possibilities of the different members to effectively enter the labour market, the kind of job they are able to do and the level of income they can get.

Special attention should be given to the cases of women-headed households, both in their characterisation and in the shape of their survival strategies¹¹¹.

b) Participation in the labour market:

To better understand the relationship between gender and labour markets, it should also be interesting to compare the characterisation of households i) with female head and ii) with male head and female spouse who enters the labour market. The identification of daughters that take the responsibility of the domestic chores as well as the comparison of the age and the stage of the life cycle would help to assess the tendencies described in previous chapters, in terms of the difficulties that women with young children face when trying to get a job outside the household. The observation of the income of the male spouse can also give some light in the explanation of the context in which women decide to participate in the labour market, and in what conditions they finally do so.

¹¹¹ See, for example, Gonzales de la Rocha (1994), Chant (1997).

Information about the differential situation of women and men in the labour market can already be obtained by disaggregating data provided by the EPH by type of occupation, sector of activity, hours/days worked, qualifications, and of course income. Additional inquiries should be added regarding working conditions, such as facilities for child care, existence of policies against sexual harassment in the place of work, possibilities of a “career”, etc. Women might be specially asked about the reason why they choose a certain type of activity (for example why they work part time) and this information should be cross-checked with the characterisation of the household in terms of life-cycle stage. Finally, a particular emphasis should be given to the activities that can be included in the category of informal work. Special questions can help to identify family enterprises and productive units that are commonly run by women in their own houses.

Work intensity should be studied through the analysis of time allocation to different activities, by development of time-use survey methods and the incorporation of these inquiries in the existing household surveys. This information would illuminate the understanding of the work intensity suffered by women who enter the labour market, since they anyway do not abandon their domestic responsibilities.¹¹²

c) Intra-household dynamics:

For describing intra-household dynamics, observation of the current data can provide limited information: value of the activities of production for self-consumption; income information that can be used to estimate women and men’s share of the household total income. Yet, the household surveys’ questionnaire should include inquiries about the way the household pools incomes and makes decisions about domestic expenditures and investments¹¹³. Also, about how domestic responsibilities are allocated among the different members (who does what?) and how much time each of them invests in the different activities¹¹⁴. For the cases of women with children who participate in the labour market, some questions should be added about how they solve the problem of children’s care. Finally, it should be clarified who are the owners of the household’s assets. Since this might transform the questionnaires into very heavy tools to be applied in field work (the interviews might be too long from the need to ask many questions), this type of analysis can be focused only on an ad-hoc selected sub-sample.

- Based on this information, models of intra-household bargaining should be developed, considering not only power relationships among members of the household, but also the relation each of them establishes with the market, the community and the State, since all these instances are finally defining the position of the members in the bargaining process.¹¹⁵
- Intra-household equality can also be evaluated in terms of, for example, nutritional status¹¹⁶.

¹¹² See, for example, Floro (1995).

¹¹³ An interesting guide in this research is the work done in the UK within the Welfare State Programme in the STICERD, at the London School of Economics.

¹¹⁴ This can be operationalised, for example, by a list of activities (domestic chores) with for each the name of the person who is often responsible for that. Like this, a list of type of acquisition can also be provided to show the name of the person who usually decides about those purchases and the money “of whom” is used for that purpose.

¹¹⁵ Interesting ideas are provided by Agarwal (1997), Roldan (1988), Katz (1995), Doss (1996), Findlay and Wright (1996).

¹¹⁶ Some developments in this line, whose methodology should be investigated are: Haddad and Kanbur (1990), Rogers (1996), Senauer (1990). In Argentina, see for example Aguirre and Lesser (1993).

- The valuation of caring labour should also be investigated, in order to contribute in the analysis of women's real contributions to the household¹¹⁷.
- In the same way, analysis of the cost of dependants support can help to understand how needs are met¹¹⁸.

VI.3. Checklist for poverty assessment and social policy analysis.

The development of more comprehensive methodologies in the assessment of poverty will provide information for better policy research. This in turn can be translated into the implementation of more effective solutions to social problems. To use the concepts developed in this paper to direct the analysis of policies that consider alleviation of poverty as one of their objectives, it would be an interesting contribution. For that purpose, I developed the following set of questions that should be checked when trying to understand the scope of the proposals under analysis.

1. What level of poverty/well-being is the policy affecting?

1.1. Satisfaction of basic needs?

- What needs?
 - Material
 - Basic/non-basic
 - Biological/bio-psychological (Kamenetzky)
 - Subsistence/protection (Max-Neef)
 - Physical and mental health (Doyal and Gough)
 - Non-material
 - Basic/non-basic
 - Psychological/socio-cultural (Kamenetzky)
 - Affection/understanding/participation/creation/leisure/identity/ freedom (Max-Neef)
 - Personal autonomy (Doyal and Gough)
- Whose needs?
 - Individual
 - Household
 - Households' members (male head/housewife/children)

1.2. Actual functionings (being and doing)?

- What functionings, i.e. what evaluative space is referred to?
- Basic/Non-basic

¹¹⁷ Some theoretical contributions can be found in Folbre (1995).

¹¹⁸ See, for example, Oldfield and Yu (1993).

1.3. Capabilities to achieve?

- What capabilities?
- Check against shape of human form of life/basic human functional capabilities (Nussbaum)
- Is freedom of choice taken into account?
- Who is choosing?

1.4. Provision of satisfiers?

- What satisfiers?
- In Being/having/doing/interacting mode? (Max-Neef)
- Check against Intermediate needs (Doyal and Gough)
- Are there problems of provision/supply?
- Whose satisfiers?
- Individual
- Household (who within the household?)

1.5. Commodities?

- How are they provided?

1.6. Endowments/resources?

- Who is receiving?
- How are they got?
- What entitlement?

2. Is there a minimum standard?

2.1. How is it decided?

- Absolute terms? e.g. nutritional requirements
- Relative terms? e.g. relative to average income

3. Are problems of inequality [what inequality] being tackled? How?

4. Are problems of freedom taken into account?

- 4.1. Freedom of what?
- 4.2. Freedom of who?

5. Are gender differences taken into account?

- 5.1. Intra-household conflicts in the distribution of responsibilities regarding domestic chores.
- 5.2. Distribution of resources/contributions (real and perceived)/benefits.
- 5.3. Potential economic position outside the household.

VI.4. Poverty, gender and the citizen income proposal.

The assumption guiding this paper was that the social security system as it is structured today in Argentina is not providing a security net that would allow people to avoid falling into poverty. The set of

questions presented above should be useful to understand why the actual system is failing and whether the alternative of the citizen income proposal can be better. How does each of the policies answer the “poverty checklist”?

First of all, I have to clarify that in both cases I am talking about monetary transfers: a universal and basic transfer in the case of the citizen income proposal (CIP) and a set of allowances regarding given entitlements in the case of the current social security scheme (SSS)¹¹⁹.

What level of poverty/well-being are these policies affecting?

CIP & SSS: Resources, the two of them are transferring money.

How are these resources got?

CIP & SSS: Transfer from fiscal budget. **[Problem: how are they financed?]**

What are the rules of entitlement?

CIP: Without any requirement (except being a member of the community)

SSS: Rules of entitlement reflect the person’s position in the labour market. **[Problem: those that do not enter the labour market, or are not related with a worker or ex-worker do not have access to any benefit.]**

Are problems of inequality tackled?

CIP: The transfer is universal, i.e. the same to everybody. Does not create new inequalities. **[Problem: why give money to those who do not need it? Why not to allocate it to those in more need?]**

SSS: The benefits are proportional to previous contributions (except for family allowances) and contribution is equal to zero for those who has never contributed (eg: informal sector). **[Problem: this deepens the inequalities already perceived in the labour market and especially between formal and informal workers].**

Are problems of freedom taken into account? Freedom of what? Freedom of whom?

CIP: The transfer is given without previous contributions or future commitments. People have the freedom to do what they want with that benefit, the only restriction being the amount. Everybody has this freedom, because the benefit is paid to individuals. **[Problem: how to handle the case of children below a certain age, since they are not able to receive the benefit by themselves?]**

SSS: The transfer is given to the person with entitlement (in general a male formal-sector worker head of household). This person enjoys freedom to do what he/she wants with this money (including spending it all on personal matters). **[Problem: the persons who generates the right to the income, i.e. spouse,**

¹¹⁹ Family allowances + pension benefits + unemployment compensation.

daughter, son, might not receive the benefit. Its enjoyment would depend on their relationship with the beneficiary (male head)].

Is there a minimum standard? Defined how?

CIP: There is a minimum to be defined, that can also be differential, i.e. a minimum for every child, a minimum for every woman, a minimum for every man. This minimum can be defined either as an absolute (the minimum to purchase a basket of satisfiers of basic needs) or as a relative quantity (a proportion of average per capita income).

SSS: There is a minimum pension benefit, and a minimum to be paid as unemployment compensation. The rest of the benefits are not minimum but are a fixed amount (that very often is “minimal”).

Are gender differences taken into account?

CIP: Yes. Because the beneficiary is the person, not the member of the household, it solves problems of intra-household bargaining on the allocation of that benefit, and provides women with a better position in the bargaining process, since now they can count on an independent income. Because it does not depend on the position of the person in the labour market, it does not deepen the gender discrimination existing there. Because it provides many women who do not actually have any independent income with one, it gives them the possibility of deciding to pursue other activities outside the household, or even to feel rewarded for the domestic work they do for free.

SSS: No. Because the system is founded on the assumption that the normal social grouping is the family, with a man breadwinner, a housewife and children, it consolidates this model and excludes any other possibility that does not conform with it. Because it allocates the benefit to the household's head, it also consolidates the problems of intra-household bargaining. Because the benefit appears as an extension of the household's head income, it can deepen the gap between intra-household's contributions (real and specially perceived). **[Problem: reinforces and deepens inequity]**

It is not possible to say, just by answering these questions, if the citizen income proposal is better than the current social security system, but at least the answers to this checklist give some elements to highlight the better starting-point of the citizen income as a policy that takes really into account gender economic inequalities and that is more inclusive than the current system, by separating the right to receive the benefit from the status in the labour market. This scheme also makes evident the limitations of the citizen income as a poverty alleviation policy, as long as it does not address problems of access, supply, and availability of satisfiers. However, the proposal can be understood just as a component of a broader social policy, that should guarantee the access of the population to other basic services (such as education and health care) and that should be implemented in a political environment that allows people to freely express themselves.

Concluding.

The objective of this paper was to illustrate the benefits of applying an alternative framework to analyse social policy. In the process I highlighted the weaknesses in the current understanding of urban poverty in Argentina. This problem does not of course lie only in the myopia of the researchers and policy analysts, rather in the limitations of the available data and the constraints of their sources, not to mention the difficult work of getting access to the existing information due to political and bureaucratic obstacles.

Much work is needed to generate the information required to give answer to these questions, and in general to reach a better analysis of poverty and well-being. However, this is the only way to be able to design and implement more effective social policy.

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ABBREVIATIONS

BNA = Basic Needs Approach

CA = Capability Approach

CEPA = Executive Committee for the Study of Poverty in Argentina (Comite Ejecutivo para el Estudio de la Pobreza en Argentina)

CEPAL = Comision Economica para America Latina y el Caribe (Spanish for ECLAC)

CIP = Citizen Income Proposal

CPI = Consumer Price Index

ECLAC = Economic Commission for Latin America and the Caribbean

ENGH = National Households Expenditure Survey (Encuesta Nacional de Gastos de los Hogares)

EPH = Permanent Households Survey (Encuesta Permanente de Hogares)

GDI = Gender-related Development Index

GDP = Gross Domestic Product

GEM = Gender Empowerment Measure

HDI = Human Development Index

INDEC = National Institute of Statistics and Census (Instituto Nacional de Estadisticas y Censos)

IPA = Research about Poverty in Argentina (Investigacion sobre Pobreza en Argentina)

LSMS = Living Standard Measurement Studies

PL = Poverty Line method

PQLI = Physical Quality of Life Index

QOL = Quality of Life

SBES = Standard Basket of Essential Satisfiers

SIEMPRO = System of Information, Training, Monitoring and Evaluation of Social Programs (Sistema de Informacion, Capacitacion, Monitoreo y Evaluacion de Programas Sociales)

SOL = Standard of Living

SSS = Social Security System

UBN = Unsatisfied Basic Needs method

UNDP = United Nations Development Programme