

Poverty Reduction – From entitlement to functioning of the poor

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Abstract: *Devising an appropriate measure of poverty is a long debated issue among the academicians and policy makers over the years. While measuring poverty using philosophical approach bears the risk to under or overestimate the welfare value of different goods and services supplied to the poor, participatory approach is criticized on the ground that poor may not be aware about some of their needs that might improve their wellbeing within the realm of their capacity and entitlement. While digging dip into this debate, this paper will argue that the difference of poverty measured under philosophical and participatory approach lies in the 'information failure' that causes a discrepancy between 'capability' and 'functioning' of the poor. Due to this difference between capability and functioning, poverty reduction programs may not be effective when governments provide entitlement to the poor who are capable, but are not functioning properly, to enhance their welfare. Therefore, this paper will suggest that to ensure long-run sustainability of poverty reduction programs, governments not only provide extra entitlement to the poor but also run some complementary programs to closure the information gap between capability and functioning of the poor.*

Key Words: *Entitlement, Capability, Functioning, Information Failure*

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