How to Identify National Dimensions of Poverty? The Constitutional Approach

Summary

With the signing of the 2030 Agenda, the international community has committed to ending poverty in all its forms. This first Sustainable Development Goal (SDG) recognises poverty as a multidimensional phenomenon that goes beyond the simple lack of a sufficient amount of income. However, the way the SDG 1 and, in particular, Target 1.2 – "reduce [...] poverty in all its dimensions according to national definitions" – are formulated poses challenges for its operationalisation.

Which specific dimensions of poverty should a country focus on? How can we identify them? Is it possible to agree on a universal set of dimensions with which to compare poverty across several countries?

Recently, significant advancements have been made in the measurement of multidimensional poverty; however, how dimensions of poverty are selected is often overlooked. Empirical studies have employed different approaches, ranging from a data-driven approach to the use of participatory methods or surveys to detect context-based dimensions. This Briefing Paper discusses the pros and cons of the existing approaches and argues in favour of a new one, called the *Constitutional Approach*. The central idea is that the constitution of a democratic country, together with its official interpretations, can be a valid source of ethically sound poverty dimensions.

What is the value added of the Constitutional Approach? And what are the policy implications of adopting it?

- The approach is grounded on a clear understanding of what poverty is, rather than an ad hoc approximation of it based on data availability. Only with a clear definition can poverty be measured, and anti-poverty strategies adequately designed and implemented.

- By drawing on norm-governed national institutions that have shaped societal attitudes, the resulting list of dimensions is more *legitimate* and likely to be accepted and used by national policy-makers and endorsed by the public. The selecting of valuable societal dimensions is not just a technocratic issue but must be grounded in shared ethical values.

- The approach does not require the collection of additional information to understand which poverty dimension should be prioritised. However, one must consider that this approach is only suitable for democratic countries, whose constitutions: are the result of a broad-based participatory process, still enjoy wide consensus and recognise at least the principle of equality among all citizens.

- To compare multidimensional poverty at the global level, the approach could be extended by examining a core list of overlapping dimensions across several countries.

Given the above strengths, the German Federal Ministry for Economic Cooperation and Development (BMZ), which has a vital role in the Multidimensional Poverty Peer Network, could recommend this approach to governments to track country progress in SDG 1.

The meaning of poverty and its measurement

Poverty reduction has always been at the heart of development cooperation efforts, but what do we mean by poverty? For a long time, poverty has been viewed only in monetary terms: a person is deemed poor when they have an insufficient level of income to satisfy their basic needs. This view was clearly reflected in the Millennium Development Goals (MDGs), where Target 1 of Goal 1 called for halving the proportion of people whose daily income is less than USD 1.25, the international poverty line identified by the World Bank at the time.

In recent years, however, this conceptualisation of poverty has been strongly challenged in the scientific community and by international organisations like the United Nations Development Programme (UNDP). In 1997, the UNDP defined poverty as a multidimensional phenomenon, and since 2010 it has published the results of the Multi-dimensional Poverty Index (MPI), a composite index that incorporates education, health and material standards of living. As shown in Figure 1, the incidence of poverty in monetary and multidimensional terms can be rather different. While in countries like Mozambique, Guinea-Bissau and Nigeria, figures for the two types of poverty are basically identical, in Ethiopia, Chad, South Sudan and Mauritania, multidimensional poverty is much higher than income poverty; the opposite occurs, for example, in Lesotho, Swaziland and Malawi.

The contrasting figures illustrate that it does matter how we *define*, and as a consequence, *measure* poverty. There are direct implications for policy-ma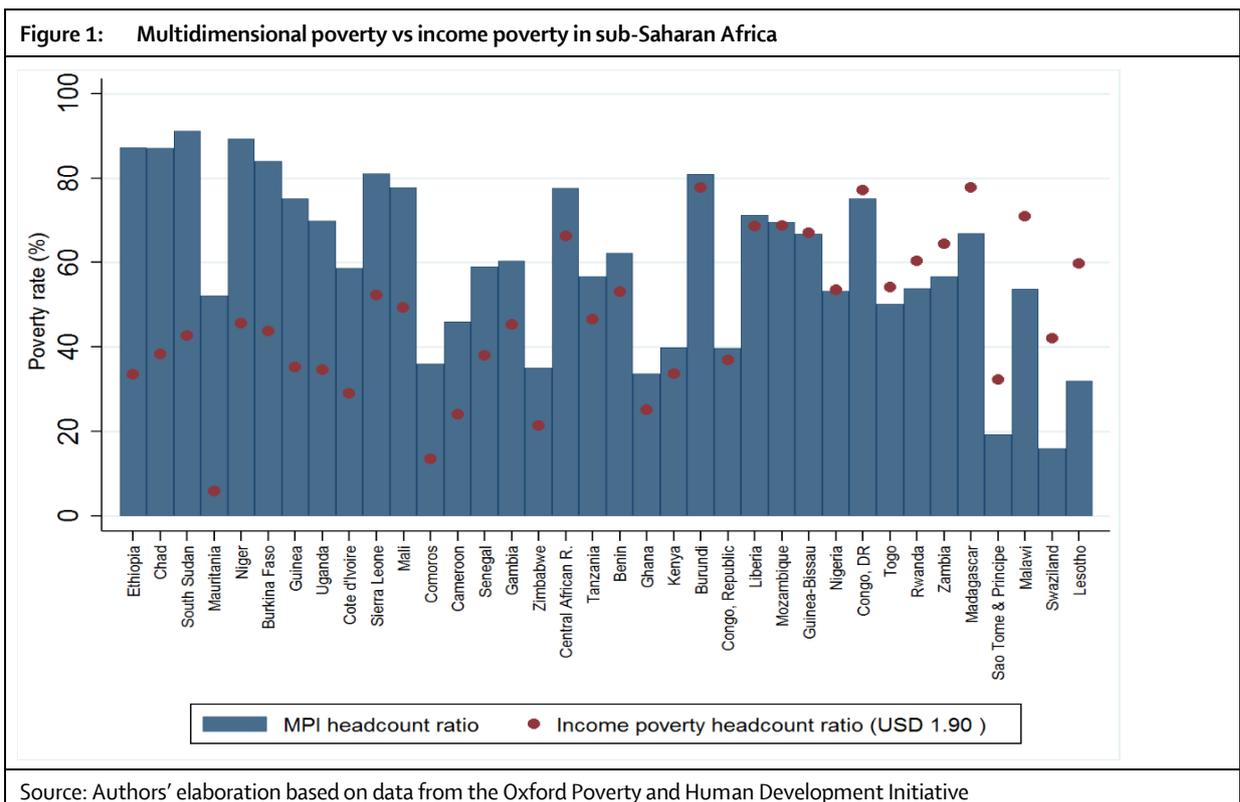king. If poverty is defined in monetary terms, policy-makers will tend to identify the immediate cause of poverty as a lack of income or income-generating opportunities. Policies will be designed according-ly. This is often how economists make use of poverty statistics. On the contrary, a multidimensional understanding and measurement of poverty allows us to identify the areas – education? health? employment? – in which the major problems persist and how these dimensions interact with each other. This leads policy-makers to make more informed choices about the design and the targeting of policies.

Both perspectives on poverty – the monetary and the multidimensional – are reflected in SDG 1 of the 2030 Agenda, in which all countries committed to "end poverty in all its forms everywhere". Particularly interesting is Target 1.2: "by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty *in all its dimensions* according to national definitions". This Target makes direct reference to the multiple dimensions of poverty.

How can we identify dimensions of poverty?

Given the inclusion of recognition of poverty's multi-dimensionality, the interpretation of Target 1.2 is not straightforward. This poses serious challenges for its opera-tionalisation. To which dimensions of poverty does the text refer? What does "according to national definitions" mean? Does it mean that the concept of poverty changes from context to context?

Our conviction is that the definition of poverty – as a deprivation of opportunities to live a decent life – is universal, but its precise content, that is, the dimensions of poverty that are ethically sound and practically relevant, may vary across

Figure 1: Multidimensional poverty vs income poverty in sub-Saharan Africa

Source: Authors' elaboration based on data from the Oxford Poverty and Human Development Initiative

countries. How is it possible to compile a valuable, context-based list of poverty dimensions? Despite the significant improvements in the measurement of multidimensional poverty that we have witnessed in the past years, and despite the tremendous difference that this specific choice can make in the final results, this question has been largely neglected.

Many empirical studies have simply picked indicators that refer to some common-sense ideas of poverty, for which data are available. These studies lack a sound definition of poverty, do not engage in the theoretical debate on how to identify a suitable list, and do not justify the underlying dimensions, leading to a non-transparent process. As argued by some scholars, this problem is also present in the MPI. Another view is developed by the philosopher Martha Nussbaum, according to whom a list could be obtained on the basis of a specific ethical framework. However, this is a problematic path to take in pluralist societies with diverse ethical commitments because it picks out one idea of the good life and places it above others, reducing the probability that these poverty dimensions are endorsed by the entire population.

More promising are three other approaches. One is the public consensus approach, which uses a consensus-building process, such as the Declaration of Human Rights or the current 2030 Agenda, to generate a list of dimensions. This is a feasible solution because it does not require the collection of further information and the resulting list of dimensions has the advantage of having been agreed upon by many countries. On the other hand, such agreements can be temporary and unstable, and the content of the resulting lists is often not re-negotiated or revised. The list of dimensions, therefore, may only have short term validity. Moreover, international processes may lose track of important national-level dimensions.

A community or even a country could identify its own valuable dimensions of poverty by means of a survey. Some surveys, such as the My World Survey conducted in several countries at the beginning of the post-2015 discussion, asked people which dimensions they valued the most. This survey method permits quantification of the relative importance of each dimension. However, since people are asked to fill out questionnaires, often with pre-coded answers, the results are likely to represent less-informed and less-examined preferences, with little room to reflect on them and revise them in light of considerations from the general public.

Finally, dimensions can be selected using participatory methods, such as focus groups or citizens' juries, which ensure an in-depth public consultation. However, implementing these techniques at the national level can be very complex and costly; moreover, power and educational inequalities among participants risk generating serious biases in the final outcomes. Often the objective of these participatory exercises is to identify the high-priority areas for action rather than to determine which dimensions people value upon reflection and discussion.

The Constitutional Approach

To overcome some of the weaknesses of existing methods, researchers from the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) together with international scholars have proposed the Constitutional Approach (Burchi, De Muro & Kollar, 2014; Burchi, De Muro & Kollar, 2017). This approach differs from the others as it identifies national-level political processes and institutions as the loci of valuable dimensions of poverty and well-being. It draws on ideas of the renowned political philosopher John Rawls (1993), according to whom we can work out the principles that should govern public institutions by appealing to the values embedded in the political culture.

According to the Constitutional Approach, a democratic constitution offers a unique source of ethically sound dimensions of poverty for a society. However, the text of a written constitution should not be taken at face value, but rather critically examined together with its different inter-pretative practices. This approach was first tested in the case of Italy, a country with a long-standing constitution that was the result of a participatory process involving different political parties, and which still enjoys large consensus. As the Constitution dates back to 1948, in addition to the written norms of the constitution, the authors also looked at the work of the Constitutional Court, which has the mandate of aligning the national legislation to the principles. This exercise identified *decent work* as the most important dimension for the Italian society.

Unlike the participatory and survey-based approaches, this approach does not simply yield a list that reflects temporary preferences of the population. It builds on the crystallised norms that have shaped attitudes and behaviours of the citizens and it allows for the identification of the structurally embedded values of a society. Nor does it suffer from the "status quo bias" typical of the public consensus approach. The constitutional text simply provides a starting point, which is then subjected to systematic and critical scholarly reflection. The process involves moral interpretation, as well as the examination of the dimensions in light of broader institutional aims and practices in a forward-looking manner, as done in the case of Italy. In our view, the Constitutional Approach is most in line with the spirit of 2030 Agenda.

Despite the formulation of Target 1.2, it is important to select a list of dimensions to compare multidimensional poverty across countries and guide choices about the allocation of international development assistance. In an ongoing project with the World Bank, DIE researchers have applied the Constitutional Approach at the global level, by analysing several constitutions from countries in different world regions and searching for a common list of valued dimensions (Burchi, Rippin, Montenegro, 2018). The results show that deprivation of decent work, education and health are the most important dimensions of poverty (Table 1). The participatory and survey-based approaches yield similar results for the most important dimensions but differing results for the second-most important dimensions.

Policy implications and recommendations

The debate presented here provides several insights into how Target 1.2 of the 2030 Agenda could be operationalised. It highlights the potential of the recently proposed Constitutional Approach to identify country-based dimensions of poverty.

First, this approach is grounded in a clear conceptual framework that views poverty as the deprivation of opportunity to live a decent life in the multiple domains. A sound definition of poverty is necessary to identify good indices of poverty, and to design and implement policies that tackle the root causes of poverty.

Second, the approach stresses the importance of national political processes and of long-standing institutional norms encoded in the constitution and its interpretative documents for the identification of the valuable dimensions. In doing so the derived list of dimensions carries high *legitimacy* and, as consequence, is more likely to be used by national policy-makers and endorsed by the majority of the population. This is how we suggest the international community should interpret SDG 1, when it calls for reducing poverty "in all its dimensions according to national definitions".

Third, the approach allows for the identification of the relevant dimensions without collecting additional qualitative or quantitative data. However, the utilisation of the Constitutional Approach is conditional on the presence of democratic institutions. At a minimum, a country must have a constitution that is the result of an extensive and informed public debate, is widely endorsed by members of the society, and includes at least the idea of equal citizenship.

Table 1: List of poverty dimensions determined by the Constitutional Approach and other approaches		
	Most important dimensions	Second-most important dimensions
Constitutional Approach	Decent work, education, health	Housing, social security, access to water and food, political participation, access to sanitation, environment
Participatory Approach	Decent work, health, access to food	Access to water, housing, social relations, education, safety
Survey-Based Approach	Education, health, decent work	Housing, access to water, sanitation, social security, social relations
Source: Authors' elaboration based on Burchi et al. (2018)		

Fourth, a shift from a national to a global perspective is necessary to compare poverty across countries and adequately target international aid. The Constitutional Approach can be used to identify a set of important dimensions derived from several countries' constitutions, as was recently done by the joint DIE-World Bank research team.

One way to use the insights from the Constitutional Approach to influence the international debate is through the Multidimensional Poverty Peer Network (MPPN), an expanding network of more than 60 countries and organisations that focuses on multidimensional poverty. The BMZ plays a key role in the MPPN and might propose the Constitutional Approach to governments and policy-makers, who aim to adopt official, national measures of poverty in their countries.

References

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Francesco Burchi
Senior Researcher

Research programme "Transformation of Economic and Social Systems"
German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

Pasquale De Muro
Associate Professor

Department of Economics
Roma Tre University

Eszter Kollar
Assistant Professor

Centre for Ethics, Social and Political Philosophy, Institute of Philosophy
KU Leuven

JRF
MEMBER Johannes-Rau-OF Forschungsgemeinschaft

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