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The World Bank has recently argued that "[*n*]*o task should command a higher priority for the world's policymakers than that of reducing global poverty*".[1] This view is shared by large numbers of individuals and institutions all over the world, and has spurred an enormous interest in ways of defining and measuring the problem of poverty. The World Bank (1992, 1993) has introduced guidelines for "Poverty Assessments" to be done for all borrower countries, official poverty lines have been introduced in the U.S. and EU, UNDP presents annual reports on absolute poverty in developing countries, and numerous researchers have developed new methods for dealing with aggregation problems in poverty measurement. The aim of all this work has of course been to contribute to the alleviation of poverty, by focusing attention and improving our understanding of the problem.

This focus on poverty has not been unchallenged, though, and the relevance of the concept of poverty has been questioned.[2] Is there any meaningful definition of poverty, and if so, why should we pay particular attention to the poor in our evaluation of changes in a society? In most cases, these two questions are not dealt with thoroughly, and seemingly rather arbitrary arguments underly suggested definitions of the problem of poverty. Therefore, in this paper, I address these issues by elaborating on some possible

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1. World Bank (1990:5).
2. By way of illustration, the relevance of the concept of poverty has been a much debated issue in the UK. Former Prime Minister Margaret Thatcher told the House of Commons in the 1980's that any poverty definition is wholly artificial. Moreover, in 1989, the Secretary of State for Social Security said that – because living standard had improved so much – the concept of poverty no longer had any meaning; see Save the Children (1995). See Stern (1987) for an academic position questioning the relevance of the concept of poverty.

links between normative reasoning and a well-founded understanding of the concept of poverty. In particular, I discuss the Rawlsian framework, which frequently is referred to as the normative basis for focusing on the problem of poverty. First, I survey some general arguments that can be used in clarifying the concept of poverty. Thereafter, I link this discussion to the Rawlsian framework, and illustrate why there is a deep unresolved difficulty within this framework that may be of importance in debating poverty. Finally, I suggest some possible ways of resolving this difficulty and explore the implications for our understanding of the concept of poverty within the Rawlsian framework.

Why care about poverty?

The concept of poverty does not make sense without a poverty line that divides the population into poor and non-poor people.[3] Hence in order to provide an interesting interpretation of poverty in a society, we have to defend a particular poverty line.[4] In other words, we have to argue that there is a poverty line that conveys something of normative relevance, and hence justifies that we pay particular attention to the group of people below this line.

The framework of a Bergson-Samuelson social welfare function can provide some general structure on this discussion.[5] (In the following, I shall not pay any attention to how we define individual well-being and make interpersonal comparisons, but simply assume that the utility functions represent individual well-being in a reasonable way and that absolute interpersonal comparisons of well-being is possible.) A Bergson-Samuelson social welfare function reflects an ordering of social states, and within this framework the only elements that affect this ordering are the levels of individual utility (or well-being) in the various social states and the normative position we take up on how to weigh these utility levels in an aggregate evaluation. Hence, if we adopt this line of reasoning, any normative defence of a poverty line must either derive from some particular assumptions about the shape of the utility functions of individuals or about the shape of the social welfare function (or about both of them). We shall refer to the first possibility as the well-being defence of a poverty line and the second as the social welfare defence of a poverty line, though, obviously they are closely linked. It almost goes without saying that any well-being defence of the poverty line needs to be be backed up with a social welfare argument; i.e. we need to explain why we should pay particular attention to people below a poverty line, even if this poverty line is supported by an argument about the shape of the utility function. But nevertheless, in the following, these two lines of reasoning shall be treated separately, and the rest of this section is devoted to briefly exploring the possibility of a well-being defence of the poverty line.

Conventionally, a poverty line has been interpreted as refering to the lack of ful-

3. Of course, it may be the case that we should accept that the poverty line may vary over a certain range, but that is not an important issue for the following discussion as long as we assume that the range is finite. See Atkinson (1987) on this question.
4. This issue is discussed in more detail in Tungodden (1995).
5. See Sen (1986) for a formal discussion of the Bergson-Samuelson framework. In this discussion, I avoid the issue of numerical representation of the ranking of social states; the purpose of introducing this framework is solely to provide a general structure on how to think about morally relevant arguments in a discussion of the poverty line.

filment of some basic needs. By way of illustration, poor people are often defined as those who are undernourished, uneducated, unsheltered, excluded from social life, and so on, and contrasted with non-poor people that are well nourished, educated, healthy, sheltered, and capable of participating fully in society. This position is in many cases backed up by a well-being defence of poverty, where the view is that people experience a fundamental change in well-being when these basic needs are fulfilled (see for example Weigel 1986). The idea is that these basic needs derive from the core attributes of human life – biological existence, human intelligence, and human sociality – and that they therefore represent needs of particular importance.

This line of reasoning has some intuitive appeal, but it faces problems when we try to be more precise on what it means to have these basic needs fulfilled. Obviously, biological existence is a core attribute of human life, but when are the needs derived from biological existence fulfilled? By way of illustration, according to this perspective, the development of more advanced security equipment in new cars contributes to the fulfillment of a basic need. And so would any activity aimed at increasing our life expectancy, whether it is attained by putting more resources into medical research, weather forecasting, or the development of more hygienic kitchen equipment! Certainly, the contributions to increased life expectancy from some of these activities will be rather modest (compared to what can be attained by the use of the same resources in other areas), but that is not an important issue in this discussion. If the aim of these activities is to contribute to biological existence (i.e., a longer life), then they contribute to the fulfilment of a basic need.

Similarly, with respect to human intelligence and human sociality: there exist a vast number of activities that aim at contributing to these areas of human life, and which consequently contribute to the fulfilment of basic needs. But many of these activities are not assigned priority by most people; we prefer to use resources on activities that contribute substantially to the fulfilment of non-basic needs instead of applying them to activities that contribute to minor improvements in these basic dimensions. We spend more money on pure entertainment than on security equipment, although the latter and not the former provides fulfilment of a basic need (as it is defined here). Of course, people's behaviour cannot prove anything with regard to these questions, but in this case it may point at something essential. Even if we can single out some core attributes of human life that are universal, these attributes do not necessarily provide us with an interesting defence of the poverty line. A poverty line founded on a normative position that in general assigns absolute priority to the fulfilment of basic needs faces two problems: first, in many cases it will be in conflict with people's own evaluation of states of affairs, because people do not in general assign absolute priority to the fulfilment of basic needs. Second, it will include everyone in the poor group, because we all have unfulfilled basic needs.

However, it may still be the case that people experience a fundamental change in well-being when some basic needs are fulfilled – the discussion so far has only outlined difficulties with the approach that links the problem of poverty to fulfilment of any basic need. People do assign absolute priority to the fulfilment of certain basic needs in particular situations; by way of illustration, famine victims are not willing to give up their entitlements to some food for whatever amount of anything. Can this fact indicate an interesting poverty line? Maybe, but there is a

complication, due to the fact that in many situations we have to evaluate alternatives that involve uncertainty. If people in these situations always are willing to make some trade-off among dimensions (which is assumed in expected utility theory by invoking a continuity axiom), then a social choice rule that assigns absolute priority to the fulfilment of some basic needs will be in conflict with people's own evaluation of these alternatives. Is this a problem? In general, we have difficulties with a social ordering of alternatives that is in conflict with the Pareto principle (which would be the case here) and, moreover, it is hard to see how to defend a fundamental change in the principle guiding our ranking of alternatives when uncertainty enters the stage (how can we defend that we assign absolute priority to the fulfilment of basic needs facing certainty but not when facing uncertainty?).

But one possibility should be mentioned. Rawls (1993) – in defending absolute priority to certain basic liberties in social choices[6] – connects the basic liberties with the conception of person used in his theory of justice, and argues that in order to settle which liberties should be assigned absolute priority we have to "consider which liberties are essential social conditions for the adequate development and full exercise of the two powers of moral personality [to wit, to be reasonable and rational] over a complete life" (p. 293). To assign absolute priority to these liberties is in Rawls' view a prerequisite for establishing a moral community (i.e. a community where everyone is capable of being reasonable and rational), and thus these liberties should be recognised as incommensurable to other interests by every member of society. If this line of reasoning is sound, then it may be the case that an interesting poverty line can be defended by including among the liberties (though the wording may be somewhat awkward) the liberty from hunger, illiteracy, and so on. At the moment I am unable to give a good account of this kind of defence, but I shall return to this issue briefly in the final section.

In the rest of the paper I shall concentrate on exploring social welfare arguments that can support a definition of poverty. This part of the Bergson-Samuelson framework is more complex, though, because we first of all need to clarify what is meant by a social welfare function. It raises the question about the connections between private and public morality, which has been at the centre of the stage in moral philosophy from the time of Plato. I shall not elaborate on the problem here, and in particular I shall not deal with the essential issue in the political philosophy of liberalism (i.e., about how we ought to behave in situations where people disagree about the proper shape of the social welfare function). In the following, I shall simply interpret a social welfare function as representing a view about what principle ought to govern the distribution of resources in a society.

Rawls and Social Choice Theory

Frequently, the Rawlsian framework is considered as providing normative arguments for

6. Rawls' proposes two principles of justice, where the first principle - stating that "[e]ach person has an equal right to a fully adequate scheme of equal basic liberties which is compatible with a similar scheme of liberties for all" (Rawls 1993:291) – is assigned absolute priority. The second principle is concerned with social and economic inequalities, and I discuss the second part of this principle in detail in the following sections. The first part of the second principle states that "social and economic inequalities... must be attached to offices and positions open to all under conditions of fair equality of opportunity" (Rawls 1993:291). I do not discuss this and many other important aspects of Rawls' theory any further, because, as I see it, they are not essential for the purpose of this paper.

why we should care about poverty, and therefore I shall in the following concentrate on this position in debating a social welfare defence of the poverty line. In this section, though, I shall make a minor digression, and briefly overview some criticisim that is raised against Rawlsian reasoning in social choice theory. The aim of this digression is to motivate the discussion that follows in the next section, where I stress the importance of understanding the actual structure in Rawls' theory of justice. This change in perspective – from the conventional view on Rawlsian reasoning to what I suggest as a reasonable interpretation of this framework – is important, because it enlightens the possible relevance of a poverty line in the part of his theory of justice that deals with distributional issues.

Rawls (1971,1993) suggests that we should assign absolute priority to the worst off in the distribution of income, and conventionally this normative proposal is referred to as the Difference Principle or the Leximin Principle.[7] Rawls illustrates this position by discussing a two-person case, and he argues that in these situations "[i]t suffices [in order to apply this Principle] that the least favored *person* can be identified and his rational preference determined" (Rawls (1971:71, my emphasis). This passage has strongly influenced the interpretation of the Rawlsian position in social choice theory, where the Leximin Principle is presented as a principle that assigns dictatorial power to the worst-off position in distributional issues.[8]

The principle has been attacked for two different reasons. First, it has been argued that the Leximin Principle has wholly unacceptable moral implications in distributing resources among members of a society and among generations. Arrow (1973) may serve as an illustration of this line of criticism within an intragenerational context: "[T]he [Leximin Principle] has some implications that seem hardly acceptable. It implies that any benefit, no matter how small, to the worst-off member of society will outweigh any loss to a better-off individual, provided it does not reduce the second below the level of the first. Thus, there can easily exist medical procedures which serve to keep people barely alive but with little satisfaction, and which are yet so expensive as to reduce the rest of the population to poverty. [The Leximin Principle] would apparently imply that such procedures be adopted." (p. 252). In a similar vein, Solow (1974) has criticised the principle in the context of intergenerational distribution: "My impression is that...the [Leximin Principle] does not function very well as a principle of intergenerational equity...[T]he [Leximin Principle] is so much at mercy of the initial conditions. If the initial capital stock is very small, no more will be accumulated and the standard of living will be low forever...[the Leximin Principle] requires an initial capital stock big enough to support a decent standard of living, else it perpetuates poverty, but it can not tell us why the initial capital stock should ever have been accumulated." (p. 33-41).[9] The moral intuition

7. Rawls often uses the more comprehensive notion of primary goods, but this broader approach easily involves the problem of indexing. To escape this problem, Rawls assumes that these other primary goods are sufficiently correlated with income (see Rawls (1971:97). Thus, our focus on the distribution of income is justifiable, and nothing of interest is lost in this context by adapting this narrow approach to the Difference Principle.
8. See among others Arrow (1973), Binmore (1994), Dechamps and Gevers (1978), Hammond (1976), Harsanyi (1976), and Sen (1970,1986).
9. Surely, Rawls (1971:284-293) does not recommend the Leximin Principle in the context of intergenerational distribution, but still it is of some interest for our purpose to explore the arguments of Solow on this issue.

underlying both these arguments seems to be that it is not reasonable to claim that we ought to accept that everyone else in a society (or every other generation) should have to live in destitution if that contributes to a minor improvement in the situation of the worst off person (or generation). Rawls may counter these attacks by invoking the relevance of the notion of reflective equilibrium. He may argue that the fact that the Leximin Principle does not match our considered judgements in these questions is due to to the fact that our present sense of justice is subject to irregularities and distortions.[10] Shortly, I shall explain why he does not necessarily need to come out with such an argument in this case, but let us first look at the second line of criticism against the Leximin Principle.

The procedural argument applied by Rawls in defending his theory of justice has also been strongly questioned. Rawls argues that a principle of justice should be derived from studying the choice people would make behind a veil of ignorance, which of course is nothing but a thought experiment imposed on us to formalise the idea of rational deliberation (see Rawls (1971:138). I shall not go into a detailed description of the original position; the important part to have in mind in our context is that Rawls argues that people in this situation would follow a maximin strategy, and therefore, he argues, we should also apply the Difference Principle in regulating the basic institutions in society. This line of reasoning has been seriously questioned by among others Harsanyi (1976), who argues that the view is inconsistent with what the Bayesian school of thought would suggest you should do under uncertainty. Moreover, according to Harsanyi, it has implausible implications if it is applied in daily life:"If you took the [Leximin Principle] seriously then you could not ever cross a street (after all, you might be hit by a car); you could never drive over a bridge (after all, it might collapse); you could never get married (after all, it might end in a disaster), etc. If anybody really acted this way he would soon end up in a mental institution" (p. 40). Hence the Leximin Principle is not a good rule to follow in private choices, and therefore neither can it be what people suggest after rational deliberation in distributional issues. The problem of Rawlsian reasoning, according to Harsanyi, is that a mistake is made in the description of the choice that people would make behind a veil of ignorance, though Harsanyi agrees with Rawls on applying a procedural method in deriving a theory of justice.

However, it is not obvious that we should pay too much attention to these arguments in debating this framework, because they do not attack the theory of justice proposed by Rawls. Rawls does not say that we should give absolute priority to the worst-off position in distributional questions, though it is true that he illustrates his theory in this way in discussing a two-person case. Moreover, Rawls models the choice in the original position as a choice without knowledge about probabilities, and the relevance of Harsanyi's attack is far from obvious when we take both these aspects into account. Hence in order to evaluate the relevance of this criticism (which is important in order to see whether we want to stay within this framework) and the possible link between a poverty line and the Difference Principle, we have to be more precise about the content of this part of Rawls' theory of justice.

10. See Rawls (1971:48-51) for a discussion of the notion of reflective equilibrium.

Rawls on the Difference Principle

Rawls (1971,1993) is concerned about the well-being of the least advantaged *segment* in society (and not only the well-being of the least advantaged person or generation): "In any case we are to aggregate to some degree over the expectations of the worst off...[The person in the original position] interprets [the Difference Principle] from the first as a limited aggregative principle and assesses it as such in comparison with other standards. It is not as if they agreed to think of the least advantaged as literally the worst off individual..." (Rawls 1971:98).

Thus Rawls proposes a criterion of justice that allows a trade-off between gains and losses of people that belong to the least advantaged segment in society, but neglects changes in the conditions of the better-off group as relevant in evaluating redistribution schemes (as far as the members of the least advantaged segment are not indifferent between the income distributions in question). We may label this the Leximingroup Principle. The move from a Leximin Principle to a Leximingroup Principle is not at all trivial, and it introduces the difficult question about how to define the least advantaged segment. The Leximin Principle is clear on this issue – we assign absolute priority to the worst-off position – but there is no implicit guideline in the Leximingroup Principle about how to define the least advantaged segment. Certainly, Rawls recognises the need for a definition of the least advantaged segment, and he makes some ad hoc suggestions. Shortly, I shall return to a discussion of these proposals, but before I do that I want to stress the importance of this issue. Rawls admits that "[t]he serious difficulty [with the Leximin Principle] is how to define the least fortunate group" (Rawls (1971:98), but still he does not devote too much attention to the question. I shall claim that Rawls has not provided us with any proposal of a criterion of justice on distributional issues before he has outlined a more precise position on how to define the least advantaged segment; the definition of this segment is precisely what is at stake in contrasting this theory with other proposals about how to regulate the basic institutions in society (e.g., the classical utilitarian perspective).

The importance of the definition of the least advantaged group in debating Rawls' theory of justice is easily seen if we return to the arguments of Arrow and Solow. They both find the Difference Principle repugnant, because the principle can support an infinitely large number of other people or generations living in destitution if that contributes to a minor improvement in the standard of living of the worst off person or generation. But the appeal of these arguments may be lost if we take into account the fact that the Difference Principle refers to a group. A Leximingroup Principle will allow a trade-off among the members of the least advantaged group, and only demand absolute priority to the interests of the members of this group in situations where their common interests are in conflict with the interests of the rest of the population. Hence, if everyone who lives in destitution is defined as part of the least advantaged group in society (which of course may imply that in some poor societies everyone is part of the least advantaged group), then Arrow and Solow have to rephrase their intuitive argument. Obviously, they may claim that in any case they find it repugnant that a minor improvement in the living standard of the least advantaged members of society should demand a substantial reduction in the well-being of the better off group, even if the better off group still would be very well off. But that would be a general argument against giving absolute priority to anyone, and not – as the initial

argument – be based on the moral intuition that it is too extreme to demand that everyone else should live in destitution if that improves the well-being of the worst off position. Similarly, Harsanyi claims that the Leximin Principle would be a poor rule to follow in private choices, because it would make us obsessed with the possibility of experiencing disasterous consequences of our choices. The relevance of this claim, though, is less obvious in the context of a Leximingroup Principle (which would allow some trade-offs between the worst alternatives), but, once again, it depends on how the least advantaged group is defined in this case.

Anyway, this should illustrate that we need to clarify our understanding of how to define the least advantaged segment before we can properly evaluate the theory of justice suggested by Rawls, and I shall now turn to a discussion of this issue. The possible relevance of this exercise for our discussion about how to define the problem of poverty should be clear. If we are able to find a reasonable definition of the least advantaged segment and accept Rawls' defence of the Leximingroup Principle, then we have one possible social welfare defence of a poverty line. In this case, poverty can refer to those people who belong to the least advantaged segment in Rawls' theory, and Rawlsian reasoning will motivate why we should assign absolute priority to the alleviation of this type of poverty. Whether this will be a reasonable interpretation of the concept of poverty remains to be discussed after we have clarified the definition of the least advantaged group, an issue I return to in final section.

What does Rawls suggest on the subject of defining the least advantaged segment? He proposes two alternative approaches. On the one hand, he argues, we may refer to a social position, say unskilled workers, when we define the least advantaged segment, and then "count as the least advantaged all those with the average income and wealth of this group" (Rawls (1971:98) Alternatively, according to Rawls, we may define "all persons with less than half of the median income and wealth ...as the lest advantaged segment" (ibid., p. 98). But none of these suggestions are particularly appealing (at least without any further support). Why should we completely ignore the interests of those unskilled workers that have a level of income just above the average of this group, and what is the normative relevance of the median income in a society (which certainly can be a very low income in poor societies and the income of a superrich person in a rich society)? Rawls defends himself against such charges by saying that "we are entitled at some point to plead practical considerations in formulating the difference principle. Sooner or later the capacity of philosophical or other arguments to make finer discriminations is bound to run out" (ibid., p. 98). That may very well be true, but it is not satisfactory that the core of a principle of justice should be given such ad hoc defence. And would it be possible to provide a philosophical defence for a Leximingroup Principle without explaining who it is we are claiming shall be given absolute priority?[11]

11. Some readers may want to argue that this problem is closely linked to the informational constraints that we face in practical policy debates. Obviously, we are in many cases unable to observe the least advantaged position in a society, and hence we have to take groups of persons as a point of departure in evaluating various redistribution schemes. Thus it may seem like the informational constraint imposes on the analysis a definition of the least advantaged group in society. But is this a promising solution to our problem? Is it reasonable to ignore a large group of people's interests - possibly very destitute persons - because we are able to identify their position as slightly better than a small group of other people? Rawls (1971) does not seem to have this line of reasoning in mind, and I ignore these informational constraints in the following.

In defending a Leximingroup Principle an implicit understanding of the least advantaged segment is needed, and therefore I shall elaborate on the general arguments applied by Rawls in his discussion of this principle. Rawls defends the Leximingroup Principle by the use of two different arguments. He gives both a defence derived from a procedural notion of justice and a defence based on morally intuitive arguments, and it is interesting to notice that the implicit understanding of the least advantaged segment seems to be different in the two lines of reasoning. In the procedural argument, Rawls indicates that the least advantaged segment refers to everyone that has less resources than what is needed in order to attain a maximum level of well-being. He argues that in the original position "the person choosing has a conception of the good such that he cares very little, if anything, for what he might gain above the minimum stipend that he can, in fact, be sure of by following the [Difference Principle]" (Rawls (1971:154-156). The intuitive argument, however, gives a somewhat different impression about the implicit definition of the least advantaged segment: "It seems to be one of the fixed points of our considered judgments that no one deserves his place in the distribution of native endowments, any more than one deserves one's initial starting place in society...Thus the *more advantaged representative man* cannot say that he deserves and therefore has a right to a scheme of cooperation in which he is permitted to acquire benefits in ways that do not contribute to the welfare of others. There is no basis for his making this claim" (ibid., p. 104, my emphasis). Implicit in this line of reasoning seems to be the idea that the least advantaged segment should refer to people who initially are disadvantaged due to morally arbitrary factors, but there is nothing in this argument saying that the more advantaged people have no further interest in an increase in their amount of resources beyond what they will attain if they accept the Leximingroup Principle.

The procedural argument of Rawls avoids the real issue in distributional justice, by (more or less) claiming that there is no conflict between our moral obligations as stated by the Difference Principle and self-interest. Why should the more advantaged part of the population object to the Difference Principle if there is little, or no, reason for trying to do better? Moreover, I question the possibility of defending the view that there is an upper limit to the level of well-being that can be enjoyed by people, and hence I find the assumption of Rawls on this issue contentious. More generally, though, I doubt the relevance of arguments based on procedural arguments of the kind invoked by constructing the original position. The intention of the original position is to impose certain conditions and restrictions on our rational deliberation about principles of justice. But what should these conditions and restrictions be like? What conditions and restrictions should we impose on our rational deliberation about what conditions and restrictions we should impose on our rational deliberation about principles of justice (in other words, what should the original position where people choose what procedure to apply in order to choose the principles of justice look like)? As is easily seen, this line of reasoning implies an infinite regress, and thus it follows that at some point we have to accept that we are unable to impose any restrictions or conditions on our rational deliberation. Rawls claims that this point should be where we discuss the structure of the procedure where the theory of justice is chosen, and he defends his view with the assumption that "there is a broad measure of agreement that principles of justice should be chosen under

certain conditions (Rawls (1971:18). But that is simply not true, as illustrated by the disagreement between Harsanyi and Rawls on this issue. Both invoke the original position in debating theories of justice (and both, I should say, deliberate rationally on what restrictions to impose on our rational deliberation), but they strongly disagree about whether to use probabilities in the original position or not. Rawls argues that "the veil of ignorance excludes all but the vaguest knowledge of likelihoods. The parties have no basis for determining the probable nature of their society, or their place in it" (ibid., p. 155). Harsanyi (1955), on the other hand, claims that a reasonable way of approaching this problem is to assume that every person in the original position "had an equal chance of obtaining any of the social positions existing in this situation, from the highest to the lowest" (p. 316). Certainly, the assumption we make on this issue is important for the outcome of our rational deliberation under these conditions, but at the same time we find it hard to settle by rational deliberation which assumption best characterises a good way of doing rational deliberation about principles of justice. In my view, it will be more fruitful to debate various principles of justice by exploring the basic properties of these principles and then conduct unconstrained rational deliberation on these properties by using intuitive moral arguments.[12]

Therefore, in the following I shall concentrate on debating the intuitive argument that Rawls applies in defending the Difference Principle, where the aim is to see whether this line of reasoning provides any congenial definition of the least advantaged group within this framework (and thereby also provides an interesting definition of the poverty line).

Unconstrained Rational Deliberation on the Difference Principle

Rawls (1971) argues that natural capacity and starting point in life are morally arbitrary factors that should not influence the distribution of social goods. We might expect that it followed from this perspective that an Equality Principle – and not a Leximingroup Principle – should govern the design of basic institutions in society. However, a principle assigning absolute priority to equality faces a deep problem; it is inconsistent with the Pareto Principle (if defined in the space of individual preferences) and the Betterness Principle, as defined by Broome[13] (if defined in the space of individual well-being). In other words, a principle of equality may argue that social state A is preferred to social state B even if everyone prefers B to A and, moreover, even if everyone is better off in B than A. This is recognised by Rawls (1971), and therefore he suggests that we substitute a principle of equality with the Difference Principle: "If there are inequalities in the basic structure that work to make everyone better off in comparison with the benchmark of initial equality, why not permit them?" (p. 151).

Certainly, it is hard to see how to defend an Equality Principle as a final principle in social choices, and therefore I agree with Rawls that

12. Broome (1991) is, in my view, an illuminating illustration of this approach. Notice that this line of reasoning applies the same general strategy as the constructive method of Rawls. It attempts to establish agreement about final principles of justice by attaining agreement at some "distance" from these principles (i.e about the proper basic principles) and then showing that this agreement should imply (by the rules of logic) agreement about certain final principles.
13. Broome (1991).

we have to move away from this criterion. But can the idea of equality still tell us something about how to define the least advantaged group within this framework? At first glance, it may seem like a reasonable suggestion to define the least advantaged group as everyone who has less than the average amount of resources in society. Rawls argues that there are good moral reasons for claiming that everyone should have the same opportunities in life, but that is not the case in situations with inequality. If resources are distributed unequally (and let us here assume that people have the same ability to attain well-being from a given amount of resources), then those who have less than the average amount of resources are deprived of the possibilities that everyone could have enjoyed if the overall amount of resources where equally distributed. Hence it seems congenial to argue that the least advantaged group should be linked to the average income in a society. Moreover, defining the least advantaged group in this way provides us with a good argument in favor of assigning absolute priority to the interests of the members of this group; why should we pay any attention to the well-being of those who already enjoy more than what everyone can enjoy if we distribute resources equally?

However, as I have shown elsewhere[14], this approach faces a serious problem. In fact, it turns out that the only Leximingroup Principle that is consistent with the Pareto Principle (or the Betterness Principle) is the Leximin Principle. In other words, if we define the least advantaged group as everyone that has less than average income (or well-being), then it follows that we have to assign absolute priority to the worst off member of this group in order not to violate the Pareto Principle. Moreover, this result holds for every cut-off line that is dependent on the overall amount of resources present in society. I have already argued against the Leximin Principle, and hence we need to explore other possibilities. The Leximingroup Principle is not of much interest as a final principle in social choices if the least advantaged group is defined by a cut-off line that is relative to the income distribution.

What other possibilities are there with respect to this problem of defining a proper cut-off line? One possibility is of course – as suggested by Rawls – to link the least advantaged group to a particular segment of society, say, the 15% of the population that is at the bottom of the income (or well-being) distribution.[15] However, this is obviously a poor suggestion, because it is impossible to find any reasonable normative support for the Leximingroup Principle in this context. In some cases (and for any percentage chosen), this type of cut-off line would imply that people that are very well off and have far more than the average income in society are part of the least advantaged group; in other cases, people utterly deprived and with an income level far below the average income may be excluded from the least advantaged group. It is hard to see why we should apply the Leximin Principle in cases of this kind.

14. Tungodden (1994). Some minor qualifications are needed in order to attain the results I refer to in this passage, but, conventionally, these qualifications are considered unproblematic.

15. This possibility has also been advocated by Pogge (1989). He claims that: "The fraction to be chosen must fall within a certain range - must be large enough to appeal to the parties' interest that their criterion should issue in definite and significant demands for situations of injustice and must be small enough to appeal to the parties' interest to aim these demands specifically at improving the worst shares. Half a percent is too small and 60 percent too large, though both 4 percent and 20 percent may be arguable" (p. 204). Admittedly, I find it difficult to understand the line of reasoning underlying this particular claim.

Therefore, even if this line of reasoning makes it possible for us to construct a Leximingroup Principle that both differs from the Leximin Principle and is not inconsistent with the Pareto principle (or the Betterness principle), it still does not have much moral appeal.

A final possibility is to define the least advantaged group by an absolute cut-off line that is independent of the overall amount of resources in society. This approach also makes it possible to construct a Leximingroup Principle that both differs from the Leximin Principle and is consistent with the Pareto Principle (or the Betterness Principle), and, moreover, has some intuitive moral appeal. By way of illustration, the absolute cut-off line may refer to the level of income that people need in order to buy a certain amount of calories, and then a Leximingroup Principle could be defined in such a way that we choose the social state with the smallest overall poverty gap, i.e., the smallest overall income deficiency compared to the absolute cut-off line.

However, this is an important step away from the basic idea in Rawlsian reasoning, to wit that morally arbitrary factors should not influence the distribution of social goods unless they contribute to improving the conditions of the least advantaged members of society. If the group that should be assigned absolute priority is defined as those who are below an absolute cut-off line, then no absolute priority is assigned to the worst off in cases where everyone in fact is above the absolute cut-off line. But this does not necessarily imply that morally arbitrary factors do not play an important role in the distribution of social goods in these cases, which is easily seen if we accept that it is always possible to increase the level of well-being of the more fortunate group in society. Then any absolute cut-off line has the potential of referring to a low level of well-being in a future society, and thereby – within such a framework – morally arbitrary factors are allowed to play a decisive role in deciding the opportunities enjoyed by people. Morever, if we accept that (in some cases) people above this absolute line also are deprived as a consequence of morally arbitrary factors, then we need to establish a further argument that explains why we assign absolute priority to one part of the deprived group. I find it difficult to see an argument of this kind that is consistent with the moral premise of Rawls' theory, and hence, in my view, an absolute cut-off line seems difficult to defend within the Rawlsian framework in connection to the Difference Principle.

To conclude: As I see it, if we accept the moral premise that natural capacity and starting point in life are morally arbitrary factors, then it follows that it is unfair that some people – due to differences in these factors – have a lower level of well-being than others. In every society, the fair solution would be to redistribute the amount of resources present so that everyone enjoys the same opportunities in life. Roughly, this makes the level of well-being that everyone can enjoy if we have a fair distribution of resources a fixed point in our discussion, and hence a relative definition of the cut-off line is unavoidable within the Rawlsian framework. However, as we already have discussed, a Leximingroup Principle defined by invoking such a cut-off line cannot serve as a final principle in social choices, because it violates the Pareto Principle (or the Betterness Principle). Thus we seem to have reached an impasse. But that may be due to too ambitious an aim of the discussion, an issue I now turn to.

Justice and Poverty

Rawls (1971) argues that "[i]nequalities are permissible when they maximise...the long

term expectations of the least fortunate group in society" (p. 151). I have argued that this certainly should be the case, but it does not follow from this that a society with inequality is more just than a society where everyone enjoys the same level of well-being. A society without inequality should be considered as just within the Rawlsian framework, because in such a society no one is deprived because of morally arbitrary factors. This gives us a reason for prefering a society with equality, though other reasons may outweigh the concern for justice in certain cases. The Pareto Principle is one such reason; in certain cases, everyone may prefer an unjust society in comparison with a just society, and in these situations we should choose the unjust society.

The fact that we may prefer an unjust society to a just society does not tell us that justice is of no relevance in debating social choices. As is well-known, we may prefer a Pareto-inefficient social state to a Pareto-efficient social state, but no one will argue that this implies that the concept of Pareto efficiency is without interest. Moreover, it is obviously of interest to rank various social states according to a principle of justice, and in this case we are told by Rawlsian reasoning to focus on the part of the population that is below the average level of income in society. This gives us a non-arbitrary cut-off line, and hence a non-arbitrary definition of the least advantaged group in society. However, there is one important distinction between the Pareto Principle and The Leximingroup Principle (as sketched here). In social choices, we shall always endorse a Pareto-improvement, though not always an improvement in the space of justice as defined by the Leximingroup Principle. Possibly, a reasonable structure on social choices could then be to give absolute priority to the Pareto Principle, and then use the Leximingroup Principle – where the least advantaged group is defined as everyone below the average level of well-being – to choose between Pareto-efficient social states.[16]

What about our understanding of the concept of poverty? Has our detour into the Rawlsian framework contributed in any significant way in this respect? It follows from the discussion that the Difference Principle of Rawls provides us with a possible interpretation of the concept of poverty. If we accept the moral premises underlying the derivation of this principle, we may argue that the problem of poverty reflects the problem of injustice. In this case, we should define people as poor if they have less than the average level of well-being in society, and we should care about this problem because we accept that it is unfair that morally arbitrary factors influence the level of well-being enjoyed by people. Obviously, this raises a new question, to wit how to define the reference society in a discussion of justice. I shall not elaborate on this issue here, but the possibility for distinguishing between local, national, and global poverty lines should be obvious.[17] Moreover, we should be careful in defining the average level of well-being in society, because – as Sen has underlined in his work – there are important differences in people's ability to convert resources into well-being.[18] But the average level of income in a

16. Of course, we need to be more precise on how to settle conflicts within the least advantaged group, but that is an issue I leave for another occasion.
17. Rawls (1971, 1993) has in mind the nation as the reference society, but see (among others) Pogge (1989) for a discussion of globalizing the Rawlsian view on justice.
18. See Sen (1992).

society may serve as a benchmark. Corrections could then be made for particular groups with different abilities in this matter.

But is this poverty line very attractive? Is this what the World Bank had in mind when they argued that the alleviation of poverty should have high priority among the world's policymakers? Presumably not, but let me add a few (rough) empirical comments to the discussion before we settle this issue. If we take a global perspective on the distribution problem, then it follows from the line of thought that we have pursued in this paper (if we are willing to accept some simplifying assumptions with respect to the problem of interpersonal comparison of well-being) that one possible interpretation of the concept of poverty is to say that people should be considered as poor if they have less than the average level of income measured globally. If we accept real GDP per capita as a rough point of departure for this brief empirical investigation, then within our framework a representative person in countries with GDP per capita below $ 5.120 is poor.[19] Is this an unreasonable claim? By way of illustration, it implies that a representative person in Brazil is just above the poverty line and a representative person in Tunisia just below the poverty line, and, moreover, obviously, a representative person in every Scandinavian country is far above and in most African countries far below this poverty line. In my view, this is not an outlandish statement about global poverty, and hence the Difference Principle of Rawls may seem to shed some light on the debate about how to define the concept of poverty.

Nevertheless, most people will probably insist that we should settle for a low absolute poverty line (covering undernutrition and alike issues) or a low relative cut-off line (like 20% of the average income in society). The problem with these suggestions is the following: They are arbitrary as they stand, because it is difficult to see why we should give absolute priority to people below these poverty lines in a normative discussion. However, it may be the case, as indicated in the first part of this paper, that an absolute poverty line can be given normative defence within the Rawlsian framework by invoking the first principle of justice of Rawls. In this case, the problem of poverty will reflect the absence of essential social conditions for the adequate development of citizens as rational and reasonable persons. What these essential conditions are is a further difficult issue which it is beyond the scope of this paper to elaborate on, but if we accept this general statement then the following structure emerge from the Rawlsian framework.[20] The problem of poverty – defined in the context of the first principle of justice – should be assigned absolute priority, and reflects the presence of severe injustice. However, extensive injustice may persist even if poverty is alleviated. The Difference Principle of Rawls gives us another cut-off line of importance in these cases – the Rawlsian framwork gives us a very good reason for not caring about those just above average income in relation to justice; everyone that is not in the least advantaged group according to this definition has – due to morally arbitrary

19. The figures reported here are from UNDP (1994). Measures of real GDP are developed on an internationally comparable scale using purchasing power parities.
20. Moreover, it would be necessary to provide a good account of why we should assign absolute priority to establishing social conditions (whatever they should be) for the adequate development of *all* citizens as free and equal persons. Rawls (1993:310-315) sketches a procedural argument, but, in my view, this passage is not very convincing.

factors – more than what everyone could have enjoyed in this society if resources were distributed equally.

Final remarks

To alleviate the problem of poverty is considered to be of utter importance in most societies; both at the local, national, and global level. At the same time there is no clear understanding of what it means to attain this aim, due to the lack of a precise and reasonable definition of the concept of poverty. Therefore, the purpose of this paper has been threefold. First, I have attempted to illustrate the close link between the concept of poverty and normative reasoning. Second, I have explored the possibility of defining the concept of poverty within the framework of Rawlsian reasoning. I have indicated how the Difference Principle may provide suppport for one interpretation of the concept of poverty, but probably a more promising route would be to link the discussion of poverty to Rawls' first principle of justice. More work is needed in order to attain any definite results in this respect. Third, I have argued that the Difference Principle proposed by Rawls cannot serve as a final principle in social choices, but should be viewed as an expression of how to evaluate changes in the dimension of justice when the least advantaged group is defined as everyone that has less than the average level of well-being in a society. In an overall evaluation of social choices, other aspects than justice should also be taken into account, and one possible social choice rule can be to apply the Pareto Principle and the Difference Principle in a hierarchical structure, where the Pareto Principle is given absolute priority.

In this paper, I have avoided saying that we ought to accept the framework of Rawls, and that we have a duty to comply to the principles derived from this line of resoning. Such statements would immediately be attacked by defenders of naturalism, who, like Binmore (1994), would argue that "if one chooses to *define* ethical theory to exclude those *oughts* which can be deduced from an *is*, [then that] would force me into agreement with Nietzsche that there are *no* moral phenomena" (p. 11-12). Hence, in the framework of naturalism, The Rawlsian line of reasoning lacks foundation, because there is no foundation for any moral theory. Rorty (1989) provides an insightful response to this view: "[A]ny attempt to drive one's opponent against a wall...fails when the wall against which he is driven comes to be seen as one more vocabulary, one more way of describing things. The wall then turns out to be a painted backdrop, one more work of man, one more bit of cultural stage-setting" (p. 52). The framework of naturalism is as much a work of man as the Rawlsian framework, and the message of Rorty (1989) is that it is futile to aim at deciding which of these frameworks are true. Both describe one possible way of approaching these issues, and thus both offer a perspective that we may take up in our lifes. The story of this paper is simply that if we adopt the perspective suggested by Rawls (1971,1993), then we can single out some interesting definitions of the concept of poverty. Other perspectives will give other answers on this issue, but that is not a problem for the arguments present in this paper.

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