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The Poverty Obliteration Program

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Chapter 2 THE POVERTY OBLITERATION PARADIGM

Introduction

The complexity of the concept of poverty is revealed through multiple channels in politics, media, and associations, and the international community. Different views and positions are adopted with regard to the meaning, causes and approaches to poverty. This diversity in definitions poses enormous hurdles for realizing the perennial objective of reducing poverty by modern society. Varying conceptualizations of poverty make measurements controversial, affecting estimates of the magnitude of poverty and subsequent actions to be undertaken. Conflicting notions of poverty can leave poor people without the necessary policy attention and actions. This chapter explores the meanings and measurements of poverty and their implications. This exploration is directed by the question: how do we make sense from the helplessness of the faces discussed in the previous chapter? Finally, the chapter introduces a new paradigm assessing poverty, the Poverty Obliteration Paradigm (POP).

What is Poverty?

Despite the poor sharing similar needs and aspirations, the concept of poverty remains difficult to comprehend. Poverty is a complex construct. It has multiple conceptualizations and measurements, colored by ideologies and research traditions and reinforced by institutions and organizations which are interested, committed, and shaped by this notion.

Poverty is conceived as a situation in which a person cannot meet certain pre-determined consumption requirements or fails to meet capabilities. The conceptualization of poverty has shifted from physical existence (subsistence poverty) to include people who fail to achieve a certain standard of living, and therefore are excluded from participation in social arrangements. Thus eligibility for participation in social arrangements requires more than food, shelter, and clothing. It requires education, health, and opportunities to lead the life that one desires. Poverty is not only a question of lack of money; it is also concerned with the capacity to enjoy a fulfilling and desirable life.ⁱ

For centuries the discussion regarding poverty was attributed to the nature of man. Man's nature is conceived by some as immutable, while others perceive man's nature as flexible. The difference in conceptions of man's nature has various consequences for how to approach the social processes. While the immutable version of mankind focuses on processes and trade-offs, the flexible version of mankind centers on results and consequences. The former version considers causes of prosperity and wealth, while the latter investigates the causes of poverty.ⁱⁱ These

two visions permeated the subsequent discussion regarding poverty that was elicited after the Second World War. They are revealed in four paradigms that investigate poverty: the income poverty paradigm, the basic needs approach, the capabilities poverty paradigm, and the subjective poverty paradigm. The income paradigm explains poverty in terms of the command of resources and sees poverty as a situation that falls below a minimum amount of income needed for consumption. The basic needs refers to poverty as a situation lacking in adequate calories intake, housing, healthcare, education, clothes and to access in basic public services. The capabilities approach is a human condition lacking in many dimensions of human life (deprivation of opportunities) is specifically reflected in the HDRs in four key areas: education, health, and command over resources and participation. Finally, subjective well-being defines poverty as a self-reported condition of being poor. Figure 1 provides a snapshot of the different meanings of poverty stemming from the four paradigms we will discuss.

Figure 1. Poverty through the lens of Four Paradigms

	Paradigms			
	Income Paradigm	Basic Needs	Capabilities	Subjective Well-being
Evaluative Criterion	Deprivation of Income	Deprivation of Consumption	Command Resources	Deprivation of Happiness
Metrics	Income	Basic Needs	HDI	Satisfaction with Life
Unit of Analysis	Individual	Individual and Society	Society	Individual and Society
Focus of Analysis	Externally determined (objective)	Externally determined (objective)	Externally determined (objective)	Subjective

The Income Poverty Paradigm

Income effects have been associated with deaths of children in Africa such as Burundi, Madagascar, and Uganda; with oppression in India through some form of debt bondage; with forbidding child labor; and violence against women.ⁱⁱⁱ On the other hand, income effects have also been associated with reduced poverty when there is a situation of economic growth. For example, in 1991 India experienced a take-off in its economic growth with significant poverty reduction effects. Similarly, Brazil witnessed some impressive poverty reduction effects due to economic growth.^{iv}

The relationship income (growth) and poverty are intertwined through the income poverty paradigm. This paradigm presumes that individual consumers use their income to buy marketed goods and combine these goods with time, knowledge, and non-market goods to provide a more preferable quality of life. It infers, therefore, that the value consumers place on a product (marginal value) can be identified by observing their actual consumption of the product without having to discuss the reasons or motives behind their choice (Samuelson's revealed preference approach). The evaluative criterion of welfare is income and consumption. The observed behavior in the market is the unit of social valuation. How does this paradigm define the poor? Or, in other words, how does this paradigm separate the poor from the non-poor?

This paradigm defines poverty in terms of the level of command of resources. The level of command of resources is measured as the total consumption enjoyed and is proxied either by expenditure or income. Poverty thus is a situation that falls below a certain minimum level of expenditure or income, termed the poverty line. The poor are defined as someone whose resources fall under a particular level or threshold, a so-called 'poverty line' (Ravallion, 1998). This line may be defined in absolute terms, such as the \$1 or \$2 a day per person used by international organizations. For example, the Millennium Development Goals (MDGs) define poverty as people living under US\$1 (extreme poor) per day and US\$2 per day (poor). Poverty from this perspective is viewed as an inferior state of life than wealth, the latter defined as abundance of material resources.

The poverty income definition was pioneered in England by the work of Booth (1887) and Rowntree (1902). Their works prompted a practice that focused on three elements which are still valid today from this paradigm's perspective: (1) the individual is the central focus of inquiry; (2) the inquiry is objective being defined by its objective properties such as conditions and resources which are independent from a person's awareness thereby suggesting some scientific properties to the inquiry; and (3) the inquiry is external to the poor, meaning that the inquiry does not take the opinions, feelings or emotions from the poor into account.

The unit for analysis for this paradigm is the individual. Individuals are seen as rational actors who are defined by self-interest in pursuit of maximizing their benefits or welfare. The focus of this paradigm is explaining the efficient alignment of preferences and utility. Preferences were centered in the pursuit of gaining the maximum amount of commodities and services; and utility was founded on the realization of these preferences. Individuals were considered homogenous with equal chances to participate in this material pursuit; and the ultimate objective of economic life is to procure more income and consumption.

If the individual is the focus of analysis, and the information space required to define a person as poor is derived from a minimum level of resources, then the shortfall from the poverty line is related to the individual motivation and efforts. Based on this line of thinking, several causes have been associated with this

shortfall which is equated with poverty. One such approach has been to ‘blame’ the poor.^v This approach is based on the notion that the poor are different and entertain particular personal attributes that are shaping their ‘negative’ behavior. This ‘negative’ behavior is revealed in lack of motivation, bad choices, habits, values and belief systems.

Throughout history, three main approaches have stressed this individual shortfall or deficiency, namely the neo-classical economics approach, the attribution theory and the culture of poverty framework. The neo-classical approach blames the poor for bad choices shaped by their short-sightedness and low-payoff returns. For example, by foregoing education and training, they are foregoing job opportunities.^{vi} The attribution theory posits that the poor should blame themselves for accomplishing the least in society. This low accomplishment, according to this theory is due to their personal traits, such as having big families, dropping out from school, being lazy, not saving more, and simply apathy.^{vii} One of the main roots of blaming the poor is the ‘culture of poverty’ approach.^{viii} This approach posits that the poor hang out with other people who shape their beliefs, attitudes and behavior and that over time these influences are internalized and become their way of life. This way of life, according to this approach, is detrimental to any social mobility, productive work, and social responsibility.

Based on these approaches, there are several policy implications using interventions that target individual behavior focusing on how to make the poor more productive, more socially responsible, and more invested in the future. One overriding concern is the impact of economic growth on behavior. Economic growth has the potential of generating opportunities through, for example, jobs that will positively change the aspirations of the poor provoking investments into the future, such as education for their children. However, absolute income is not the main factor influencing the poor. Some studies posit that relative income is also important in determining poverty and addresses the question of who benefits from growth and posits that growth is pro-poor only if the growth rate of the income of the poor is greater than the non-poor (White & Anderson, 2000; Kakwami & Pernia, 2000). In other words, growth benefits the poor if inequality is reduced. This strand within the literature considers inequality as a breakpoint for poverty reduction. For example, Lopez & Serven (2004) found that growth explains a much smaller proportion of poverty reduction in richer countries than poorer countries. Inequality under this condition functions as a filter in between economic growth and poverty reduction.

The income poverty approach is based on five main tenets: (1) subsistence level defines poverty; (2) the poor are different than the non-poor; (3) the individual is completely responsible for its situation; (4) the separation of the poor and the non-poor is based on the level of command of resources as cut-off point; and (5) economic growth can lift the poor out of poverty. These tenets, however, do not provide a complete picture of the poverty dimension. There is more to poverty than simply blaming the poor or the embracing trickle-down approach.

The idea of subsistence to define poverty can be challenged because poverty is not only a question of suffering from hunger; social needs are as important as physical needs. Similarly, in the previous chapter we already discussed and questioned whether the poor are different from the non-poor. We disregarded this claim on the ground that context makes a huge difference on people's choices.^{ix} Hunger, disease and predatory and criminal violence are not endemic to everyone; they are endemic only to poor people.^x

The information space stemming from a uni-dimensional concept of poverty based on command of resources is also questionable because there are other aspects in life such as subsistence, protection, affection, respect that define individual opportunities besides income or consumption. Finally, it is not clear if economic growth can solve issues related to poverty. Empirical evidence suggests that economic growth provokes positive influence of poverty reduction. However, this influence is not strong in all circumstances. Mediating factors are coloring the relationship economic growth and poverty reduction.

The Basic Needs Approach and Poverty

By the seventies the notion that poverty is defined by physical needs, like hunger, was considered inadequate. The basic needs approach moved the focus to minimizing poverty. Before, increasing private incomes as a policy implication of the goods-centered focus was not working as global poverty significantly increased. The notion that economic growth through trickle-down economics will reach the poor, lifting them out of poverty was clearly not working. Not only were the poor not receiving the incomes stemming from economic growth, but they were also denied access to essential public services and facilities. Consequently, the claim was made to expand the notion of command of resources to access of a bundle of basic consumption.^{xi}

The basic needs approach thus eschewed the poverty notion that poor people can be identified by looking at the total consumption of their household. Instead, the basic needs approach defines the poor as lacking in adequate calories intake, housing, healthcare, education, clothes and to access in basic public services. By extending the information space of poverty the basic needs approach shifted the meaning of poverty from attention to *output maximization* to *minimization of poverty*.

The central tenet of the basic needs approach, however, remains essentially materialistic. It claims that individuals should have a guaranteed subsistence in order to have well-being. Thus poverty is viewed as a situation of consumption deprivation. To determine poverty, the approach invokes a procedure which identifies a minimum bundle of basic consumption, and assesses whether the population has access to the minimum bundle. Two informational requirements were considered relevant in separating the poor from the non-poor. First shelter,

clothing, and certain household furniture and equipment were considered together with nutritional requirements. And second, the provision of certain public goods was integrated in the definition of poor, such as safe water, sanitation, public transportation, and facilities and services for health care and education for the whole community. The approach was widely advocated, particularly by international organizations such as the International Labor Organization (ILO). Community development became the cornerstone of this perspective.

This new information space, however, faced two challenges: first, the lack of a single indicator which made it difficult to identify the poor; and second, the determination of adequate level of basic needs was subjectively based. Because the bundle of basic goods was imposed without consideration of the poor's opinion, this approach was considered paternalistic as well as not revealing consumers' preferences. Additionally, the basic needs approach is very much focused on the material deprivation without considering values and aspirations of the poor.

The basic needs approach was contested by the income paradigm of poverty. The main contest stems from the perspective that basic needs would divert scarce resources away from productive sectors thereby affecting economic growth. The trade-off with economic growth would ultimately hurt the poor and put poverty reduction programs in jeopardy. Critics argue that the poor would be better off by increasing private incomes that will enhance their basic needs satisfaction than through increasing consumption levels directly.^{xiii}

The Capabilities Approach and Poverty

Sen (1985, 1999) claims that the end game of the economic life is not the command of resources; instead it is what these resources do to people. Sen investigated the effects of resources on the individual and created the capabilities approach, claiming that poverty is a multidimensional concept. Income is not an adequate metric to define well-being or the lack thereof; instead freedom to lead a valued and fulfilling life is what should define well-being. Poverty, thus, is not the inability to command sufficient or adequate income, or meeting basic human needs. A person may have good health and live a productive life, but still could become unemployed due to circumstances beyond his control. When the person is unemployed, he loses his income and thereby ability to meet basic needs. Rather, poverty from Sen's perspective is lack of opportunities.

Two aspects of freedom are crucial in Sen's perspective, capabilities and functionings. Capabilities refer to the range of opportunities present for an individual to pursue the lifestyle that he/she values and determine the range of achievements (functionings) possible for the individual, such as a good job. Thus Sen makes the connection between capabilities (inputs) such as years of schooling, financial resources, and protection of freedom of thoughts and property rights, and functionings (outputs) such as life expectancy, morbidity, literacy, and nutritional levels. The scope of choice hinges upon individual characteristics (for example,

being disabled) and external conditions affecting the conversion process of capability into achievement.

Sen considers equity a crucial factor in the pursuit of social optimality and argues to distinguish the notion of efficiency from equity: an action that might improve everyone's well-being may enhance some people's welfare more than others. If those who benefited from this efficiency are the richest, then improved efficiency might be entirely consistent with more inequality. This would be unacceptable in light of the persisting poverty in the world. Sen rejects the notion that all individuals have the same capability to convert resources into functionings (valued achievements), implying that individuals would require different levels of resources.

The information space shifts from resources or income to indicators of freedom, or from a 'goods-centered' view to a 'people-centered' focus. Sen (1999) shifts the pendulum from lower levels of human needs (basic needs) to integrating factors of higher human needs such as freedom and opportunities. The main contribution of the capability approach to the understanding of poverty is the focus on the context of the lives people live and the freedoms they enjoy. The income focus is substituted for a human focus and defines poverty as a multi-dimensional construct aiming at a higher quality of life and well-being. This shift in focus has significant implications regarding how to separate the poor from the non-poor. Questions posed to decipher who is poor shift from, for example, the early conceptualization which would assess reading and writing by asking: How much money is allocated to primary education? Sen's approach would prompt the question: Can people read or write?

One could infer based on the previous analysis that a person's achievements (functionings) are dependent on the resources that he commands and the ability to use the available resources. The relationship between achievements and resources can be construed as a production process where resources are considered inputs, while functionings or achievements will be considered as outputs. Inputs are defined as resources that matter in association with benefits realized in the process of economic growth. For example, the only commodity a majority of people possess is their labor power. The ability to find a job and the wage the person is able to extract is crucial in determining the choices and opportunities one has in life. The lack of this ability impairs a person's well-being by removing the opportunity to earn income to buy food, to own property, to enjoy social reputation and to prevent discrimination. Poverty, therefore, is not only a result of lack of income. The problem is multi-dimensional. The ability of the poor to influence decisions that affect their daily lives, vulnerability or resilience to shocks, access to services and assets, strength or disruption of social networks, are all important factors to consider in assessing poverty.

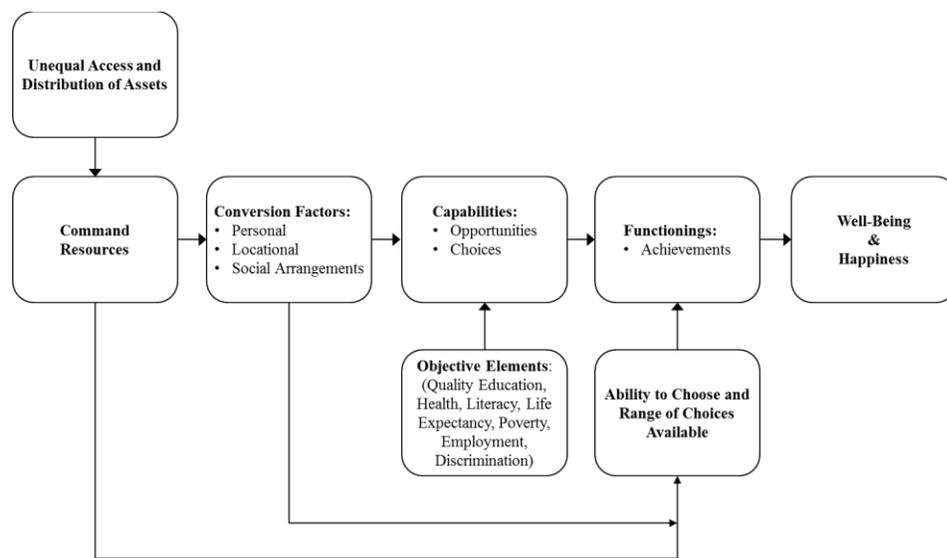
On the other hand, enlargement of capabilities is an important contributor to the expansion of resources (e.g., incomes). However, this ability or capabilities

(qualities of a person) to achieve functionings cannot be observed directly (Sen, 1999). It is assumed that capabilities are a mediating force in the conversion of resources into functionings. The capability approach employs revealed achievements (literacy rate, life expectancy, incomes), following standard economics, to gauge a person's well-being. Figure 2 depicts the relationships among the elements configuring the capability framework.

The United Nations and the international community have adopted the capability perspective, as revealed in the Millennium Development Goals and diffused through the UNDP Human Development Reports (HDR). The refocusing of poverty as a human condition lacking in many dimensions of human life (deprivation of opportunities) is specifically reflected in the HDRs in four key areas: education, health, command over resources, and participation.

However, this framework for poverty analysis is not without challenges. One of these main challenges is the identification of a list of basic capabilities (Clark, 2005; Robeyns, 2005; Alkire, 2007). Sen rejected the notion of a universal list of basic capabilities, because capabilities are associated with personal characteristics and context. Nussbaum (2000, 2006) suggests a list of ten "central human functional capabilities," but Sen seems willing to compromise with a basic list of capabilities to undertake pressing social problems, such as extreme poverty.

Figure 2: The Capability Approach



Source: Croes (2012)

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Sen (1992) contends that *in dealing with extreme poverty in developing economies, we may be able to go a fairly long distance in terms of a relatively small number of centrally important functionings (and the corresponding basic capabilities, e.g., the ability to be well-nourished, the capability of escaping avoidable morbidity and premature mortality, and so forth)*”(p. 44-45). The other major challenge is the issue of measurement. Thorbecke (2005) claims that *“the difficulties inherent in measuring a broadly-based, multi-dimensional concept of poverty impose severe restrictions on the number and type of attributes that constitute poverty.”*(p. 4).

The capability approach reveals an important hidden assumption that more is correlated with well-being; in other words, more income, more education, health and participation imply that people would be happier. Rojas (2004) found in Mexico that the overwhelming majority (90%) of respondents were happy, while 55% of respondents are poor by UNDP standards based on the capability approach. This study questions whether objective standards stemming from the income paradigm, the basic needs approach and capability approach can separate poor from non-poor. Rojas (2008) and Schimmel (2013) claim that by not integrating the opinions of the poor into the equation of the meaning of poverty, previous approaches may have compromised the determination of who is a poor person.

Subjective Well-Being and Poverty.

While the capability approach underscores the multi-dimensionality of poverty, it remains silent on the question of the feelings and emotions of the poor about their own situation. Objective indicators may suggest that an individual is poor, while the individual himself considers himself not poor. Rojas (2008) illustrates this condition in the case of Mexico. Also, the objective indicator may suggest somebody as not being poor, while that somebody feels poor. The cause of this discrepancy is that in poor countries a large portion of consumption happens outside of the marketplace and is based more on home production and barter (exchange in kind). The subjective well-being approach, therefore, considers poverty not as an objectively defined status of deprivation, but views poverty as an individual feeling. Poverty is defined here as a status below a certain degree of life satisfaction.

Intuitively one would think that an individual would like to prevent being in a situation of extreme poverty and therefore pursue higher income. Thus, higher incomes rather than lower incomes are associated with positive appraisals of well-being, according to this ‘objective’ definition of poverty. Income is assumed to be the most important asset to provoke a positive feeling about life. Assuming that the poor themselves can reveal their true life satisfaction better than any objective indicator, economic and non-economic aspects of well-being can be traced. Thus, expressed preferences are gauged in lieu of revealed preferences. This strand of

thought uses surveys in order to gauge how the poor feel about a number of life aspects such as income, reference group consumption, institutional quality, social trust, mobility, health, safety from crime, education, employment.

Respondents in general are asked, all things being equal on a scale of one to ten, “On the whole, how satisfied are you with your life?” Several studies found that some conditions that increase income, do not increase happiness, or may even lower happiness.^{xiii} In other words, the influence of some conditions on income appear to be substantially different from the ways they affect happiness. Graham and Pettinato (2001) found that relative income and social consumption matter in the case of Latin American countries. Rojas (2008) found that Mexico has a large presence of “happy poor”. Schimmels (2013) found some interesting discrepancies in country ranking comparing the HDI ranking and Happiness ranking. For example, Colombia is together with Switzerland second on the happiness ranking (8.1 happiness average), while Colombia’s standing is much lower in the HDI ranking. Schimmels argues that either people do not assess their situation in a discrete manner (poverty vs. wealth) or they consider other dimensions in assessing their situation. Kingdon and Knight (2006) found similar indications of a weak relationship between income and well-being poverty in the case of South Africa.^{xiv}

People may have a different notion of poverty, eschewing the popular assumption that poverty can be viewed objectively. Rojas (2008) claims that experienced poverty is not strongly related to income poverty. He explains this discrepancy by looking at how respondents in Mexico interpret the notion of happy life. His findings suggest that there is no universal conceptualization of a happy life. The reverse of this finding is that if there is a heterogeneity of happiness, then it is possible that poverty does not enjoy a universal conceptualization. Holden (2013) also points to the possible lack of a universal conceptualization of poverty, documenting this claim with the case of the *Adivasi* people from the Nilgiri Mountains of Tamil Nadu in India.

Voices of the poor, a study conducted by the World Bank in 1999, and which reveals the voices of 40,000 people covered in 23 countries, also suggest the significance of relativity in conceptualizing poverty. This work provides a rich tapestry of differences and similarities facing the poor around the world, and reveals the multi-dimensional and interlocking nature of poverty. While the voices clearly indicate that poverty integrates multiple life aspects such as the lack of resources, income, access to health services and education opportunities, the voices also underscore the feelings of being excluded socially. The experience of being poor is related to wealth and living in stressful conditions. Accordingly, “it is not only wealth that matters, it’s peace of mind too”.^{xv} However, some caution is in order because feelings and emotions are a mental appraisal of an objective condition, but not the condition itself. An individual is able to socially adapt to its situation thereby engage in self-denial in terms of the deprivation. This is Sen’s main concern with subjective well-being.^{xvi}

In conclusion, the meaning and measurement of poverty has shifted through time from *output maximization* to *poverty minimization*, from *potential and opportunities* to *ability to achieve happiness*.

Poverty in Tourism Studies

Tourism studies which address poverty issues reflect poorly the discussion in the mainstream development studies regarding poverty paradigms. These paradigms are connected in expanding the informational basis to better our understanding of the complexity and multidimensionality of poverty. Income, basic needs, freedom and happiness are important dimensions in shaping the opportunities, choices and the quality of life of the poor. But why have tourism studies not focused on poverty in a systematic way?

For the longest time tourism studies have centered their attention on the trickle-down theory to propel growth and private incomes. Tourism has relied on this framework instead of proving its link to poverty reduction. Most studies assume that the benefits from tourism will just spread to the poor. The trickle-down effect suggests that the poor would reap the benefits of such growth through various benefits of tourism spending at the destination. The studies focus mainly on efficiency and economic growth, while equity or the distribution of benefits reaching the poor directly remained under-researched.

Studies were more concerned with tourism's potential rather than evidence of tourism's impact on poverty reduction. It was not until the second half of the twentieth century that tourism studies began focusing on the direct impact of tourism on poverty. These studies eschewed the trickle-down theory and are mainly empirically grounded.^{xvii} Only recently have tourism studies began to apply frameworks other than trickle-down approach. For example, Sen's capabilities approach and the subjective well-being were integrated in assessing the role of tourism in poverty reduction in countries such as Costa Rica, Nicaragua, Ecuador, and South Africa, and in areas such as global fisheries.

Tourism studies investigating the link between tourism and poverty reduction have been relatively restrained in integrating the conceptual discussion about the construct of poverty. Only a few studies venture in the discussion regarding the interpretation of poverty. Of those studies which discuss the meaning of poverty, the construct is conceived by implicitly borrowing a number of components stemming from the frameworks discussed previously.^{xviii} The conceptualization of poverty as a multi-dimensional and complex construct is common in these studies.

For example, Holden (2013) borrows from all the frameworks such as income paradigm, basic needs, capabilities and subjective well-being. According to his perspective, the meaning of poverty should be directly derived from the experience of the poor, while taking into account freedom and social norms as well as the possession of resources and the level of participation or marginalization from

society. Zhao and Ritchie (2007) also stress the multi-dimensional aspect of poverty. However, although they pose the question ‘What is poverty and who are the poor?’ as one of the three basic questions of their proposed framework, they remain silent in providing an answer.

Similarly, Scheyvens (2011) integrates ideas from capabilities, empowerment, sustainable livelihoods, and human rights defining poverty as the lack of material resources, satisfaction of basic needs and freedom to choose. According to Scheyvens this conceptualization of poverty also incorporates peoples’ assessment of their own condition. Coulthard, Johnson and McGregor (2011) combine the objective and subjective dimensions of well-being within a relational context, and define poverty as a person who is undernourished, is in physiological decline while being happy, and lacking relational experience. Croes (2012, 2014) conceives poverty not only as the inability to consume a bundle of goods, but also as the lack of opportunities to pursue a life that is valued. Both Holden and Croes underscore the objective perspective regarding the meaning poverty, while Scheyvens mentions the subjective approach to poverty in passing. Only Croes has empirically assessed the relationship between tourism and poverty reduction.

Towards a fifth paradigm: the poverty obliteration paradigm (POP)

A comprehensive view would now inspect and address poverty by linking several elements from the four paradigms discussed earlier. Our view on poverty relates to a fifth paradigm anchored in a lack of economic resources as the defining element of poverty. Lack of resources is associated with scarcity, and scarcity impacts the degree of satisfaction of the absolute and relative needs of individuals. The degree of satisfaction of these needs is connected to social arrangements and rules. This connection ultimately defines the objective and subjective well-being of the individual. To reverse the abject situation of poverty, the poor should have access to economic resources either through jobs or government transfers towards health, education and other needs. Only economic growth seems to provide the opportunity to pull-out people from the condition of lack of resources, and hence poverty.

The previous discussion of poverty reveals that the four mainstream paradigms have conceived poverty as lacking, deficient or as an opposite version of well-being, affluent and happy. Poverty is related to ill-being in terms of lack of resources, assets, nutrients, shelter, clothes, opportunities, choices, freedom and happiness, marginalized from society, powerless and inferior against other groups in benefits and responsibility sharing in society. The conceptualization of poverty stemming from the four frameworks suggests an incremental build-up of relevant aspects that shape the face of the poor. Resources, basic needs, freedom and voices are all integrated in the conceptualization of the poor.

However, defining poverty solely in terms of deprivation would compromise the conceptual distinction between poverty and well-being. Sen, for example, considers freedom as the heart of well-being. He makes this point by claiming that the

difference between fasting and starving is in the free choice of fasting, while starving is the consequence of lack of access to food. One could make the point, however, that a tyrant can take away your freedom of choice, but this is certainly not poverty. While restricting opportunities to pursue someone's well-being, the defining feature of poverty seems to be the failure to achieve certain basic capabilities.

While Sen does not identify these basic capabilities, one could argue that these basic capabilities lie in the realm of economic resources. For one thing, poverty conceived as a social problem has over time gained a social meaning that is narrow and is related to lack of economic resources. Lack of economic resources prompt "failure of basic capabilities" to support adequate well-being. In other words, lack of economic resources is part of the causal chain leading to a low level of well-being. Resources in this context include income, access to health, education, social networks, and so on.

This lack of command of economic resources has an absolute and relative meaning. In an absolute sense, poverty means that resources are not adequate to satisfy basic needs. Basic needs were conceived as physical needs, needs that are related to the physical human conditions such as food, shelter and clothes. These needs were conceived as basic, absolute needs. Satiating these needs were essential in Adam Smith's thought process; in his words, "*...necessaries ...which are indispensably necessary for the support of life...*". The focus on basic human needs was later underscored by Keynes in his 1930 essay "Economic Possibilities for our Grandchildren". In this essay Keynes underscored the relevance of basic needs.^{xix}

Yet, basic needs do not comport to the total universe of human needs. Prompting productive efforts to satiate our basic needs also provokes social exchange which in turn prods social needs together with physical needs. Social needs color our perceptions regarding poverty. Smith refers to the relevance of these social needs in human exchange. In comparing the situation between Scots and Englishmen, Smith claims that poverty should be defined by the ability of someone to engage socially without embarrassment.^{xx} Social comparison stemming from the pursuit of superiority or status was subsequently endorsed by Keynes (1930) and Veblen (1987). Keynes in his 1930 essay made the relevant distinction between our basic (absolute) needs in isolation from others, and our relative needs which is related to our feeling of superiority regarding others. Veblen also alluded to the importance of positional lifestyle and goods that infer social status to an individual. Veblen mentioned this competition as conspicuous consumption consisting of high social value that eventually will become insatiable.^{xxi}

The end result for the pursuit of insatiable needs exacerbates the context of scarcity. Combining physical and social scarcity is a social combustion that propels inequality and poverty. In this context, whatever we produce due to our work to increase wealth tend to raise inequality and prolong poverty. The race for status breeds inequality, and inequality in turn decreases opportunities, slows wealth

creation (growth) and may unravel the social fabric and institutions, destabilizing society.^{xxii} Higher levels of income growth and faster economic growth do not necessarily result in lower inequality, in more access to education, health and nutrition outcomes. For example, education is claimed to be an important capability to improve one's standard of living and is correlated with higher levels of growth.^{xxiii} However, years of more schooling and improvement in education levels in Africa has not correlated with economic growth.^{xxiv} Inequality has erased most of the effects of growth in that continent due to education. The reason is that inequality distorts incentives, and consequently discounts the future for many, blocking social mobility.

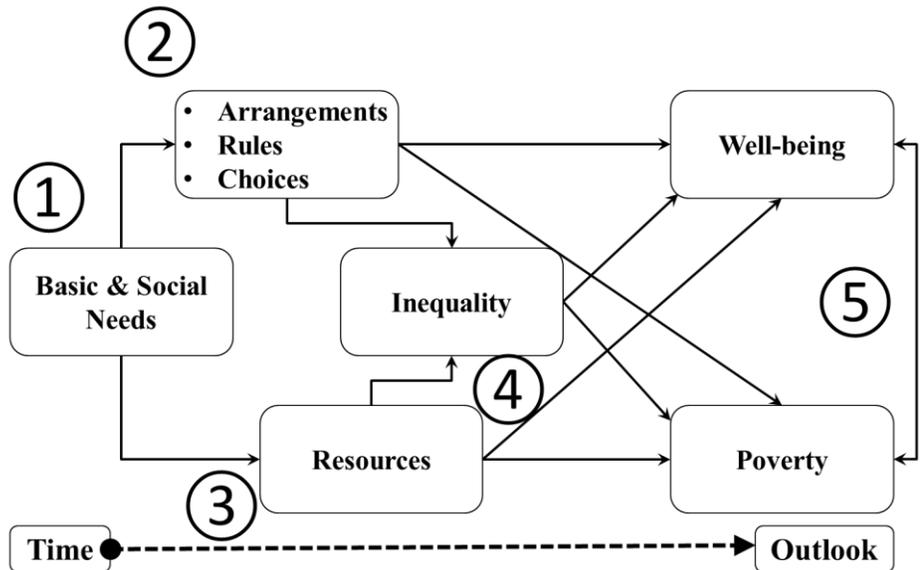
Inequality also prolongs poverty through perpetuating poverty. Poverty is not only a result of social arrangements and rules, but also of bad choices made by individuals. These bad choices are mainly the consequence of scarcity, thereby completing the full circle. In other words, poverty propels low levels of human capital that breeds on itself. For example, under-nutrition may reduce school attendance or poor performance of these children at school, or may reduce effective use of education in life. On the other hand, public health programs may be less successful in a context of illiteracy. Thus, forms of human capital are interconnected, a failure or lack in one form, may lead to a lack of investment in others.

A recent study in South Africa found that low income females are not able to gauge the benefits from development programs and therefore do not engage with these programs.^{xxv} In other words, scarcity is a product of insatiable needs, which engenders inequality; inequality slows growth, generating and prolonging poverty, and poverty feeds on itself through more scarcity. Viewing poverty through the filter of scarcity means that poverty is a multi-dimensional as well as a contextual concept that refers to the possession of a few goods, accessibility to services (health and education) as well as part of a social status (social exclusion). The poor see themselves deprived from most resources and assets, and the social constraints that restrict their access to these resources.^{xxvi} This definition integrates both income as well as non-income aspects of poverty and allows for the identification of the poor, the determination of the scale of poverty in a country as well as the identification of the determinants of poverty. The question is, however, whether absolute needs and relative needs enjoy the same weight in defining poverty.

We saw evidence that indicates that poverty is intertwined with the daily activities and choices people made. From this perspective poverty seems a relative concept which is related to a lack of socially perceived necessities. The answer to our needs seems to depend on place and time, and poverty, from this perspective, is not a situation of free will, but is a forced situation. While this reasoning is intuitively appealing, studies have identified a set of life domains (employment, health, education, social relations) that are perceived as being crucial for the well-being of a vast majority of people. Studies in Mexico, Bangladesh, Guatemala, and in Calcutta, India indicate a large number of 'happy poor' despite living in deprived

situations.^{xxvii} This finding suggests that not everything is relative, and there are some needs that are fundamental to human life such as subsistence, protection and affection. Consequently, we argue that these life domains require priority in our poverty framework. Figure 3 depicts the PPP framework.

Figure 3 The Poverty Obliteration Paradigm (POP).



The PPP framework indicates that satisfaction of needs depend on social arrangements, rules, individual choices and resources. How these needs are satisfied may lead to well-being or poverty. The path to well-being or poverty is shaped by some intervening factors such as inequality. Additionally, the framework contemplates that poverty is not a static situation, but may reveal a fluid situation; a person can experience poverty at different point in time, escaping poverty, being trapped in poverty, or returning to poverty. These fluid situations (or multiple equilibria) reveal conditions of insecurity, risk, vulnerability, lack of assets, and social exclusion. In the next chapter we will discuss the relationship between tourism development and the PPP framework.

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ⁱ See, for example, Sen (1999).

ⁱⁱ See, for example, Sowell (2007).

ⁱⁱⁱ See, for example, Easterly (2002).

^{iv} See, for example, Bhagwati & Panagariya (2013).

^v For a discussion on blaming the poor, see, for example, Bradshaw (2006).

^{vi} See, for example, Bradshaw (2006).

^{vii} In Mozambique people are grouped as *Ovelavela* and *Wihacha*, undeserving of help. The former refers to people who are ostracized by their family due to their own actions, and the latter refers to lazy young men, divorced, and addicted to alcohol and drugs. See Holden (2013).

^{viii} See, for example, Lewis (1959), and Moynihan (1965).

^{ix} See, for example, Mullainathan & Shafir (2013); Banerjee & Duflo (2012).

^x Haugen refers to the predatory and criminal violence destroying everything for a poor people the "locust effect". See Haugen (2014).

^{xi} See, for example, Streeten (1979).

^{xii} For a discussion on this topic, see, for example, Hicks (1979).

^{xiii} See, for example, Layard, Mayraz and Nickel (2008) claims that marginal utility of income decreases with higher incomes. Similarly, Frank (2008) argues that after some wealth threshold social consumption becomes relevant in social interaction.

^{xiv} The scant attention regarding happiness in developing countries is remarkable and surprising. Poverty has been a subject of study and attention since World War II; however, only a handful of studies have focused on the expressed preferences of the poor.

^{xv} See Brock (1999) at <http://siteresources.worldbank.org/INTPOVERTY/Resources/335642-1124115102975/1555199-1124138742310/ngorev.pdf>, accessed April 18, 2014.

^{xvi} According to Sen (1984): “The most blatant forms of inequalities and exploitations survive in the world through making allies out of the deprived and exploited. The underdog learns to bear the burden so well that he or she overlooks the burden itself. Discontent is replaced by acceptance...suffering and anger by cheerful endurance. As people learn to adjust ...the horrors look less terrible in the metric of utilities.” (p.308-309).

^{xvii} Only a few studies attempted to empirically demonstrate this link. Croes & Vanegas (2008) found that tourism reduces poverty in the case of Nicaragua, but Croes (2012 and 2014) found mixed results regarding the impact of tourism on poverty reduction in the cases of Nicaragua and Costa Rica.

^{xviii} See, for example, Croes (2014), Holden (2013), and Scheyvens (2011). On the other hand, Mitchell and Ashley neglect the discussion altogether in their research regarding the channels through which tourism impacts poverty reduction.

^{xix} “Those needs which are absolute in the sense that we feel them whatever the situation of our fellow human beings may be... the absolute needs- a point may soon be reached, much sooner perhaps than we are all of us aware of, when these needs are satisfied in the sense that we prefer to devote our further energies to non-economic purposes.” Sen (1992) also underscores the meaning of poverty as “the failure of basic capabilities to reach certain minimally acceptable levels.”(p.109)

^{xx} For a discussion on Smith’s views on the relevance of social comparison, see for example, Kenny (2005).

^{xxi} Veblen states that “...a satiation of the average or general desire for wealth is out of the question...no general increase of community’s wealth can make any approach to satiating this need, the ground of which is the desire of everyone to excel everyone else in the accumulation of goods.”

^{xxii} See, for example, the discussion by Stiglitz (2012).

^{xxiii} See, for example, Verspoor (1990).

^{xxiv} For a discussion on the relationship education and growth, see, for example, Easterly (2001) and Stiglitz (2012).

^{xxv} For a discussion, see Kwaramba et al.(2012).

^{xxvi} See Brock (1999).

^{xxvii} For a discussion on the case of Mexico, see Rojas (2004, 2008); the case of Bangladesh, see Camfield et al. (2006); for the case of India, see Biswas-Diener & Diener (2001); the case of Guatemala, see Guardiola & Garcia-Muñoz (2011).