Poverty research in Latin America and Sen’s capability approach

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Sen meets the marketplace of ideas:
The Capability Approach and
poverty research in Latin America

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Introduction

As the various contributions to this volume attest, Amartya Sen has developed an original perspective on poverty and deprivation. This volume shows that there is need for greater theoretical elaboration, for systematic analysis of operationalization issues, and for applied work that can demonstrate the approach’s relevance. The effort of many contributors will be required for Sen’s capability approach (SCA) to influence thought about poverty and its remedies. However, just more work may not be enough to guarantee that the approach prevails, or even that it influences thinking and practices. Expert knowledge in general, and scientific knowledge in particular, interact with and are partly shaped by social factors that originate beyond the realm of ideas. This paper attempts to demonstrate the effects of those factors in the choice of approaches by Latin American poverty analysts.

The paper provides a broad overview, and a more detailed case analysis, of poverty research in and on Latin America in the last few decades. We define “poverty research” in relatively narrow terms, as research produced mainly by economists and aiming to describe – both quantitatively and qualitatively—the phenomena of deprivation.\(^1\) We thus exclude from the focus of our analysis research concerned mainly with policies to fight or alleviate poverty (e.g., on the effectiveness and efficiency of alternative ways of designing and managing safety nets), or research that examines the impact of economic and social processes on the quantitative incidence and salient features of poverty (e.g., on the effects of structural adjustment programs on the number of poor people, or on labor market institutions and economic vulnerability).\(^2\) Our narrower definition of the field provides more favorable conditions to detect an influence of Sen’s ideas, since the current stage of development of the capability approach makes it more likely that it will be applied earlier in poverty analysis thus defined than in other related areas of economic analysis.

We will argue that the – to date limited – impact of Sen’s ideas on poverty research in Latin America is, to a great extent, explained by features of the approach itself and a series of

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1 McGee and Brock (2001) similarly focus their analysis on what they designate as “poverty assessment”.
2 However, as will be discussed, the trajectories of these other research streams have had a significant influence on what we have defined as poverty research.
interacting social factors. Those factors influence the values with which researchers and research users appraise rival frameworks, and their conceptions of what is “relevant”, “interesting” or “useful”, as well as the resources (economic but also organizational or institutional) available to researchers favoring alternative conceptions. This does not mean that accepted scientific concepts are mechanically or simplistically determined by dominant social interests or sheer economic power. Received expert knowledge is also the result of the rational (or rationalizable) confrontation of ideas with other ideas, and of ideas with “reality” (as in the testing or application of theories). However, we do not share the view that those intellectual-level exchanges are completely autonomous from the dynamics in the social milieu of research production. We do not assume either that individual researchers hold unchanging views and social factors simply determine the balance of power among competing schools. To the contrary, we expect individuals’ views to evolve influenced both by evolution of their social environment and by the dynamics of scientific ideas.

To make our case, we begin by summarizing our key hypotheses and referring them to various contributions from recent social studies of science. Our perspective tries to identify the key social factors that would account for the choice of approaches by researchers in this sub-field of economic analysis. In the second section, we describe the social and institutional landscape of poverty analysis in Latin America. Our characterization highlights those features of the research and policy environments that would be related to the relative ascendancy of alternative approaches, guided by the analytical scheme presented in the first section. The third section focuses on the evolution of knowledge about poverty in Latin America. We examine the trajectory of the literature and attempt to link both its more permanent characteristics and its emerging features to the main social factors identified before. In this section we present our qualitative assessment of the influence of Sen’s Capability Approach on poverty research in Latin America. The fourth section analyzes the case of a recent international research initiative that illustrates many of the points raised about social, political and economic influences on the “contents” of research. The fifth summarizes the argument and discusses its main implications.
2. Economic research in context

Knowledge is not produced in a vacuum, and the objects of scientific inquiry—even human objects such as “deprived populations”, perhaps dwelling not far from the economist’s workplace—do not speak directly to the analyst telling her what to observe or how. Scientific knowledge is a social construction and the social milieu and contingencies of knowledge production are embodied in concepts, theories, empirical analyses, and other outputs of scientists’ work. More specifically, knowledge is produced by individuals that carry out their work within certain institutional and social contexts. Therefore, one has to take individual scientists’ backgrounds, interests and circumstances into account, if the goal is to understand the trajectory of different bodies of ideas. But the boundaries of a discipline, the legitimate methodological strategies, or the most valued characteristics of an output, are defined collectively by a research community (e.g., Latin American economists, or molecular biologists) in frequent and multifarious relation with other social actors. Within those communities, individuals and groups develop relations of trust, power, cooperation, or competition, and they, in turn, must interact with non-member groups and organizations that have their own expectations, demands or attitudes towards research and its outputs. As in other realms, relations among social actors may be more or less institutionalized, and agents may be more or less conscious of different features of the institutional environment in which they operate. Also, researchers require material resources to carry out their work and earn a living, and the varied modalities of ownership, allocation and management, as well as the sheer amount of those resources available to different groups or individuals, have significant effects on the research process.

Hence, to meet the purpose of this article, understanding the ascendancy of alternative approaches within a disciplinary and/or a regional community requires the

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3 “…the new sociologists of science have come to view scientific knowledge as a social construction rather than a product of pure cognition or description” (Restivo, 1994, p. 21). This perspective does not commit us to any extreme form of social relativism. More modestly, it reflects a simpler (agnostic?) acknowledgement of the social nature of all human knowledge.

4 Indeed, we favor a broad notion of “institutions” that includes explicit rules (agreed, imposed) on ways to conduct human interactions, as well as habits of thought and behavior.
simultaneous consideration of all these factors. Our hypothesis are drawn from different schools of social studies of science, in order to identify key social factors that would account for the choice of approaches by researchers in one sub-field of economic analysis. Table 1 summarizes our set of candidate “explanatory factors”. While the table serves our analytical and expositional purposes, the labels and the organization of factors are somewhat arbitrary. Moreover, what the table presents as distinct factors are likely to be interrelated and interacting at many different levels, making the implicit causal mechanism more involved than the listing may suggest.

As will be discussed and exemplified, the influence of those factors does not take place only or mainly through their direct, unidirectional effect on the theoretical or methodological choices of economists, but operates through their role in the evolution of what economists consider “interesting”, “relevant” or even “scientific”. Since all those qualifiers refer to intellectual constructs, the dynamics that we envisage involve the continuous interaction between the social factors and intrinsic characteristics of the intellectual products themselves (in our case, alternative approaches to poverty analysis). We do not assume any straightforward predominance of the former over the later, but a process in which both actively influence—at different stages and levels of the research process—the ascendancy of approaches in research communities and sub-communities.

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5 We use the less precise “approaches” to avoid the theoretically charged “paradigms” and “research programs”, and to dodge the issue of whether they would apply to different theoretical and methodological perspectives on deprivation.

6 We opt for “social studies of science” (or science theory), rather than “sociology of scientific knowledge”, to encompass a variety of contributions that may come from disciplinary perspectives beyond the scope of plain “sociology”. In fact, the disciplinary boundaries within recent science theory may be less than obvious. This has been made clear, for example, by recent analyses exposing the substantial amount of “economics” that goes under the rubric of “sociology” of scientific knowledge (see, e.g., Hands, 2001, pp. 208-212).
Table 1
Some key determinants of the ascendancy of approaches in (contemporary Latin American) economics

- Science cultures
  - Scientific imperatives
    - Objectivity
  - Disciplinary imperatives
    - Quantifiability / Technique
    - Consistency with (mainstream) theory

- Material and organizational bases
  - Funding, patronage
    - Amount of resources, mechanisms of allocation/management
    - Patrons’ interests
      - Usability (Policy relevance)
      - Communicability
    - Mechanisms of accountability
  - Organizations, politics
    - Ideological conflict

- Researchers’ individual interests
  - Credibility, Prestige
  - Careers (Status, Money)
    - Networks, Markets
  - Perceptions of the nation’s/profession’s needs
  - Preferences, tastes

The first group of social factors that would influence approach choice by members of a research community relates to what we imprecisely term “cultures”. Using Merton’s (1973) idea of the scientific ethos as a starting point, it would be socially originated values that would make science to be a different and somehow superior, autonomous form of knowledge. We adopt the perspective that there are a broader set of values associated with the very definition of scientific inquiry in contemporary Western culture, as well as
discipline-specific mores, and that both influence the way competing approaches are appraised by experts. Among the former, we highlight objectivity as central to the self and external image of the scientific community and its intellectual production, and as particularly relevant to our concerns. We broadly understand scientific objectivity as a quality ascribed to certain knowledge by a research community, intending to reflect that such knowledge is amenable to intersubjective testing, that it is not the product of abnormal perceptions or selective and unique subjective cognitions (Restivo, 1994, pp. 174-5). The quest for objectivity in the social sciences would involve the attempt to exclude value judgements or ideological perspectives from interfering with theoretical or empirical practice (Blaug, 1980, Nagel, 1961). The permanent pursuit of forms of knowledge deserving to be labeled “objective” may help explain some of the prevalent ideas among economists about the nature and proper methods of their discipline, but to understand those ideas one must certainly recognize other influences and social factors.  

It is not necessary to look outside of the discipline to find extensive commentary on economists’ apparent growing fixation with quantitative analysis and the associated techniques (McCloskey, 1983; Grubel and Boland, 1986). In many instances, the observation is made that method (quantitative methods, that is), rather than object, has been allowed to delineate the boundaries of the discipline (Dow, 1999). Even more frequently, economists and economic methodologists have argued that some self-perpetuating dynamics of the profession are responsible for a progressive loss of touch with “reality” and the concomitant failure to recognize the limits of the dominant methodology (Grubel and Boland, 1986; Klamer and Colander, 1990; Blaug, 1998).

We therefore postulate that the supremacy of quantitative approaches in the discipline, and the elevation of quantifiability to the status of a demarcation criterion, are additional social factors that influence the likelihood of success of competing approaches. In a similar vein, we expect a differential reception to approaches which lend themselves more easily to the application of mathematical or sophisticated statistical technique vis-à-vis those

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7 Note that we favor a social theory of objectivity as a value and avoid the vexing issues of whether there is something like an objective reality, whether objective knowledge is at all possible, or whether it may be the outcome of abiding by some straightforward methodology, or the result of competition and collaboration among scientists (on the last point, see, e.g., Hands, 2001, pp. 297-304). All that matters for our purposes is that objectivity – however slippery the concept may be—is valued by scientists and it thus guides their choices or is used to justify them.
which may require further elaboration to be so treated, or may even be non-tractable by those means.

A second factor we have identified refers to the degree to which an approach is, or can be accommodated to appear, consistent with other accepted theoretical constructs within the discipline. It is not necessary to adjudicate on the issue of whether approaches to the study of deprivation are proper Khunian paradigms or Lakatosian research programs to appreciate that they will inevitably be connected, explicitly or implicitly, to other items in the discipline’s theoretical library. In approaching an applied field, or analyzing issues that touch on different specialist areas (e.g., the social impacts of changes in fiscal policy), experts are more likely to prefer concepts, methods and approaches that can be more easily related (and made to appear consistent, or minimize cognitive dissonance) with higher level theories or frameworks, and particularly with those theories or frameworks which require less justification.  

The above mentioned factors are indeed social, but refer mainly to researchers’ (socially formed) perspectives on certain characteristics of approaches, methods, or theories. But we further expect a community’s theoretical orientations to be partly accounted for by the social organization of research work. Popular images of science notwithstanding, the access of scholars to the material and organizational resources they require to carry out their work and advance their careers is not simply determined by the cogency of their intellectual arguments, their ingenuity or their perseverance in pursuit of “the truth”. By the same token, researchers’ opportunities may be significantly affected by the behavior of non-research actors that play a significant role in the funding of research or influence the research environment in some other relevant way.

Stephen Turner (1990), for example, has examined the patronage relations between those who have discretion over resources (financial, organizational) and those who possess the relevant knowledge to apply those resources to valuable ends. He contends that a general problem of “uncheckability” could explain several features of the social organization of research and its funding modalities. It could, for example, account for the preference of private and public patrons to donate to institutions such as the research university, in which

8 This argument would involve a serious problem of “circularity” if one wanted to explain broader trends in economic thought, as it attempts to account for some theoretical choices based on the acceptance of other theoretical constructs. However, it may be conveniently applied to understand the prevalence of perspectives within a relatively narrow sub-field, such as poverty analysis.
several goals are made to coincide and so patrons do not need to make explicit risky choices about the value of research activities that they cannot fully grasp. These institutions may also serve the purpose of scientists, by allowing them to acquire greater room for maneuver (i.e., less direct monitoring from their patrons) at the price of supplying other valuable services (e.g., educating the youth). Conversely, one could infer that in research systems where universities are a less prominent player vis-à-vis other specialized research organizations the activity of scientists would be more directly influenced by what Turner calls “the utilitarian aims” of patrons.

We shall return to the previous hypothesis below but we can anticipate some of its implications for social sciences research here. Being in more direct relation with patrons – rather than the relation being “mediated” by as complex an organization as a research university—normally means confronting a greater pressure to produce usable results. In the social sciences, and when the main patrons have been governments (through contracts rather than grants), international financial organizations, and other “development agencies”, usability has normally translated into policy relevance. In those environments, rival methodological or theoretical approaches are likely to be assessed by researchers and patrons on the extent to which their conceptual foundations and results can be easily communicated to non-experts, as well as on the basis of their demonstrated relevance to policy analysis and whether they lead to findings which can be interpreted in the light of contemporary policy debates. This makes social sciences research eminently political, and those political influences can only be stronger in a field such as poverty analysis, a fact that has been explicitly recognized by many analysts (see, e.g., Ruggeri-Laderchi, 2000; Glennerster, 2000; Kanbur, 2001; Wade, 2001).

The political connotations of poverty analysis lead us to consider the contributions of Randall Collins and his ambitious conflict sociology of intellectual change (Collins, 2000). This author argues that new ideas usually result from differentiation, and that conflicting

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9 While all this may seem as just an opportunity to “apply” the economic models of the “principal-agent problem”, Turner has explicitly discussed their limitations to facilitate an understanding of the social organization of science (Turner, forthcoming).


11 See, for example, Levy (1996), pp. 121-22, 191-200. In fact, one should expect the interactions between the worlds of expert knowledge and policy making to be much more involved than that, since policy debates and policy making processes are themselves influenced by ideas coming from the experts, and those debates and political processes influence choices about other outputs of intellectual effort. For a more detailed attempt to characterize the interrelations between poverty knowledge and policy making, see McGee and Brock (2001).
world views (political, religious) stimulate the creative process. However, he posits a law of small numbers stating that there are narrow limits on the number of rival intellectual approaches that are able to attract enough attention and material support to prosper and grow in a given historical context. In other words, there would be a limited number of attention and resources “slots” to fill through differentiation in each generation. Therefore, syncretism and synthesis become the necessary complements of differentiation, as mechanisms allowing ideas to adapt to overcrowded intellectual spaces. We would like then to retain Collins’s emphasis on ideological conflict, through the provision of competing material and organizational bases and the stimulus for innovation, as a key determinant of the number, variety and nature of approaches favored by experts.\(^\text{12}\)

At this point, one could legitimately wonder about the role of individuals in determining the trajectory of a research field. Scientists’ individual interests and agency indeed have a bearing on the ascendency of scientific approaches. To some extent, these individual-level factors operate over or through the previously discussed social dynamics and processes. However, there are also direct influences, as when a leading figure in a field decides to focus on specific problems, or to discard a given methodological perspective to tackle a problem of interest, consciously or unconsciously influencing many others who may borrow from, or be directly influenced by her work. Those individual decisions may be based on basic attitudes, tastes, preferences or other individual interests, and they can play a role because scientific inquiry is not a process of “reality” revealing itself through passive experts who merely apply proven methods or logic.

The interaction between individual interests (or preferences), the imperatives of the scientific way of life and the external world of objects of analysis and empirical evidence can be fruitfully analyzed through a framework developed in the social studies of natural sciences (Pickering, 1993) which has already been applied and adapted to economics by Sent (1998). According to this approach, it is normal for scientists to reach “decision nodes” where several paths are open and neither theory nor method provide simple or unique answers as to which one is the best path to follow. Even after having embraced a paradigm, basic scientists or applied researchers always have some degrees of freedom on how to tackle a problem of interest to them, and they will choose their way based on various considerations.

\(^\text{12}\) Collins seems mostly concerned with the world history of philosophies, but he also discusses the scientific revolution in the same light. At least one sociologist of science (Restivo, 1994, pp. 17-18) has argued that the
Their choices in those instances can be regarded as free moves that will have consequences for an individual’s future work and perhaps for others.

At those decision nodes, the community’s values (what we called “science cultures”) may be one guide on what to choose, but they’re certainly not the only one. The perception of the society’s needs, or of desirable shapes for the profession as a whole, may also play a role. “Free moves” are required to pass those decision nodes, but they entail other moves (“forced moves”) the analyst will have to make with much less room to choose. Moreover, sooner or later the logic of scientific inquiry will lead to blind alleys, as a consequence—among others—of science being bound by rational inferential analysis and empirical evidence. Unless they are omniscient, scientists will not be able to foresee all the “resistances” they will encounter in the future. Therefore, individual intellectual trajectories (and collective trajectories, to the extent that they are shaped by individual contributions) involve a great deal of “accommodation” to respond to unforeseen obstacles in the path to valuable goals. In brief, we posit that individual agency does play a role in the shaping of a research community’s doctrines, and that the logic of free moves, forced moves, resistance and accommodation can help us understand what goes on in the world of expert knowledge. Particularly, it must be considered that in making free moves, the desire to acquire and maintain a certain credibility among peers, or to build prestige, may weight quite heavily.

In general, many of the issues raised by Turner in relation to the funding of research also have a bearing on the functioning of academic labor markets, and thus they have implications for the prevalence of certain perspectives that individuals may endorse or promote. Turner highlights the role of attestation, metonyms and personal relations in the functioning of those special labor markets in which the distributions of knowledge and power again do not coincide. The first notion refers to the need for employers to rely on third parties’ judgements on individuals’ capacities and achievements, and the various modes of certification of those judgements. The fact that certification is always about “parts” of a person’s career, achievements or personality, yields the notion of metonyms. “The

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13 For a useful synthesis of the approach and some of its implications for understanding changes in economic thought, see Sent (1998), particularly pp. 16-20.

14 Latour and Woolgar (1979) develop a model of credibility accumulation and exchange to account for the behavior of scientists. We adopt a simpler perspective: obtaining and maintaining credibility may be one of various individual motivations or criteria behind choices made by scientists.
metonymic code is often complex, with a large number of ‘dialects’ or specialized variants. To know what a particular honor, journal publication, or grant ‘means’ is often an esoteric interpretive skill, but one demanded by the administration of academic organizations and funding agencies” (Turner, 1990, p. 192). With all those difficulties in the assessment of others’ professional and personal characteristics, relations then become more important than the ideology of science would like to acknowledge.15

In the next three sections we will examine poverty research in Latin America, from different angles, with the goal of exposing the dynamics and results of the process of approach choice by a heterogeneous community of experts. While the ensuing analysis reveals the operation of the various factors just discussed, the rest of the text does not follow strictly the organization of Table 1. Instead, we start from alternative entry points and produce three complementary narratives that we offer as “evidence” to support our argument.

3. The social and institutional landscape of poverty research in Latin America

We now turn to some of the salient features of the research community that produces poverty research in and on Latin America. We will briefly discuss a number of processes that impinge on the choice of approaches by poverty analysts. These show the operation of many of the factors identified in the previous discussion. Put briefly, the main processes are the growing role of international networks anchored around four large international organizations, the weakening of national research systems which concomitantly increases the leverage of the large international players, and the growing Americanization of post graduate training and regional labor markets. These processes have direct and indirect consequences on the contents of the research produced: most significantly, they will tend to place poverty research in a subordinate role vis-a-vis the policy agendas of the larger players and governments, and they will generate biasing forces in favor of applications that appear to

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15 With reference to research funding, Turner argues that personal relations “may be quickly formed and kept up quite apart from the established codes and rituals of patron-scientist relations”, and may persist throughout
provide immediate answers to urgent policy debates to the detriment theoretical innovation and the analysis of complex multi-dimensional concepts. The specific manifestations of these processes in the regional poverty literature and the implications for SCA are discussed in the next section.

The institutional landscape of the Latin American poverty research community can be regarded as populated by a number of major “centers”, connected amongst themselves and with other less prominent units by a web of relationships of different nature and intensity. It is useful to consider a hierarchy of centers in which the larger ones (in staff, budgets and research output) can be seen from “high altitude”, while other smaller centers only become “visible” when one goes down to the level of sub-regions or countries. Among the more visible centers, there are departments or institutes within universities, non-government research organizations, a few government agencies, and the research departments of major international financial institutions and some UN agencies.

The respective roles and salience of university institutes and non-university research NGOs—the two most frequent types of organizations that are active in poverty research at national levels—varies across countries following a pattern that reflects political, cultural and institutional trajectories (see Levy, 1996). For instance, university institutes produce the bulk of poverty research in Brazil or—more recently—in Chile, while research NGOs are at least as important as universities in Perú or in the small countries of Central America. These national research realities have been relatively dynamic, as the institutional ecosystems have been substantially modified over the years by changing trends in research funding and the political climate of the various countries, and the resulting institutional configurations have implications for the modalities of patronage and accountability to research funders that are prevalent at each time and place.

In general, there are normally only a few institutions per country (no more than three, in larger countries; frequently just one or none in smaller countries) with a critical mass to make them visible from a broad regional perspective. Other organizations or university departments appear in the map of poverty research with a less prominent role, mainly thanks to the work of only one or two recognized experts affiliated with them.

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the careers of administrators and scientists to their mutual benefit (Turner, 1990, p. 194).

16 The Catholic University of Rio de Janeiro, or the University of Chile, are salient examples among the former. GRADE in Perú, or FLACSO in Central America, are examples of non-university institutes active in research on poverty and inequality.
Government agencies are rather scarce in this research landscape, since most governments in the region have not been able to establish sophisticated research infrastructures. The exceptional cases of government agencies becoming major centers usually occur in larger countries with a relatively long tradition of state activism, with Brazil and its Instituto de Pesquisa Economica Aplicada (IPEA) as the paradigmatic example.

Compared with all these national institutions, the research units of the international organizations are significantly larger, both in terms of number of specialists and volume of their research output. In the case of poverty research in Latin America, these include the research departments of the World Bank (WB) and the Inter-American Development Bank (IADB), both located in Washington, DC. It also includes the United Nations’ Economic Commission for Latin America and the Caribbean (ECLAC, best known by its Spanish acronym, CEPAL), with its head office in Santiago, Chile, and a few smaller sub-regional offices, and the research groups associated with the regional bureau and system of country offices of the United Nations Development Programme (UNDP). While these international organizations commission a lot of their research work to external consultants and teams, they would still be prominent in the regional landscape if we were only to consider their “in-house” research production. As poverty has moved up in international development agendas, the visibility of these organizations in the regional research geography has grown.

However, the broad picture just described does not tell the whole story of the environment in which poverty research is produced. A salient feature of contemporary research systems is the emergence and development of international networks. These networks comprise individuals in various roles as well as institutions of different nature and mandates, and they vary in their size, the strength of their internal linkages, the degree of formalization of their operations, or their dynamism. In the field of poverty research in Latin America, the most active international research networks are those formed precisely by the individuals and institutions that collaborate regularly with each of the four international institutions, and a few smaller thematic or sub-regional groupings.

The flexibility and relatively low formalization of these networks allows for significant membership overlap. A quick survey of authors and institutions associated with

17 This is probably less true of the UNDP system.
18 On the nature and social dynamics of policy networks see, for example, Reinicke and Deng (2000). Policy networks and international research networks are not exactly the same but are very close relatives in a policy-related research field such as poverty analysis.
major initiatives sponsored by the international organizations shows that the respective networks can be seen as combining to form two main blocs. The intersects appear to be larger between the frequent collaborators of the two UN agencies (ECLAC and UNDP), and between the collaborators of the two Washington-based multilateral development banks (WB and IADB), while the intersect between the spheres of the UN agencies and the financial institutions is a relatively smaller (though not negligible). It is also worth mentioning that the mobility of experts between those two circuits appears to be increasing in recent years, but the observation about relative distances still seems to hold.

A legitimate question would be if the fact of collaborating with one of the international organizations qualifies as membership in a “network”. The conclusion will be confirmatory after realizing the extent of exchanges of information and other forms of collaboration and mutual support that goes on among individuals and institutions that are in the orbit of these organization. Thus, for example, it’s frequently the case that researchers who have obtained research funding from the IADB through its regional competitions are also listed as consultants in various WB research undertakings. The direct results or by-products of these research efforts are eventually presented at the main regional professional meetings (e.g., the annual meetings of the Latin America and the Caribbean Economic Association, LACEA, or of the Latin American Chapter of the Econometric Society), and other participants in those same projects frequently act as discussants of papers or session chairs. It is then not surprising that experts who share research interests and meet periodically in the context of various activities tend to support each other in the pursuit of project funding or consultancy contracts from other smaller donors or agencies. The regular interactions among some of these researchers led to the creation a few years ago of a more formal LACEA/IADB/WB “Network on Inequality and Poverty” (NIP). This network is significantly larger, more visible, and more dynamic than any other regional thematic network, and this highlights the direct and indirect role of resources provided by the international organizations in the gestation and maintenance of international research links.

While the role of funding is clearly crucial, the WB and the IADB, as well as ECLAC and the UNDP system, also provide other resources such as support for publication,

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19 For a more detailed discussion of the working of IADB-sponsored regional projects see section 5.
mechanisms for sustained knowledge and information exchanges, and intellectual leadership in specific research undertakings. In other words, they make available various “material and organizational bases” to pursue research. The operation of the resulting international networks reveal the kind of patron-client relations that were discussed above, but they also demonstrate the emergence of various relations among different agents which transform the initial hub-and-spoke arrangement into something more complex. As discussed by Turner, the informal, trust-based ties among these various parties are functional to the different goals of patrons and clients in a world of uncheckability. As a result, the international organizations exert a larger influence on the region’s research agenda and the choice of approaches than could be simply inferred from their own research output or the size of their research budgets.

The extent of membership overlap also signals the limits of competition amongst the networks. In fact, the most significant line of competition seems to be precisely one between the UN agencies and the multilateral banks. This is grounded in historical as well as contemporary factors. ECLAC’s origins, for one, can be traced back to the dissatisfaction among development practitioners in the orbit of the UN system with the more orthodox thinking favored by the Bretton Woods institutions. ECLAC then became a strong voice advocating activist development policies in the 1950s and 1960s. In the 1980s the international financial institutions (IFIs) resumed a leadership role in the promotion of policy agendas, which was condensed in the so-called “Washington consensus” (Williamson, 1994).

ECLAC’s “growth with equity” and UNDP’s “human development” concepts of the 1980s and 1990s can be seen as responses to the perceived shortcomings of the consensus, and they signal the persistence of political as well as theoretical and methodological divergence.

Divergence may have been fueled throughout by institutional and political factors. First, these organizations depend (although in different ways) on official financial and political support to survive, and therefore they compete for the attention of governments of developed and developing countries. Second, partly because of their location and the

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20 This has been the personal experience of one of the authors of this paper, acting as an officer with a research funding organization.

21 This sketchy review necessarily simplifies away many significant differences in the agendas promoted by the Washington-based multilaterals. However, it is a fairly adequate picture of the relative distances resulting from peculiar relations of cooperation and competition among all the four large and complex organizations.
understandable inclination to please their host and main funders, the WB and the IADB
tend to rely more frequently on intellectual inputs coming from academic institutions in the
developed countries in general and in the US in particular. Instead, UNDP and ECLAC are
normally exposed to greater influence and input from Southern experts. Third, because of
their functions, the banks tend to have greater interaction with governments and particularly
with the finance ministries. Again, because of their mandate, history and political
organization, among other reasons, the UN agencies have been more open to the
perspectives of other government branches, research communities in the South, and civil
society organizations. These differences, and their effects on views about poverty and
development, have been recognized by the former director of the World Bank’s World
Development Report on Poverty: Ravi Kanbur (2001) has placed the international financial
institutions and regional multilateral banks in one end of the spectrum of recent
disagreements (which he labels as the “Finance Ministry” position), and has characterized
the UN agencies as “a battle ground” between that pole and the opposing “Civil Society”
perspective (again, Kanbur’s label).

Given the influential position of these international organizations in the region’s
research landscape, these divergences cannot avoid being reflected in the approaches to
poverty research in Latin America (we will return to these effects on approaches in the next
section). The mechanisms very much resemble the dynamics discussed above, of ideological
conflict as a source of intellectual change and as cause of the organization of rival material
and organizational bases for research. This said, it is worth noting that, for reasons not yet
sufficiently studied, the gap between those competing views of development has been
narrowing in recent years, with the Washington-based institutions revising many aspects of
their orthodox creed and ECLAC toning down (although not completely abandoning) its
traditional dissenting discourse. This may be both cause and effect of the apparent greater
mobility of experts between the two camps, but these processes certainly require further
analysis.

The leverage of the international organizations in the regional research scene is
augmented by the traditional institutional and financial weaknesses of the region’s higher
education and research systems. Latin America has traditionally lagged behind the
industrialized countries and even medium income countries in the level of its science and
technology effort. Expenditures in science and technology have only recently recovered, and
they are still below those for countries with other comparable development indicators. The macroeconomic crises of the early 1980s and 1990s left most Latin American governments with fewer resources to invest in higher education and research. This had quite an impact in research systems that have traditionally lacked alternative sources of funding (e.g., private philanthropy), and that were only able to partially cover with contributions of foreign donors (public and private) the void left by the decline in public funding; even after several years of strong involvement of international agencies and reduced public spending, a regional study concluded in the late 1980s that the government still was the main funder of social sciences research (Calderón and Provoste, 1990).

Economic hardness combined with political repression to shape the institutional environment of poverty research, and the sources and mechanisms of research funding. Authoritarian governments that ruled most countries at one time or another in the last three decades expelled and persecuted many professors and caused major disruptions in the training of social scientists in universities. When they did not have to seek refuge abroad, scholars fired from universities set up private research centers that were mainly supported—through evolving channels and with varying intensity—by Northern foundations and development agencies (Brunner and Barrios, 1987; Levy, 1996). However, except for relatively short periods and in exceptional cases, these research organizations have not been able to secure enough untied funding to establish regular research “programs” reflecting their independently generated agendas and priorities. Added to the difficulties of university systems that depend heavily on the resources provided by financially weakened governments, the result are social science research communities that are generally much more exposed to the “utilitarian aims of patrons” than in richer countries.

These processes have had relatively direct consequences on the nature of the research produced. In fact, funders (both national governments, foundations and development agencies) have been increasingly demanding that research becomes more

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22 While S&T expenditure as a percentage of GDP has been around 2.0 for the world as a whole since the 1970s, in Latin America and the Caribbean it was 0.3 in 1970 (even below the comparable figure for Africa!), and it has only grown beyond 0.5 in the last five years (in 1999 it was 0.59%). In Asia, it was beyond 1.0 already in 1980. (Brunner, 1991; Mayorga, 1997; RICYT, 2001).

23 Considering S&T investment in general, for those Latin American countries for which there was comparable data, the lowest share of the government in total investment was 42% in 1996 (compared to 33% in Canada and 27% in the US; Castro, Wolff and Alie, 2000).
“relevant” to the society at large and to policy making in particular (see Levy, 1996). Research was thus disproportionately oriented towards the issues on which most of the policy action was taking place, or that were higher in the agenda of governments and IFIs. Since the 1970s, the main priorities of Latin American governments and international agencies have been macroeconomic stabilization and the rectification of apparent excesses from the Import-Substitution Industrialization (ISI) period and, as argued below, this meant that poverty did not—despite the typically extreme inequalities of the region—become a main topic of study in itself but a subordinate issue vis-à-vis the macro issues of stabilization and reform.

However, the drive to become policy relevant does not only condition the choice of research topics but may also have consequences on the choice of concepts and methods. Governments and the international financial institutions (at least until recently) were never obvious allies to promote the refinement of conceptual approaches to poverty, but the urge to revise concepts and measures is also unlikely to come from researchers that are striving to attract funding by making their research usable in policy making. As suggested by Kanbur (2001), one key feature of the “Finance Ministry” perspective (shared, among others, by the multilateral banks) is its focus on aggregate, one-dimensional measures of poverty. Others have also recognized that one main limitation of richer multi-dimensional definitions of poverty is precisely their difficult use in dialogue between researchers and policy makers (Maxwell, 1999). If economic research is aiming to become more responsive to the concerns of policy makers, and is increasingly being funded by the Washington-based multilaterals, the interests of patrons and research users will combine to block the exploration of approaches that are not fully articulated into a few simple and broadly accepted indicators.

More broadly, the “thinness” of social sciences research systems in Latin America, in terms of resources, and the short-term orientation of the main funders of research, have impeded the development of critical mass in almost all sub-fields of economics in all but the larger countries and institutions. In many countries, the model of a full time professor that has the ability to pursue its own research agenda more or less independently is only an ideal

24 For example, the military authorities shut off the Institute of Social Sciences of the Universidad de la República, in Uruguay, in the 1970s because it was perceived to be a source of “subversive” ideas. See Brunner and Barrios (1987).
25 The finance ministers and IFIs reluctance to accept broader definitions of deprivation may be understood from the latter’s potential implications on debates over public spending.
toward which higher education is very slowly moving, from a reality of part-time teaching assignments and multiple employment for university lecturers. This reality drastically reduces the room for theoretically oriented research and for speculation without immediate applications, much of which can only be produced (according to Turner, cited above) in the less visible interstices of large and wealthy university systems.

In parallel with all these processes, with greater supply of professionals and financially weak research systems, growing numbers of Latin American students and professionals have set their eyes in the opportunities available overseas. While some countries (notably Mexico) have in the last decades simply consolidated an old integration of their higher education system and labor markets with those of the US, others have rapidly moved to recuperate the time lost in periods of relative isolation from the outside world.26 The growing numbers of foreign students in US graduate programs in economics is a fact that reflects the attraction exerted by the US academic system throughout the world (Aslanbeigui and Montecinos, 1998). Latin American students have not escaped the global trend and their training in the US has changed both the nature of their professional careers and the operation of academic markets in their home countries (see, for example, Loureiro and Lima, 1993).

The training of growing numbers of Latin American economists in the US, on one hand, has greatly contributed to disseminate in the region the professional standards and research styles that are characteristic of the economic profession in North America. But graduate training is more than the final stage in the education of professional economists; it also provides access to international professional networks (Aslanbeigui and Montecinos, 1998, p. 177) and makes developing countries’ Ph.D. holders eligible for better-paid jobs in Northern academic institutions or in international organizations. Therefore, the growing internalization (viz., “Americanization”) of the training of Latin American economists also means the growing integration of their relevant job markets.27 It implies, for example, that even while working in their home countries many of these economists will be moved by the

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26 Barreiro (1997), for example, shows that the number of Uruguayan professionals living in the US between the 1970 and 1980 censuses grew more than the respective number of Chileans, Argentineans, or Brazilians. This is all the more impressive considering that the population is almost stagnant in Uruguay, and is partly a consequence of Uruguay’s previous international isolationism.

27 This is confirmed by inspection of the resumes of Latin American poverty experts, which increasingly show the relatively high mobility between their home country and the US, and even the experts’ attempt to present their achievements in ways that can be most appealing to Northern employers.
same professional incentives that guide the careers of their colleagues in the North and be
influenced in similar ways in their research styles (Klamer and Colander, 1990, discuss some
of the implications of labor market incentives for research styles, partly reproduced and
amplified by graduate education). 28

When one adds these job market factors to the more direct influence of the
Washington-based international institutions in poverty research and economic research in
general, the picture that emerges is one of a research community heavily influenced by –
although never completely reducible to the influence of—the North American research
styles. This has specific implications for the contents of poverty research. In fact, without
prejudicing the results of our literature review (see next section), some typical biases of the
North American approach to poverty analysis (see Glennerster, 2000) are likely to be
reproduced in the work of experts who were trained in, try to remain connected and
regularly interact with the North American research system.

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28 There seems to be a generation divide on this: while many of the pioneers of economic research in Latin
America (e.g., the founders of ECLAC) were also trained in Northern universities, it seems that their market of
reference was mostly their home market. For younger economists who obtained their Ph.D. degrees in the last
three decades, their perceived distance to Northern labor markets seems to have narrowed, and with it has
increased the influence of their structure of incentives on research and work patterns.
4. Poverty research in Latin America

In this section we review the trajectory of the poverty literature in Latin America. We set the boundaries of the field based on our working definition of poverty analysis, provided in the Introduction. We briefly examine the evolution of poverty analysis from its birth, and discuss in greater detail the main features of recent research output (i.e., research produced in the last decade). To the extent that such research reflects what we have previously denominated “science cultures”, many features of Latin American poverty analysis will be shared by other regional or global literatures. Other features will be region or country-specific. Throughout the review, we identify logical connections between the nature of the research outputs and the characteristics of the research environment described before.

At the risk of excessive simplification, it can be said that the history of poverty analysis in Latin America follows the evolution of the macroeconomic and structural reforms agendas, and reflects the changing leadership in the production and promotion of such agendas. This reflects an analytical subordination of poverty analysis to the other major development concerns and particularly to macroeconomic and structural change issues, in the minds and practice of researchers, patrons and research users. To put it briefly and somehow brutally, poverty analysis in the region has typically reflected the assumption that poverty is merely a consequence of underdevelopment. Without questioning that levels of economic development may be causally linked to the extent and nature of deprivation, we will argue that the institutional and social factors examined in the previous section should be taken into account to understand the prevalence of that assumption as an overriding framework for analysis and its manifestations in the type of poverty assessments that are typically produced.

Concerns over poverty and inequality have been present in the Latin American development debate since the early decades of the last century. The foundation of ECLAC in 1948 was a milestone in the professionalization of development and economic research in the region, and provided a “big push” for the analysis of differences in living standards among and within countries. But few will recognize ECLAC firstly for its contributions to poverty research. Much more prominent have been its early contributions to development theory, through its analysis of the structural obstacles to growth at the domestic level, and to
international economics, through its analyses of long term trends in international trade and the nature of the international system (see for example, Prebisch, 1949). In ECLAC’s structuralist thought inequality and poverty are logically linked to the existence of structural heterogeneity, which is considered one of the main features of underdevelopment. Though this idea was more cogently made explicit by Aníbal Pinto (1970), according to Rodríguez (1998) it underlay many earlier writings by Prebisch himself. Structural heterogeneity refers to a productive structure in which industries with significant differences in the productivity of labor simultaneously co-exist: while productivity is high in the “modern” sector, it is significantly lower in the “traditional” sector (Pinto, 1970; Rodríguez, 1980; Rodríguez 2001). In the labor market, structural heterogeneity results in underemployment and wide wage differentials among the two sectors. The reduction of income inequality would then be the consequence of the equalization of labor productivity among sectors, which in turn would be caused by technical progress. Hence, though inequality and poverty were considered a serious social problem, their subordinate role in the broader framework did not encourage many specific studies nor the indigenous development of new concepts. The focus of ECLAC’s work, and of those that were inspired by it, was on the relationships between poverty and the economic structure, rather than on the multi-faceted nature of poverty and its possible implications.29

During the 1970s, ECLAC’s influence in Latin American academic and professional circles started to decline. This was partly a result of a repressive and conservative climate that was originated with the military coups in the Southern Cone and elsewhere, the growing influence of the Neoclassical economic orthodoxy among economists in the region, and the apparent failure of some of the development strategies the Commission had so ardently promoted (namely, the ISI strategy).30 Precisely due to the latter, the main policy debate in the region then focused on trade and macroeconomic policies, to the detriment of social policies or the reduction of inequalities. As it is widely known, during the 1980s the economic debate and, particularly, the agenda of the international financial institutions focused on the problem of economic adjustment (Birdsall and Londoño, 1997). The Washington-based financial institutions then grew in importance as producers of economic analysis, advocates of ideas, and promoters and supporters of specific policy agendas and

29 Data availability may have been another binding constraint in the early development of poverty analyses.
reform processes (Williamson, 1994). Their leverage in domestic policy matters was augmented by the fact that the indebted countries of the region had to rely on these institutions’ financial support to make ends meet, and were thus forced to accept (at least nominally) the reform packages advocated by them.

In the so-called “lost decade” of Latin American development, income inequality and the incidence of poverty worsened throughout the region and, though the trend was eventually neutralized, this process could not be completely reversed in the years that followed and despite the partial recovery from the debt crises. According to some authors (Londoño and Székely, 1999) this happened because Latin American countries did not complete the whole reform agenda associated with “the Washington consensus”; others, like Altimir (1997), consider that the worsening of the social indicators was precisely a consequence of the reforms that were adopted. Whatever the overall assessment of the reforms program, most studies agreed in the notion that, despite some other specific successes, the reforms of the 1980s and early 1990s were unable to address the region’s chronic problems of widespread poverty and extreme inequality. The growing awareness of these “social deficits” led to a renewed interest in poverty and inequality analyses. But the revival of interest reflected to a great extent the concerns of those who favored the reforms processes, who saw the mitigation of inequalities and the alleviation of poverty as necessary steps to consolidate and advance in the liberalization processes. Thus, assessing the impacts of economic reforms or designing remedial responses to accompany stabilization packages has been of greatest concern to main research producers and funders than improving on the conceptual understanding of poverty, or developing more sophisticated views of equity and fairness.

At the same time, after many years of silence ECLAC tried to regain protagonism in the development debate (ECLAC, 1990; ECLAC, 1992). The main emphasis of the Commission’s new round of analyses and policy proposals was on the need to achieve simultaneously sustained economic growth and a reduction of inequalities. According to this perspective, there would be positive feedback between more equitable wealth and income distributions and enhanced growth prospects. While this approach failed to become prevalent among Latin American development experts, it would have not helped either to

30 These three processes are not independent from each other, but their interrelations are not simple or direct either.
de-link the interest in poverty and inequality issues from the macroeconomic and structural change concerns. In other words, poverty research remained a subsidiary field, rather than a main focus of attention for its own sake. This has continued to be true for the more resourceful and influential policy and research actors in the region and, through them, it has permeated to the majority of centers where poverty assessments are being produced.

At present, Latin America remains among the most unequal regions in the world – even after controlling for per capita income levels (Londoño y Szekély, 1998). Despite this, any survey of economic research on Latin America would show that inequality and poverty are clearly under-studied vis-à-vis macroeconomic problems, international finance issues, or even industrial organization and regulation topics. The point is not that these topics are not relevant to Latin American economic development, but that there are noticeable thematic biases, which are counter-intuitive and evidence the previously mentioned subordination that conspires against conceptual and methodological innovation.

Poverty research in the last decade

The rest of this section reviews the predominant approaches to poverty research in Latin America, and assesses the visible role of SCA in it. The analysis of poverty research is based on a survey of work presented at the main regional professional meetings (i.e., meetings of the Latin American chapter of the Econometric Society, and of LACEA), research outputs from projects sponsored by the WB, IADB, UNDP, and ECLAC, and the working paper series of main national research institutions. Our review discusses the theoretical dimensions of poverty assessment, measurement issues, data issue and the explicit application of SCA.

Poverty research in Latin America is typically oblivious of definitional issues or the conceptual discussion of alternative paths to poverty assessment. In the vast majority of the articles reviewed, there is no significant space devoted to discussing theoretical definitions of poverty and their implications, or the multiple dimensions of well-being and the alternative approaches to inter-personal comparisons. In her analysis of the origins of poverty studies, 31 For a quantitative approach to these biases and their recent trends, for the particular but significant case of Chile, see Meller and Bravo (1999).
Ruggeri-Laderchi (2000) suggests that this lack of conceptualization is typical of poverty research produced by economists since the birth of this research field in XIX century Britain. According to her interpretation, the lack of interest in alternative definitions of poverty is related to the positivist mind-set of early poverty analysts (particularly Rowntree and Booth), who worried more about estimation and testing than about concepts, and to their practical interest in poverty alleviation. The question Ruggeri-Laderchi leaves unanswered is why the neglect of definitional issues became the norm in some quarters for such a long time; Glennerster’s insights from comparisons of the evolution of poverty research in Europe and the US, and his emphasis in the relations among sub-disciplines, may provide some useful leads (Glennerster, 2000).

In any case, the absence of definitional considerations—even at a rhetorical level—seems to be exacerbated in the Latin American context. The prevalence of the “Finance Ministry” perspectives in the research environment may have something to do with this feature. This is suggested by the institutional context of those few instances in which Latin American researchers seem more seriously engaged in definitional and measurement issues: these are normally efforts supported from the outside and by those institutions that have been striving to become an alternative to the IFIs. Salient among these are the national and regional research initiatives associated with production of the UNDP’s Human Development Reports (e.g., Proyecto Estado de la Nación, 1999). Differentiation driven by politics could help understand these initiatives and their penchant, but the distribution of material bases has clearly been uneven and these type of analyses are therefore the exception that proves the rule.

Not surprisingly, the lack of attention to rival conceptualizations is associated with a predominant choice of income as the space in which inter-personal comparisons are performed, and the almost exclusive consideration given to the mainstream monetary approach to poverty assessment (Ruggeri-Laderchi, 2000). Although there is no basis to believe that researchers are unaware of the possible limitations of income-based measures of well-being and deprivation, the regional literature is characterized by its almost exclusive reliance on these, with little or no hints to the reader that these methods may have any significant shortcomings. A few of the social factors discussed before may account for this strong bias in the choice of methodologies and for the paucity of justifications or caveats.
First, to many producers and users of poverty assessments, incomes may capture other dimensions of well-being, or income deprivation may be sufficiently correlated with deprivation in other dimensions to serve as a good summary. Second and related, with poverty and inequality in extreme levels and worsening (through most of the last two decades in most countries, anyway), it may be understandable that imperfect proxies such as consumption-based poverty lines and income-based comparisons of well-being were considered by many as “good enough” shortcuts to the most pressing problems. As argued above, to most funders and users of research the main concerns were the relations between poverty and the macroeconomic environment, changes in trade policies and other structural reforms. These relations can more easily be seen to occur through the evolution of wages (see for example the articles contained in Gauza et al, 2001), and thus a privileged angle from which they have been analyzed is the returns to education nexus (for example, Ferreira et al, 2000; López-Acevedo, 2000; Behrman, 2000, etc.). The Americanization of economic education and professional careers, and the labor economics roots of recent North American poverty and inequality research (Glennerster, 2000), provide useful hints on the sources of the Latin American fixation with income-based assessments and the preferred analytical approaches.

Furthermore, income is an attractive variable not only because it is conceptually easier to link with standard economic analyses of economic change, but also because it satisfies disciplinary imperatives of quantifiability and it can be treated as a continuous variable. The latter is not the case for many other dimensions in which poverty can be assessed nor for other readily available indicators (e.g., unsatisfied basic needs). The sophistication of techniques available to apply to income-based indicators also helps to convey the impression of objectivity that seems so crucial to the legitimization of economic analysis in various policy areas.

Another characteristic of poverty studies in the region, which is partly related to the previous, is what we term the extension bias. Unlike poverty research produced in developed countries’ institutions, the bulk of research produced in Latin America, or by international organizations analyzing the region, is of the “extension” variety; that is, the concepts and methods developed elsewhere (normally in developed-country contexts) are applied to previously untried data, either from a new Latin American country, a recently available survey, or a previously unexamined historical period. Predictably, these studies do not
contain theoretical innovations and normally they reflect very little methodological ingenuity, focusing mainly on confirming or rejecting the conclusions of the exemplar studies. In fact, the rare pieces that we found which reveal a greater concern with theoretical or methodological development are the result of work carried out in an academic institution in the North or of collaboration between Latin American researchers and partners in Northern universities.  

The concentration of effort in identifying the poor (without much discussion about well-being comparisons) is consistent with most studies’ obvious goals of contributing to policy controversies or to the actual design of policies. These goals may be the result of direct determination by patrons or of the researchers’ intent to appeal to research users (and potential sponsors). Whatever the specific motivations, most of the poverty assessment literature has a noticeable tendency to “jump to conclusions”: many of the articles reviewed contain a great display of technique to discern about competing interpretations, from which they immediately conclude with either some piece of mainstream commonsense (e.g., about the need for labor market liberalization, the importance human capital accumulation or of revised priorities in the allocation of public expenditure in education) or similarly unqualified objections to some tenets of the orthodox reform agenda. Typical studies hardly ever go beyond the short-term implications of the particular case analyzed, and fail to raise questions with broader implications for poverty analysis. In other words, conclusions are mostly drawn in relation to the specific results obtained rather than relative to the suitability of theoretical concepts or methodologies to grasp the phenomena of poverty and inequality.  

Since the seminal contribution of Altimir (1973), poverty measurement in Latin America is normally performed in absolute terms, through the setting of country-specific, consumption-based, poverty lines that are compared to household incomes. While in some countries poverty lines are set on the basis of expenditure surveys (e.g., Argentina, Mexico, Brazil), in others they are defined on a prescriptive basis, from *a priori* basic consumption requirements. Regardless of the chosen criterion, the definition of an absolute poverty line always starts from the definition of a food basket that would meet minimum nutritional

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32 For example, Veloso (1999), which is part of a doctoral dissertation for a US university, develops a theoretical model relating fertility, education and inequality, which is later calibrated using Brazilian data. The paper by Bourguignon, Ferreira and Menéndez (2001) also reveals theoretical ambitions, confirming the pattern of these being allowed to flourish mainly in the context of theses work and North-South collaborative undertakings. The first example also shows that theory is frequently understood to mean identifying economic and demographic factors that are correlated with or could (statistically) “explain” poverty.
requirements, its pricing at market values, and the estimation of the Engel coefficient to project the resulting values as income thresholds to classify households or individuals.

The Engel coefficients, which are supposed to reflect consumption patterns of groups at the bottom of the per capita income scale, have been the object of much controversy. Though country-specific coefficients could be estimated on the basis of expenditure surveys, in order to facilitate cross-country comparisons ECLAC has traditionally advocated (and most countries have adopted) a standard coefficient of 2 for the whole region.\(^{33}\) This figure comes from Altimir’s 1973 study and ECLAC has been criticized for not recognizing the significant changes in consumption habits and in relative prices that have occurred since this coefficient was first estimated. The Commission still prefers to hold the coefficient constant, arguing for the need to preserve the comparability among countries and through time. As a consequence, a non negligible portion of the research effort in the region has been devoted to the analysis of alternative definitions of the consumption-based poverty line and their implications.

Only very recently, and under the influence of European practices, some authors have started to consider the use of relative poverty lines (e.g., Ferreira et al., 2000). This reflects a more general trend. While official statistical agencies and international organization continue to play a leading role in the quantification of poverty incidence, dramatic improvements in access to data and computational power have made it more frequent for individual researchers or teams to produce their own estimates, and sometimes to challenge official figures. These improvements have not, however, visibly expanded the scope of dimensions in which deprivation is assessed, but they may create new conditions for such an expansion to occur through demonstration of the feasibility of alternatives.

It is also worth mentioning that, departing from developed countries’ standard practice, income and poverty lines are normally estimated in Latin America on a per capita basis (that is, comparing the value of the poverty line calculated as above with the simple ratio of each household’s income to the number of household members). Though it is an established fact that household composition varies across income strata, and that the income required for a similar level of material well-being does not relate linearly to the number of household members (Deaton and Muellbauer, 1986; Deaton, 1997), few countries have

\(^{33}\) That is, the cost of the minimum sufficient food basket is multiplied by a factor of two to determine the value of the poverty line.
invested research effort to estimate the equivalence scales that would lead to more satisfactory assessments. This is an area in which the growing resources available to individual researchers through technological improvements have been reflected in new results: in fact, individual Latin American researchers have worked with adjusted equivalent income, using OCDE scales or the scale elasticities estimated by Buhman, Rainwater et al (1988). The political nature of poverty assessment, and the very extent of the problem in Latin America, have made the definition of the appropriate poverty line extremely controversial, and thus kept most official agencies away from it by just sticking to the traditional and established measures.\footnote{Though there has been an attempt by INDEC, Argentina’s official statistical institute, to establish equivalent poverty lines, most statistical offices tend to present estimations and calculations on a per capita basis (Lee, 2000).}

While the poverty literature mainly reflects variations within the set of methodologies available to work with income data, our review has allowed us to identify two different work styles that coexist. They are associated with different research traditions and rival international research networks. As with the networks, these traditions also sometimes become less than perfectly distinguishable, but their characterization is still useful for analytical purposes. The first tradition can be distinguished by its visible attempt to keep pace with the advances in quantitative technique generated in the academic centers of the developed world. Authors in this tradition are more clearly identified with the “extension” approach to research, mainly reproducing recent studies published in leading economic journals and applying the same strategies to Latin American data sets. Angus Deaton’s *Microeconometric analysis of household surveys* (Deaton, 1997) is extensively used and quoted by these researchers.\footnote{It is interesting to point out that Deaton’s book was first published by the World Bank and its explicit aim was to present a number of tools that could be used by practitioners in various fields of development analysis.}

This sub-literature typically relies on a more sophisticated set of poverty measures than raw headcount ratios; stochastic dominance analysis, t"ul curves, kernel density estimations or inequality and poverty decompositions, are part of the armamentarium applied within this line of work. In their inequality version, these works follow the British developments by Shorrocks, Atkinson, Cowell, Propper, Jenkins (see Atkinson and Bourguignon, 2000), among others, and they extensively use the family of poverty measures developed by Foster, Greer and Thorbecke (1984); Sen’s poverty measure (Sen, 1973) is
rarely calculated. Logit and probit models aimed at finding poverty correlates have also been also widely estimated (see for example, Contreras and Larrañaga, 1999; Escobal et al, 1999).

This tradition also includes a dynamic sub-branch which focuses on earnings inequality and clearly follows the US labor economics paradigm, relying heavily on econometric estimation. Examples of this are the widespread work on Mincerian equations, quantile regressions, and decompositions of inequality based on the methods developed by Oaxaca (1973), Juhn, Murphy and Pierce (1993) and the recent extension by Bourguignon et al (1999). Most of the work within this sub-branch can also be considered of the “extensions” type, rather than providing conceptual or methodological innovation. Researchers within this group normally have pursued postgraduate studies in Western European or US universities, and can be said to be well-connected within the networks of the international financial institutions.

The other stream of poverty analysis is less concerned with keeping pace with quantitative innovations and, in part for this reason, has been sometimes criticized by members of the previous group for its use of old-fashioned methods such as crude headcount ratios, Gini indices, etc. On the other hand, these researchers appear to be more concerned than the former group with trying to place poverty and inequality diagnoses within the broader discussion of development paths for the region. Moreover, this group seems more open to appreciate the value of poverty assessments in alternative spaces such as, for example, unsatisfied basic needs. This does not necessarily make this group theoretically stronger. In fact, most work on basic needs in the region lacks explicit discussion of theoretical foundations, and some of it also seems to betray imitation of exemplar works from the developed world. However, authors within this tradition seem interested in thinking more broadly on the multiple dimensions of poverty and deprivation, and in making well-being comparisons in spaces beyond the incomes space.

We include in this second research stream some of the work that has evolved out of the UNDP-sponsored efforts to promote its “human development” concepts and indices. Though the limited theoretical preoccupations of most of these authors have led them to neglect SCA, at least explicitly, this stream is closer to it in spirit and Sen’s work is sometimes cited. For instance, Proyecto Estado de la Nación (1999) estimates headcount
poverty ratios through the Integrated Poverty Measurement (IPM) method, which combines income-based classifications with unsatisfied basic needs indicators.\textsuperscript{36} As mentioned before, the last two decades have brought about dramatic changes in the resources available to individual researchers: most importantly, micro-data from household surveys became available and manageable through personal computers and statistical packages. The informational and technological changes may have reinforced the empirical and quantitative bias of Latin American research on poverty and inequality. It is striking, but perhaps not difficult to explain, that much greater effort has been put into discussing and improving income measurement than on developing more satisfactory poverty concepts. Problems in the reliability of income data have been known to exist since household surveys started to be carried out. Though misreporting of income is widespread, the problem seems to be more acute in Latin America than in developed countries.\textsuperscript{37} In a recent paper, Székely and Hilgert (1999) assess the quality of income data for eighteen Latin American household surveys, and find that most surveys fail to adequately capture the income of the richest strata, which results in a systematic under-estimation of income inequality. Some authors like Altimir attempted to develop remedies using different expansion coefficients by income source, on the assumption that self-employment, entrepreneurial, and capital incomes, are subject to the biggest problems of under-reporting. Other authors (e.g., Londoño and Székely, 1998) have acknowledge these problems but preferred not to further manipulate the data. In general, these difficulties have made Latin American statistical agencies and experts allocate substantial resources to the search for better measures. These efforts have not, however, opened the door to systematic explorations of the potential benefits from basing interpersonal comparisons of well-being on other variables.

This finally brings us to the visible role of SCA in Latin American poverty analysis. The most salient finding of our review is the noticeable disregard for the approach.\textsuperscript{38} We could only identify two explicit references to SCA in the surveyed publications and working

\textsuperscript{36} The IPM method counts as poor those households whose income per capita is below the poverty line and/or have at least one unsatisfied basic need. Boltvinik (2001) presents a critical assessment of this method as well as its history.

\textsuperscript{37} This has been thought to respond to the limited scope of personal income taxes in Latin America, and to the quantitative significance of self and informal employment.

\textsuperscript{38} We acknowledge the possibility of a somewhat biased assessment resulting from our review’s focus on mainstream meetings and publications.
papers. They are Ruggeri-Laderchi (1999) and Proyecto Estado de la Nación (1999). The first case consists of a study on Peru trying to assess the impact of SCA on poverty assessment, which concludes that poverty analyses that rely exclusively on income produce partial and incomplete results. The conclusion follows from the empirical demonstration that poverty assessments differ in important ways when new dimensions of deprivation are included in the analysis. Ruggeri-Laderchi evaluates functionings in the space of health and education and estimates functionings production functions. It is interesting to note that this study was mostly carried out in a British higher education institution, and that the author found skepticism on the value of her project when she first explained it to her Peruvian collaborators. Proyecto Estado de la Nación (1999) evaluates functionings referring to morbidity, access to education, access to potable water and sewerage services, ethnic discrimination, crime-related mortality, and integration in the labor market.

Overall, our findings lead us to conclude that Latin America has not been, and is currently not a fertile ground for SCA. The present hostile environment results from the interaction of scientific imperatives as interpreted by mainstream economics, the way material and institutional bases for poverty research are organized, and the researchers’ individual interests and responses to incentives. In fact, the disciplinary needs of objectivity and quantifiability reduce the chances of the capabilities approach to succeed, as long as the process involved in establishing which capabilities and functionings are relevant uncovers the subjective nature of economic analysis. Income-based measures not only offer the comfort of an apparent objectivity but they have the advantage that they can be linked more directly to the core of standard economic analysis, and the results can be communicated more easily to research users.

At the same time, specific features of Latin American poverty studies, such as the avoidance of conceptual and definitional issues and the so-called extensions bias, have cumulative effects in the same direction. The tendency to reproduce, with local data, celebrated studies from mainstream journals will reinforce other biases against a conceptually appealing but still maturing framework such as SCA. Also, in implementing the capabilities approach, the user must respond for personal choices of relevant capabilities and functionings, and thus the choices and associated controversy become liabilities in the effort to contribute immediately to policy dialogue (Maxwell, 1999). The nature of the household

39 Ruggeri-Laderchi, personal communication with the authors, October 2001.
data that is regularly collected by official agencies may introduce additional biases. Official data gathering systems have not been designed with multidimensional concepts of poverty in mind, and household surveys possible need adjustments to meet the requirements of SCA beyond basic health and education functionings. This is likely to prove a challenge to researchers currently interested in broader notions of deprivation, although it has to be admitted that the paucity of data is also partly the consequence of the limited influence, at a more theoretical level, that Sen’s ideas have had in the region.

The strong policy orientation of Latin American economic research may also make SCA look to economists more like a philosophical concern than a feasible alternative to poverty assessment. This orientation has been related to the appeal of an single-dimensional methods that make diagnoses simpler and offer the illusion of better grasping the problématique. From the point of view of the researchers’ careers, it is likely the case that investing time in operationalizing an incipient approach presents itself as an unworthy effort, since the analytical payoffs are uncertain and the community that will assess the outcomes is mostly composed by scholars educated in a rival tradition. In the current environment, researchers who dare to explore those untried paths would also risk being considered non-rigorous, technically inept, or generally not meeting the standards of “the discipline” or making unwise career choices. Finally, the daring would soon be reminded that few research funders and prospective employers consider this approach seriously, and thus that their institutions would see with better eyes if they redirected their efforts. To see how some of these social dynamics enter into the process of concrete research initiatives, we now turn to a case study of a IADB-sponsored research project that could have become a pioneering exploration of SCA but turned differently.

5. A case study: the IADB’s “Assets of the poor” project

We now illustrate with a concrete example how social factors and intellectual considerations by experts interact in the production of specific research outputs. One of the objectives is to show how the concern with policy-relevance, being in the background of
investigations on poverty, influences decisions and is reflected in the final result of a regional research project. It will thus be shown how this commitment to inform policy debates leads to the neglect of approaches that are not easy to operationalize and, in close connection to this, how those analyses that are focused on income can be more functional to the goals of the analysts, allowing them to address issues such as economic growth and macroeconomic performance. Finally, the case study makes it possible to trace the intellectual influences in the regional debate on poverty, and we expose some of the constraints that the operationalization and broader application of SCA could face in Latin America.

The analysis that follows focuses on a research project sponsored by the IADB, implemented during 1997 and publicly known as the “Assets of the poor” project. Part of the interest of the case comes from the fact that, as discussed above, the IADB has become a major source of research grants in the region. We chose this project because, among the projects sponsored by the international organizations over the last years for which there is more complete public documentation, its approach was closest to our definition of poverty analysis. A second motivation to examine this initiative relates to its justification, by the sponsor institution and project leaders, as an attempt to overcome some limitations of more standard analyses of poverty. This could have placed the project in favorable initial conditions to lead to an exploration of approaches such as SCA; the fact that it did not is telling and we take advantage of it to draw some conclusions. To meet our purposes, we first examine the organizational aspects of this regional project, and the terms of reference that guided the competition for grants to undertake country studies. Then we turn to the final outputs of the project. What follows is based on IADB (1997), Székely and Attanasio (1999), Székely (2001), Larrañaga and Contreras (1999), Torero, Saavedra and Escobal (1999), Gray Molina et al (1999), Montiel and Trejos (1999) and Nuñez and Leivovich (1999).

40 Another IADB-sponsored project on social exclusion was launched in 1999 but we could not consider it because the final reports have not yet been published.
41 Other interesting documents would have been the various proposals from national teams that were submitted to the competition for grants to carry out the country studies, but these were not available to us.
Project organization

As mentioned before, IADB periodically funds research centers in the region to carry out research projects on various economic and social matters. Grants are channeled through what is called “the Latin American Research Network”, which is a roster of 241 research centers that have expressed their interest in working with the Bank. The LARN was created in 1991 by IADB and the only requirement for a research center to become a member is to submit a basic information form that can be found in the Bank's website. The purposes of the network are to leverage the IADB research capacity, to strengthen the region’s research capabilities and to contribute to the regional development policy agenda (IADB, 2001). According to IADB (2001), twenty seven projects had been undertaken since 1991 on the following subjects: macroeconomics (8), social services (5), social conditions and development (8) and the state and institutional reform (6).

Allocation of funds is normally done through a call for research proposals. Members of the LARN can submit proposals, which should consist of a country study on a specifically defined topic and should meet various other requirements specified in the terms of the call. In most cases the research project is jointly coordinated by a member of the IADB’s Research Department and an invited scholar from a Northern-based academic institution or think tank. These coordinators are not necessarily part of the review and selection committee for country study proposals, but are normally the authors of the terms of reference and the leaders of the regional initiative until its completion. Once the review panel has chosen proposals for country studies, the project usually begins with a meeting of researchers and project leaders to negotiate and fine tune various methodological aspects of the studies. Normally, a second meeting takes place when national teams have finished first full drafts of their reports, which makes it possible to discuss the findings and eventually to request adjustments to reports that do not seem to meet the expectations of project coordinators. Finally, once the coordinators are satisfied with revised versions of the reports, they become available as LARN working papers and, in many cases, they are published as an edited volume.

The 1997 project “Assets of the poor in Latin America” was coordinated by IADB’s Miguel Székely and Orazio Attanasio, who was then at the University College, University of
London. Grants were awarded for case studies on Brazil (Instituto de Pesquisa Económica Aplicada), Bolivia (Fundación Diálogo), Chile (Departamento de Economía, Universidad de Chile), Colombia (Centro de Estudios sobre el Desarrollo Económico), Costa Rica (Instituto de Investigaciones en Ciencias Económicas, Universidad de Costa Rica), and Perú (Grupo de Análisis para el Desarrollo). The countries listed do not necessarily exhaust the group of countries for which there were proposals submitted, since the IADB’s only commitment is to fund a number of cases for which there are technically sound and well justified proposals.

The call for proposals

The terms of reference (IADB, 1997) were very precise in establishing the objectives of the project as well as in setting the analytical framework to be used. After a brief description of trends in poverty in the region during the 1990s, the document underscores the shortcomings of available empirical and analytical tools to study poverty and to support effective policy interventions. This assessment is referred to “recent discussions” on the space in which to measure deprivation and inequality. Quoting Rawls, Sen and Dwarkin, the project leaders criticize the narrowness of poverty analyses focused only on income or opportunities, and conclude on the urgent need for a new framework. However, it is also argued that the empirical translation of these criticisms is not easy. Sen and Dreze (1989) are cited as an example of a successful application of an alternative to the standard income analyses of poverty. Up to this point the diagnosis could have been shared by many readers favoring a broad perspective on deprivation and its origins, including most supporters of SCA.

The document then turns to more familiar terrain. It is argued that, rather than focusing on income itself, the approach to be tried needs to analyze households’ access to income-generating assets. Income poverty intensity is logically associated with inadequate access to physical, financial and human capital. Hence, poverty in Latin America would mainly originate in inequality in the distribution of both assets and income. The authors highlight the possible emergence of a new approach to the design of social policies based on
this new perspective and provide three references (Birdsall and Londoño, 1997a; Browning and Lusardi, 1996; and Székely, 1997) that would further justify and elaborate on the framework. A slightly more detailed discussion follows, on the relation between poverty and access to a wide set of assets. It is argued that these assets generate welfare and income depending on the functioning of markets and the behavior of agents. This combination will determine the amount of resources obtained from command or ownership of the assets, and from these will result each household’s ability to invest and acquire new assets. This circularity would imply the emergence of new action spaces for policy to eradicate poverty on a more permanent basis.

The framework for each country study was then clearly and precisely defined based on this line of reasoning. In short, it focused on the connection between levels and variations in poverty incidence and levels and variations in access (through property or other forms of command) to assets and institutions that allow to generate income permanently. “Analytically it means to examine the relevance of this specific new approach to inequality analysis on poverty studies” (IADB, 1997, p. 3). It is worth noting that, though sharing Sen’s criticisms of narrow income-based poverty assessments, the terms of reference instruct national teams to concentrate their efforts in studying income sources rather than to look for other possible dimensions on which to undertake well-being comparisons, which could also have led to innovative approaches to social policy. Although the document acknowledges weaknesses inherent to income based poverty analyses, it does it only to the extent that income is perceived as an outcome, and to argue that attention should be paid to the sources of such outcome. While the perspective seems to be wider than in the standard approach, the objectives of the study and the theoretical framework were precisely and narrowly delimited, and directed to produce analyses that depart in important but relatively minor ways from the mainstream approaches. The language of this document—and any prior experience in this kind of competitions—would have told the national teams that they had to stay within the specified conceptual framework or they would fail to qualify for the grants.

The main intellectual inspiration for this project appears to have been Birdsall and Londoño (1997a). This paper was written when both authors were affiliated with the IADB and it was first published as an Office of the Chief Economist working paper. It was also

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42 In terms of resources to be applied, the terms of reference established that IADB would contribute 50,000 US dollars to each country study. It is normally up to the national institutions to decide how these financial
presented at the 1997 Annual Meeting of the American Economic Association, and its abridged version appears in the Papers and Proceedings issue of the American Economic Review (Birdsall and Londoño, 1997b). As its title indicates—“Asset inequality matters: an assessment of the World Bank’s approach to poverty reduction”—the paper was explicitly intended to be part of an inter-agency dialogue on poverty issues. It starts from a review of the place of poverty in WB’s thought over its history and, after stating that the interest had re-surfaced in the 1990s, the authors wonder whether the WB’s current approach to poverty reduction is adequate with regard to the cross interactions among growth, poverty and inequality. Their main theoretical reference is recent literature on growth and inequality, specifically Benabou (1997).

To show their point empirically, the authors use information on 43 countries, from the Deininger and Squire high quality data base. They select countries for which there are at least two estimations of Lorenz curves distanced by five years or more. They regress the aggregate growth rate for each country against initial income inequality, confirming that inequality is negatively correlated with growth. In a second step they add to the regression two indicators of initial asset inequality and find that the income inequality regressor becomes statistically non-significant. The results are interpreted to imply that the apparent effect of income inequality on growth would reflect the consequences of the differential access by various segments of the population to income-generating assets. Birdsall and Londoño conclude that overall inequality and an unequal asset distribution have a negative effect on growth and the reduction of poverty. They also infer that the three-pillar strategy of the WB (growth, basic social services and attention to safety nets) is not enough to reduce poverty and enhance growth prospects. According to the authors, the WB and many development economists had neglected the importance of asset re-distribution, and their findings are presented as supporting an innovative approach to poverty assessment and its remedies. It must be stressed that all this reasoning was built without a single reference to Sen. This in itself cannot be objected since their efforts are centered on disentangling the

resources are to be allocated, and the organization of the research teams.

43 All this could pass as minutiae but we believe it is suggestive of these experts’ orientations in terms of privileged audiences and interlocutors. No doubt these trajectories are to some extent determined by convenience, personal relations, or other seemingly inconsequential facts, but it is also doubtless that the audiences with which authors interact more often have effects in the reinforcement of certain dispositions and avoidance of others.

44 In his article, Benabou does not mention Sen at all.
better way to reduce income poverty, but it illustrates the limited scope of what are presented as the most innovative and open-minded approaches to poverty in Latin America.

The two remaining articles that are mentioned as influences on the “Assets of the Poor” project are clearly focused on household savings. Browning and Lusardy (1996) carefully assess the determinants of household savings trying to fill the gap between theory and empirical evidence, and to appraise whether standard microeconomic theory is helpful to understand savings behavior. Since the paper examines the links between savings and consumption, it takes for granted a monetary approach to well-being and hence, it is quite afar from Sen’s ideas. On the third main reference, while we were unable to review Székely (1997), we consulted two related papers (Székely and Attanasio, 1999; and Attanasio and Székely, 2000). These papers also focus on the relation between consumption and savings: the former is specifically on México and the latter compares Latin America to East Asia. The saving behavior of different educational and age-cohorts, and various time effects, are analyzed. Both articles try to identify restrictions to household savings in Latin American countries. Again, none of them quote Sen since their field of interest is quite distant from the focus of his best-known work.

Hence, the intellectual influences that are apparent from the project’s terms of reference all come from a tradition clearly distinct from those associated with the capability approach. This makes the original citation to Sen (1992), in the first paragraphs of the call for proposals, little more than nominal. Though the project leaders apparently share Sen’s criticisms of narrow-minded monetary approaches to well-being, they clearly part ways with Sen soon after that. In this sense, the terms of reference document is not atypical and points to a risk of trivialization of Sen’s thought: the references to a Nobel laureate’s work are used mostly as effective rhetoric devices, but the important contributions that they contain are not systematically examined and they are reduced only to the common-place recognition that income-based indicators provide incomplete assessments of deprivation.
The project’s outputs

The project’s final documents consist of the five country studies and two general papers written by Székely and Attanasio (1999) and by Székely (2001). All these articles are included in a book edited by Attanasio and Székely (2001). The first of the general papers (Székely and Attanasio, 1999) restates the asset framework and presents the main conclusions of the country studies. The article sets modest ambitions for the whole project: “It should be stressed that this evidence should be interpreted as illustrating some useful correlation patterns rather than identifying the ‘causes’ of poverty” (p. 29). When examining the country studies, we found no references to either Sen or SCA, as was to be expected from the project’s analytical framework and the very specific terms of reference. Finally, Székely (2000) aims to derive policy implications of the asset-based approach. He summarizes four different approaches to social policies that had been used in Latin America and tries to establish why this new perspective will better contribute to poverty alleviation: “The main policy implication of the asset-based approach to poverty reduction is that the solution to the poverty problem must go well beyond income” (p. 13). As it was argued before, this “going beyond” reaches only to income generating sources and not to other spaces in which to assess deprivation.

Most interestingly, Székely defines two categories that, according to him, are useful in thinking about policy implementation; these are capabilities and opportunities. For this author “capabilities” have a different meaning than the one associated with Sen’s contributions, and Székely clarifies this point as soon as he introduces the concept: “While Sen defines capabilities as ‘ability to achieve’ here capabilities is used in a more restricted fashion meaning capability to obtain resources, namely income-earning assets”. And he also asserts that the related functioning is income as long as poverty is defined in the income space. These thus narrowly defined capabilities therefore refer to education, health, investment capacity, and housing and basic services. Opportunities are defined as the possibility of putting income-earning assets into work, including the rate of use and prices. “In this scheme the role of social policy is to generate income-earning capabilities and to create opportunities for using them productively”. The two areas of intervention will be employment opportunities and investment opportunities. Given Székely’s obvious familiarity with Sen’s capability approach, the choice of labels can only be interpreted as a most
unfortunate choice from someone who wants to establish a new line of thinking, or as opportunistic use of a recognized nomenclature for rhetoric purposes.\footnote{We use “rhetoric” here in the sense of McCloskey (1983).}

**Final remarks**

As we initially stated, the purpose of this case study was to highlight some barriers that make SCA a neglected approach in poverty assessment in Latin America. Our study of a regional research project has demonstrated the knowledge leverage power of some key international organizations, and how their own priorities may extend and reproduce among researchers in the region. The direct influence comes in the way of detailed and specific conceptual frameworks that are set in the call for proposals, and that must be adopted by those wishing to obtain funding. More indirect effects may occur later on, when these researchers build on their previous work to bid for other more flexible sources of funding, or to undertake research work on their own.\footnote{We use “rhetoric” here in the sense of McCloskey (1983).}

It can be asked whether the use of a common framework was needed, and why the “assets” approach should be favored. A standardized analytical framework can be justified on the grounds that the IADB intended to gather a set of comparable country studies to draw regionally relevant conclusions. A difficult to operationalize perspective or a set of heterogeneous approaches would have been hard to handle by the project coordinators, and could have made the task of deriving policy implications much more demanding. Though it can be argued that a common framework was necessary, the next question to ask is why the project coordinators chose the “assets” approach among various candidates. It was obviously important that the approach had originated in the IADB’s own Research Department, which would take us back one step to wonder why would this set of ideas emerge in that specific context (and would need us to undertake a more complex analysis of intellectual dynamics in those large organizations). Not less important, apparently, is the fact that the “assets” approach can be easily operationalized with available data resources, and that it gives place to various policy analyses that are not entirely unfamiliar to the experts involved in their production. The answers would not be unpredictable if we posed related
but slightly modified questions: e.g., why was a competing approach such as SCA neglected, or why was it not attractive to IADB experts.

Finally, the influence of these projects’ choices of approaches are likely to reinforce and be augmented by other social factors that express themselves in the background of the researchers who received the grants. In fact, most of them had pursued postgraduate studies in the United States and possibly are more likely to be educated in the labor economics tradition prevalent in the North American economics departments. It is also quite possible that they are not very familiar with Sen’s writings, and then they will probably not venture much further in the exploration of “alternatives” to the standard approaches to poverty, even after this foray in uncharted but comfortable territory has come to an end.

More generally, if we look at the record of winners of LARN grants, it appears that research centers generate an expertise that allows them to succeed in further calls. This success in one of the few significant grant competitions in the region is likely to solidify the involved researchers’ reputation and enhance their chances of getting funding from local sources and, as was previously argued, from other like-minded agencies such as the World Bank. Their membership in a more formal network such as the LACEA/WB/IADB NIP would consolidate and expand their opportunities, particularly vis-à-vis other experts less connected to these providers of material and organizational bases. In brief, being familiar with, or prepared to learn, certain techniques and approaches opens opportunities for research centers, but these opportunities in turn lead to enhanced prospects of being favored in new rounds of funding, or getting access to necessary resources in more indirect ways.

\[46\] Of course, researchers may choose to stay away from the IADB’s competitions, but then the “thinness” of national research systems kicks in, and other reinforcing dynamics occur, as discussed above.

\[47\] Not accidentally, two of the authors of country studies in the “Assets of the poor” project (for Chile and Peru) are also NIP’s national chapter coordinators.
5. Concluding comments

The paper has shown that Sen’s capability approach has had a very modest impact on poverty research in Latin America, and has suggested various possible reasons for that. The analysis started from the idea that science cultures, the organizational basis of scientific research and researchers’ individual interests shape the context in which some of the competing approaches on a particular subject prevail over others. Hence, we have argued and demonstrated that understanding why SCA has not been favored by Latin American poverty researchers requires a better understanding of those social factors, in addition to the comprehension of the approach’s specific features, strengths and weaknesses.

To appreciate the influence of social factors, we have firstly focused our attention on the context in which Latin American studies on poverty are undertaken. In regard to the institutions in which knowledge is produced, it was shown that the role of universities is considerably smaller than in the developed countries. Thus, two sets of international organizations have a much greater prevalence in the research environment; one related to the Washington-based multilateral development banks, the other to agencies related to the United Nations system. The relevance of these organizations in the production of research results and its funding can be advantageously comprehended using Turner’s analysis of patronage and Collins’s notions of political-conflict-driven intellectual innovation. These frameworks could help account for the strong orientation towards informing policy that much of poverty research in the region has, and for some conceptual characteristics of that research. The effects of predominant science cultures, training patterns, and labor market institutions, accumulate to bias individual choices against approaches such as SCA.

After that, we focused on the content of poverty research produced in the region. We found again that outputs are mainly policy oriented; that poverty measurement is mainly focused on income; that most studies can be seen as extensions of analyses produced elsewhere; and there are scarce theoretical or methodological contributions to the literature. Besides, we confirmed that SCA is scarcely present in the reviewed research work. Our case study of a regional research project corroborated and illustrated our views and also helped us to understand why scholars prefer income-based approaches among the competing frameworks. Again answers are closely connected with the social factors identified in section
2, interacting with characteristics of the approaches themselves. The apparent objectivity of income, the possibility of applying a wide set of quantitative techniques, and the easy links with other aspects and sub-fields of economic analysis, are features that possibly contribute to explaining why SCA is almost absent from Latin American research on poverty. The need of explicit operationalization choices is no attractive for scholars that are looking for ready made, or well established empirical methods. Thus, the idea that capabilities and functionings are to be explicitly chosen by the researchers makes an approach unattractive to researchers that embrace the idea of economics as and objective science, mainly different from the other social sciences because of its method.

If our analysis has indeed uncovered relevant factors behind approach choice, enhancing the impact of SCA in Latin America – and in other regions, to the extent to which our hypotheses hold—will not only depend on the abstract demonstration of its theoretical superiority. Rather, it appears that further efforts will be needed to overcome the various obstacles to its application existing in the research and broader intellectual environment. Among the developments that could enhance the prospects of SCA having a noticeable impact it is worth insisting on the value of satisfactory operationalizations in a reduced set of understandable indeces, the importance of theoretical work that can establish the connections between this poverty assessment approach and broader aspects of economic theory, and the significance of applied studies that can demonstrate the relevance of the approach to various policy areas and the differences that it makes in approaching policy making. However, other types of efforts will also be required. Among these, our study seems to call attention to the importance of building international networks of experts, facilitating the pedagogic use of SCA and supporting materials, and even convincing research funders of its merits. More generally, once the social nature of economic analysis is recognized, those convinced of the intellectual value of an approach must also recognize the importance of supporting it with work that transcends the purely intellectual space.
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