

POVERTY AND POVERTY ALLEVIATION

Poverty refers to a core set of basic human deprivations, and poverty alleviation refers to efforts by individuals and institutions to reduce these deprivations. Poverty and poverty alleviation are two of the most important topics in global studies. In a variety of disciplines in global studies, the most important questions include understanding what poverty is, what it is like to be poor, what causes poverty, how poverty can be alleviated, and how poverty is reproduced or reduced by different institutional arrangements.

Poverty

Depending on the measure, several billion people, perhaps more than half of humanity, are poor by an absolute standard of deprivation. Even within very wealthy countries, severe poverty persists in both relative and absolute terms. While poverty exists in every country in the world, the content, experience, and likelihood of deprivation is widely divergent in different contexts.

Conception and Measurement

How one conceives of and measures poverty is a very important and highly contested topic in global studies. Initially, countries were categorized as either poor or non-poor based on per capita GDP. This measure, which takes the country as a unit of analysis, is clearly flawed as it fails to take account of the distribution of deprivation within a country. Beginning in 1990, the World Bank established the International Poverty Line, which, after several revisions, currently stands at US\$1.25 PPP 2005—that is, it is supposed to be the value in local currency that has the same purchasing power as \$1.25 had in the United States in 2005.

In the domestic context, most national poverty lines are also set in terms of income. But the rationale for these lines can vary. In some cases the monetary poverty line is set by the cost of acquiring a certain number of calories, in others the cost of acquiring a more diverse set of basic goods. Domestic poverty lines can be either absolute (compared to an independent standard) or relative (compared to the prevailing average income in a given society).

The income based approach to poverty has obvious limitations. It fails to take account of one's ability to convert income into achievements, ignores the different needs of different individuals, and excludes key dimensions of human life such as education and health care that are clearly relevant to avoiding poverty. From a measurement perspective, the International Poverty Line critically depends on unreliable comparisons of purchasing power over time and across context that have little relevance to the economic lives of poor people. Researchers are currently seeking a more meaningful, comparable, and justifiable measure of global poverty.

The basic needs approach to poverty identifies one as poor if they are deprived or lack certain basic needs, usually food, clothing, shelter, water and sanitation, education, and health care, but occasionally including non-material needs like public participation or secure employment. The basic needs approach is intuitively plausible, as all human beings do have certain needs that must be met for basic functioning as human beings. It is an improvement on the income based approach in that it recognizes the multi-dimensional nature of poverty. However, the basic needs approach fails to take account of the agency of individuals, and the degree to which

different social locations and personal heterogeneities can affect one's ability to convert resources into functionings or achievements.

The capabilities approach, first developed by Nobel prize winning economist Amartya Sen, provides an alternative framework where poverty is defined as the deprivation of basic capabilities. Capabilities are the substantive freedoms to do and be those things that people value or have good reason to value. By focusing on freedoms, Sen emphasizes the agency of poor people, and takes account of the constraints that one might face in exercising this agency even in the presence of supposedly formal equality of opportunity. This is now the dominant paradigm in global development.

Prominent in Europe, the social exclusion approach identifies those individuals and groups as socially excluded who are not involved in normal social processes. Social exclusion can either be understood as fully constitutive of poverty or, alternatively, as a distinct phenomenon that is closely related to poverty. The advantage of the social exclusion approach is to focus on the relational features of deprivation, and the dynamic processes by which people become deprived. In the context of global studies, the challenge has been to extend the social exclusion approach (which was largely developed in the context of a developed welfare state) in a way that is useful for developing countries and for cross-cultural comparison given the diversity of 'normal' social processes that characterise different societies.

Finally, poverty can be conceived as a violation of certain economic and social rights. International law has long recognized anti-poverty rights, including in the Universal Declaration of Human Rights and the International Covenant on Economic and Social

Rights. These rights can include the right to education, health care, and a minimum standard of living, and arguably also include a right to decent work and social security protections. Many opponents of anti-poverty rights object that such rights cannot exist because they would place over-demanding obligations on the non-poor. But this argument depends on the assumption that those rights entail the obligation to lift people out of poverty, when they might merely entail the development or reform of institutional structures to make it such that people can progressively realize lives that avoid core deprivations. It seems implausible to think that civil and political rights exist without some anti-poverty rights, given that poverty can prohibit one from exercising civil and political rights.

For at least four decades, researchers and activists have argued that poverty is feminized. The claim is made in both developed and developing countries that a) women are disproportionately poor b) the percentage of women in poverty is increasing c) female headed households are poorer than male-headed households d) female headed households are the poorest of the poor and e) poor people, especially women, are increasingly subject to forms of exploitation that are distinctively feminine. However, absent clear conceptual foundations and reliable data on individual deprivation, it is difficult to substantiate these claims on a global level.

Making gender central to the conceptual analysis of poverty is not merely about obtaining sex disaggregated statistics on the extent, trend, depth, and distribution of poverty. It is also about reassessing how poverty is best conceived. Gendered analysis can: illuminate the ways in which traditional conceptions of poverty overemphasize the masculine; highlight dimensions of poverty that might be missing

and relevant for assessing the deprivation of both men and women, including time-use (in most societies women do far more unpaid work than men) and physical security (in most societies women are disproportionately exposed to sexual and domestic violence); emphasize questions of power and control over the allocation of scarce resources and opportunities, especially within the household; and illuminate the complex relationship between gender equity and poverty reduction. Feminist perspectives also tend to highlight other forms of oppression, such as racial, ethnic, religious, and caste based forms of inequity that frequently affect one's chances of being poor and their experience of poverty.

Defining and measuring poverty matters a great deal. Government entitlement programs, the allocation of scarce resources, and the normative assessment of projects, policies, and institutional arrangements all depend crucially on how poverty is conceived of and measured.

Poverty Alleviation

At the micro level, the level of individuals and families that live with a variety of deprivations every day, much can be learned about poverty alleviation, although the subject has until recently received relatively less attention than macro theories of poverty reduction. Global studies takes as a central topic identifying the circumstances under which individuals are likely to leave poverty, become poor, or remain poor.

Micro-level assessments of poverty, in a range of contexts, frequently focus on several key topics. Access to suitable systems of finance, including credit, savings,

and insurance, can arguably play a role in helping individuals to avoid deprivation, though it certainly is not the silver bullet of poverty alleviation as some proponents suggest. Some argue that microfinance creates additional burdens to already overburdened people, while relieving the state's obligation to provide access to resources and opportunities. Access to employment, especially secure formal employment, can be central to moving out of poverty. Such secure employment, among other positive things, often results from investments in individual education. A lack of health care is one of the leading causes of families falling back into poverty, as the illness of someone in the family can deplete much needed resources and reduce productivity. Security, especially physical security, is an important precondition to moving out of poverty. The absence of physical security can quickly wipe out a lifetime of poverty alleviation efforts. Recently, attention has shifted to strategies of asset accumulation, which can be both a route out of poverty and a protection against shocks. Finally, gender relations at the micro level are central to individual deprivation, as women are frequently more likely to be deprived or overburdened than men, and increasing gender equity can lead to decreasing poverty.

At the macro level, there is widespread debate, and very little agreement, about which, if any, set of policies or institutional arrangements are best suited to reduce poverty.

Aid

Foreign aid, understood as donations from either governments, NGOs, or individuals delivered to poor people through either states or NGOs, has become one of the most polarizing topics in global studies. Defenders of aid argue that rich country citizens and governments ought to give (more and better) aid to developing countries. A

variety of reasons can defend this moral claim—that rich countries (and their residents) owe poor countries (and their residents) for historical harms, such as colonialism, slavery, and support of dictatorial and abusive regimes; that rich countries owe poor countries for contemporary harms such as unfair trade policies, undemocratic global financial governance, the forced adoption of neoliberal economic policies, and the burden of unjustly acquired debt; that rich countries should support poor countries for purely humanitarian reasons, given the severity of deprivations poor people face and the minimal costs such aid imposes on rich countries; and finally that rich countries can serve their own self interest through the provision of foreign aid, as there may be a connection between poverty and insecurity, environmental degradation, or terrorism. All of these arguments are supplemented by empirical claims of the effectiveness of foreign aid.

Opponents of foreign aid argue that there is very little evidence that aid promotes growth or poverty reduction—in fact, many of the countries that have made the most progress in poverty reduction have received the least amount of aid, and many countries that have received the most aid have not made progress in poverty alleviation. Worse yet, critics argue, foreign aid creates dependency in poor countries, violates their sovereignty, and disrespects the agency of poor people.

More sophisticated participants in the aid debate eschew oversimplified positions, and focus on the quality of aid and the impact of aid on developing countries' institutions. There is a difference between effective aid and wasted aid, aid supporting domestic initiatives to strengthen institutions and reduce poverty versus aid that undermines

local institutions and anti-poverty efforts, aid that promotes democracy and reduces corruption versus that undermines democracy and feeds corruption.

Harm

Rather than focusing on aid, many academics in global studies focus on the harm that various institutions and individuals commit against poor people such that, if these harms were removed, poverty alleviation would occur more rapidly.

Trade policy is the paradigmatic case of harm against poor people. Though some people argue that global trade under the World Trade Organization (WTO) benefits poor people, it is also widely agreed that the current global trade regime (including parallel regional and bilateral trade agreements) is far less beneficial than a similar, feasible, alternative trade regime would be. For example, many poor countries pay far higher tariffs than rich countries, especially on the goods they are most likely to export, while rich countries heavily subsidize those same products. Rich countries' tariffs and subsidies have the effect of decreasing incomes for the poorest farmers.

Stronger critiques of both the WTO and neoliberal economic arrangements more generally hold that not only do rich countries not open their markets and subsidize domestic industries, but they force developing countries to liberalize markets, reduce state support systems, privatize state industries, and deregulate markets. Such structural adjustment programs have been widely studied and criticized as seriously harming poor people.

Environmental destruction, largely but not entirely driven by consumption in rich countries, is already affecting the livelihoods of poor people, with the potential to produce much greater harm in the future. The protection of patents by rich countries, especially to lifesaving medicines, can hamper poor countries' efforts to provide health care to poor people. And the privileges conferred by developed countries on illegitimate governments to borrow on behalf of their citizens, sell resources owned by their citizens, and use the resulting revenues for personal profit or repression also count as significant harms against poor people. The global financial crisis, engineered in western financial institutions, will impoverish a large number of people globally. Corporate practices that irresponsibly exploit natural resources and labor can hurt poor people's health, income, and well-being. Finally, the ongoing burden of sovereign debt incurred by poor countries under unjust circumstances can seriously harm the ability of states to provide much needed services to poor people.

Institutions

Institutional reform is central to poverty reduction, though there are substantial disagreements about which institutions need reforming and how. The state and the corporation are the two most highly scrutinized institutions in global studies.

Effective states are much more likely to succeed in reducing poverty, though there is disagreement about the size and role the state should have. Effective states can provide a reliable and accessible system of justice, protecting poor people from dispossession and discrimination. Effective states can provide security, from both local, international, and transnational threats, which can immediately impoverish an

individual or community. Effective states can reduce the levels of corruption, which cost poor people significant shares of their income. Effective states can help create healthier citizens, through the secure provision of health care and the reduction of common causes of illness and premature death, especially clean drinking water and adequate sanitation. Importantly, effective states can implement social protection and welfare programs to assist poor and vulnerable people. Finally, effective states that promote and ensure gender equity are more likely to succeed in poverty reduction.

The corporation has emerged as one of the most powerful and important institutions in the 21st century. Over half of the world's largest economies are corporations.

Corporations, through both investment and the provision of services, can play a role in stimulating pro-poor growth. But all too often, corporate activity harms poor people—by paying inadequate wages, preventing workers from organizing, exploiting resources without adequate environmental or labor protection, and supporting illegitimate governments.

The interaction between corporations and states can also play an important role in poverty alleviation. Many corporations operating in poor countries pay far less than their share of taxes, and engage in corrupt practices that undermine the development of just institutions. But reform, both in state regulation of corporations, as well as in corporate governance and practice, can result in the corporation being a force for secure employment, steady tax revenue, the transfer of valuable technology, and the promotion of democracy and human rights, all of which can play a critical role in poverty reduction.

Activism

One of the most interesting and innovative areas of global studies is an examination of the emergent transnational activist alliances that challenge, among other things, global poverty. As a result of globalization, poor people often confront common challenges. But globalization also brings common opportunities to strategies between civil society in disparate locations, to strengthen movements through coordination, and to widely disseminate information and publicize abuse.

Some transnational activism has been very successful, achieving successes that matter a great deal to poor men and women. Perhaps most notable has been the relatively successful International Campaign to Ban Landmines. The Jubilee 2000 debt relief campaign achieved commitments to reduce sovereign debts from Highly Indebted Poor Countries (though many countries remain heavily indebted, and some must still meet strict conditionality requirements to receive debt relief). Activism around the issues of global health, especially for HIV/AIDS, malaria, and tuberculosis has substantially improved funding to treat these diseases. The Make Poverty History campaign resulted in increased commitments to foreign aid. And the emergence of transnational and domestic women's movements has made, and will likely continue to make, substantial gains in the struggle for gender equity.

Global studies seeks to understand the complex relationships that can come to characterize both successful and failed efforts to use (or abuse) active citizens to bring about poverty alleviation. Articulating both the promise of and constraints on transnational activism remain central to the field.

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See also Activism, Transnational; Class; Corporations, Transnational; Economic Development; Feminism; Globalization; Global Inequality; Liberalism, Neoliberalism

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