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WORLD POVERTY AS A CROSS-CUTTING ISSUE

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Introduction for “Vulnerability and Human Well-being. A scientific workshop about vulnerability frameworks and their application in the assessment of cross-cutting issues”, organised by CEMEDE and MNP-RIVM in cooperation with UNEP and with the endorsement of GECHS/IHDP, Febr. 1, 2005, Nicoya Costa Rica.

According to OECD’s Guidelines for Poverty Reduction the conceptualisation of poverty has become rather complex: from an emphasis on consumption and assets until the 1970s, to an addition of human development issues in the 1970s, socio-cultural issues in the 1980s, political issues (‘good governance’, ‘human rights’) in the 1990s and protective issues (‘human security’) more recently. It is connected to the Rights approach propagated by OXFAM: the right to well being is seen as a human right, and it is to be enforced globally, if necessary countering national policies by interventions of international aid agencies and NGOs, or even by the imposition of (UN) police/army forces.

DFiD has taken the lead to connect it with the livelihoods approach, and a.o. by an influential publication in *World Development* (A. Bebbington, 1999) it has gained popularity among scientists as well. Poverty reduction is possible by improving individual people’s capabilities, seen as capitals: better access to and more secure entitlements to *natural resources* (productive land, water, seed/gene banks and common property products from forest and fields); improved *physical capital* (production tools, energy supply, housing, drinking water, transportation and communication infrastructure, defence tools against natural and human threats to life and assets (dikes, dams, weapons); improved *human capital* (better health, education, entrepreneurial skills); improved *economic/financial capital*: stocks of money, assets, banking facilities (saving, credit); improved *social capital*: social networks (kin, ethnic, religious, friends), power to mobilise support, access to politics and politicians, some would add: cultural capital and even spiritual capital.

Robert Chambers “Voices of the Poor” project of the World Bank resulted in a massive participation of the poor in defining poverty and its impact, stressing a holistic approach, with ‘respect’ as a key word. Emphasis on the fact that the really poor are often hidden, sick, handicapped, oppressed, silent or silenced, shaming, criminalised, penalised for what the majority regard as unaccepted behaviour or personality weaknesses (‘drunkards’, ‘drug addicts’, ‘stupid people’, people who are or have been in jail, people who should not have been born (e.g. China’s uncounted children as a result of the one-child policy). Many of the poor are indeed ‘out of sight’: in isolated places, in very problematic living environments, in no-go areas or avoidance zones (also in urban areas).

Against this increasing complexity the UN formulated the eight Millennium Development Goals of which the first states that between 1990 and 2015 world poverty has to be halved (from 30 to 15%), and also the proportion of hungry people (malnourished children) has to be halved. Five other MDGs are related to health and education goals, one to environmental goals (with emphasis on safe drinking water, sanitation and slum improvement) and one on better access to aid and markets. In a recent UN report (August 2004, Secr. General on the Implementation of the UN Millenium Declaration, see <http://daccessdds.un.org>). the current

state of affairs was presented and for the poverty goal a rather rosy picture was given: this is one of the MDGs that can be achieved, even long before 2015.

My summary and calculations are given here:

World Poverty 1990 and 2001, percentage and numbers of people below 1 \$/day in PPP

World region	1990 %	1990 nrs million	2001 %	2001 nrs million
SSAfrica	47	232	46	313
LA/Car	11	47	10	52
East Asia	33	396	17	224
South Asia	40	456	30	419
Southeast Asia	18	73	10	49
North Africa	3	4	2	3
West Asia	2	2	4	6
CIS	1	1	5	14
Southeast Eur.	0	0	2	1
World LMI	29	1211	21	1081
World Total	23	1211	18	1081

Indeed, the numbers of 1\$/d poor have gone down, and the proportion is going down to (but has not yet reached 15% of world population, and certainly not yet 15% of the population in low and middle income countries). However: in numbers the poor are increasing in SSA, LA-Car, West Asia, CIS, and Southeast Europe, and most of the gains come from China. It is also important to stress that almost 40% of the world's poor live in South Asia, despite the hype about India's growth rates. And methodological care should also be given to the measurements: e.g. what 'income' is measured, how is PPP calculated, what about corrections for green or sustainability adjustments of GNI, and how does it relate to the other, non-income elements of well being.

The income improvements are important, though, and linked to the second element of the MDG1 (halving world hunger): the percentage of underweight children (<5yrs) is decreasing everywhere since 1990: in South Asia from 53% to 47% in 2001, in SubSahara Africa from 32 to 31%, in Southeast Asia from 38 to 29%, in Latin America and the Caribbean from 11 to 8%, in East Asia from 19 to 10%, in West Asia and North Africa from 11 to 10%.

The UN needs a success here, because most other MDGs lag behind, and will not at all be reached by 2015 (with the exception of access to drinking water, one of the environmental MDGs; but not sanitation or slum improvement goals). See UNDP Human Development Report 2004 Ch 2 p. 33.

The global attention for poverty has given a boost to scientific poverty research. It is important to differentiate between chronic poverty (as highlighted in the MDGs) and transient poverty (e.g. the work of Collier and Gunning). There are many more people who in a ten-year period are poor in some years but not in others. Using a vulnerability approach means: a dynamic approach to poverty, and much more attention to transient poverty and to the impact of shocks on poverty levels and trends. It is useful to differentiate between endowment poverty (with most attention for chronic poverty), shock-induced poverty (with most attention for transient poverty), and entitlement poverty (with attention to both chronic and transient poverty). *Endowment poverty* has to do with low tangible and intangible assets (resp., poor land quality, poor tools, poor gene pool; and poor knowledge, poor health, weak body, lack of motivation, weak networks, lack of respect). This gives low rewards for labour because of a low output, low wages and low prices. *Shock-induced poverty* is a result of asset destruction and recovery problems, in which idiosyncratic risks should be separated from collective risk,

and in which attention should be given to insurance potential, cost of prevention, cost of destruction and cost of recovery. Risks are many: natural disasters, disease epidemics, cost of health care, death and funeral expenses, theft and violence (war and other causes), superinflation, bankrupt saving banks, job loss, not getting paid for work done. *Entitlement poverty* has to do with a lack of access to the more rewarding options (including fall-back options during and after a crisis), but it is also linked to exploitation of labour: lack of entitlements to job protection, to minimum wage arrangements, to markets for produce and labour (many of the world's poor are casual labourers, without ownership of productive assets), it is linked to lack of access to solidarity networks, and a weak representation in buffer networks ("the poor have no friends"), and it is linked to lack of equity in distribution options for income and other support. In the world's value chains the beginning and the end of value chains (primary producers and waste disposal workers) are often least rewarded for their labour, and have very weak bargaining positions. Much more attention is needed for long-term dynamics of poverty profiles, and for the link between reduction of chronic and transient poverty and vulnerability, of which environmentally-related vulnerability is an important, and in some areas dominant part of causes of shock-induced poverty.