

Poverty: How Widespread Is It?

2.1 The Concept of Poverty

How widespread is poverty and what are its trends? These, it appears, are not easy questions to answer either at a conceptual or statistical level. Until recently, poverty was understood mainly in terms of inability to afford a minimum level of living – i.e. the poor were those who fell below a certain level of income. While this is still considered an overarching measure of poverty – the World Bank and the UNDP, for example, compile statistics on the number of people living on less than \$1 a day (the extremely poor) and \$2 a day (the poor) – it is now accepted that ‘income poverty’ does not fully reflect poverty as it is widely understood. Amartya Sen, winner of the Nobel Prize for economic, whose work has inspired the UNDP *Human Development Reports*, has argued that poverty should be understood as lack of substantive freedoms – the capabilities – to choose a life one has reason to value. If such a view is accepted, the lack of opportunity for girls to go to school because of social discrimination, for example, would constitute a dimension of poverty. Amartya Sen says:

... in analyzing social justice, there is a strong case for judging individual advantage in terms of the capabilities that a person has, that is, the substantive freedoms he or she enjoys to lead the kind of life he or she has reason to value. In this perspective, poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes, which is the standard criterion of identification of poverty.

Amartya Sen (1999), p. 86

The capabilities referred to, then, need not be just material; the political freedoms, the sense of security that individuals enjoy – all these non-material capabilities also properly constitute capabilities. If such a perspective is accepted, the dichotomy between economic and political freedoms – for example the idea of treating poverty and democracy as distinct categories of well-being – becomes untenable.

2.2 Poverty: The Evidence

In answering the question ‘how widespread is poverty and what are its trends?’ we are thus confronted with the rather difficult problem of capturing the many dimensions of poverty and their measurement. These difficulties are real. How does one capture the various capabilities that affect peoples’ choice about how they want to live? The Human Poverty Index (HPI) and the other indices – the Gender-related Development Index

(GDI) and the Gender Empowerment Measure (GEM), compiled by the UNDP – go beyond income poverty and have greatly extended our understanding of how different countries are performing in terms of those indices. The *Human Development Report 2002*, which is devoted to the theme of deepening democracy, draws on various indicators of governance and democracy, many of them subjective, and shows how different countries stand in relation to each other in terms of these indicators. The indices do us a signal service by going beyond the narrow conception of poverty and they enable countries to gauge how they stand in the international league table. But they do not help us to answer our question: if we took all the people in the world as constituting one country, they would not tell us what proportion of people are living in poverty, defined in the broadest sense *à la Sen*. This is because of problems of lack of objective data at an individual level and the methodological problems of summation.¹

Given these difficulties, perhaps one way of capturing a sense of the extent of poverty in the contemporary world is to review it in terms of the Millennium Development Goals (MDGs) adopted by world leaders at the UN General Assembly in September 2000. This approach has the additional merit of viewing the depth of the problem in terms of the goals that the global community at the highest political level has already agreed. It will be recalled that world leaders, in addition to declaring their support for freedom, democracy and human rights, set eight goals for development and poverty eradication, to be achieved by 2015. In broad terms, they are:

- Eradication of extreme poverty and hunger;
- Universal primary education;
- Gender equality and the empowerment of women;
- Reduction of child mortality;
- Improvement in maternal health;
- Combating HIV/AIDS, malaria and other diseases;
- Environmental sustainability;
- Development of a global partnership for development.

Of the above eight goals, the first seven might be considered as directly constituting dimensions of poverty; the last may be seen as a means of addressing them. (For a statement of the specific goals adopted by world leaders, see Annex C.)

If poverty is viewed through the prism of the MDGs, what then is the evidence of its extent and trends? Evidence compiled by the United Nations shows that:

- In 1999, 2.8 billion people lived on less than \$2 a day (the poor), with 1.2 billion of them barely surviving on less than \$1 a day (the extremely poor). Compared to 1990,

the number of extremely poor people fell only slightly, despite a significant reduction in East Asia (including China) and the Pacific, from 452 million to 260 million. In sub-Saharan Africa, the number of people living in extreme poverty increased from 242 million in 1990 to 300 million in 1999, and constituted nearly half the total population, the highest ratio of all regions. The proportion of the extreme poor fell in South Asia, but because of population growth, the absolute number of poor changed little. There is thus deep income poverty in the world – one in four or five persons was extremely poor in 1999 – and poverty has deepened in sub-Saharan Africa.

- In 50 countries with almost 40 per cent of the world's population, more than one-fifth of children under the age of five are underweight. Further, it is estimated that in 1997–99, some 815 million people were undernourished, 95 per cent of them in developing countries.
- Of the 680 million children of primary school age, 113 million – 17 per cent of the total – are not in school. In sub-Saharan Africa, South Asia and the Arab states, despite significant progress, four out of ten adults cannot read or write.
- Of the world's estimated 854 million illiterate adults, 544 million – two-thirds of the total – are women; and of the 113 million children not in primary school, 60 per cent are girls. Around the world, there are an estimated 100 million missing women – half of them in India alone – who would be alive but for infanticide, neglect or sex-selective abortions.
- Every year about 11 million children die of preventable causes, often for want of simple and easily provided improvements in nutrition and sanitation, and maternal health and education.
- By the end of 2000, almost 22 million people had died from AIDS, 13 million children had lost their mother or both parents to the disease, and more than 40 million people were living with the HIV virus – 90 per cent of them in developing countries and 75 per cent in sub-Saharan Africa. In four countries – Lesotho, Swaziland, Zimbabwe and Botswana – one out of every three adults or more carries the HIV virus. There are warnings that Asia is on the verge of an epidemic.
- Every year, there are more than 300 million cases of malaria, 90 per cent of them in sub-Saharan Africa. And every year, 60 million people are infected with tuberculosis.
- Carbon dioxide emissions have increased dramatically – to more than 6.6 billion tons in 1998, up from 5.3 billion in 1980. But 165 countries (including the US), responsible for 89 per cent of global emissions, have yet to ratify the Kyoto Protocol which aims at reducing these omissions. More than 250 million people living off the land are directly affected by desertification.

- 1.1 billion people lack access to safe water, and 2.4 billion do not have access to any form of improved sanitation services. About 4 billion cases of diarrhoea occur each year, leading to 2.2 million deaths, predominantly among children – representing 15 per cent of child deaths in developing countries.

These facts show that deep poverty exists in the world, and is particularly acute in sub-Saharan Africa.

But the facts above do not cover political freedoms, the rule of law and other indicators of liberty which also are material in measuring the depth of poverty, as understood in the wider sense defined by Sen – and they are thus an incomplete statement of the lack of development in the world. While the *Human Development Report 2002* does, for the first time, provide indices of democracy and good governance by country,² it is not possible from its data to arrive at an estimate of the proportion of people living in a state of un-freedom in the world as a whole. What we know is that in the last two decades, some 81 countries took steps towards democratisation; but the movement is far from complete or sustained. Today only 41 of these 81 countries are considered to be functioning democracies. A significant proportion of people – including those in such large countries as China and Pakistan – currently live under dictatorial or authoritarian regimes. (We discuss the question of democracy and good governance in Section 5 below.)

2.3 Is the World on Track in Reducing Poverty?

Is the world on track in fulfilling the MDGs? The *Human Development Report 2002* suggests that while 55 countries, with 23 per cent of the world's people, are on track to achieve at least three-quarters of the MDGs, 33 countries with 26 per cent of the world's people are failing on more than half; especially extraordinary efforts will be needed in sub-Saharan Africa. It estimates that a growth of 3.7 per cent in per capita income is needed to reach the goal of halving income poverty; yet in the 1990s only 24 countries – including China and India – have achieved such growth and 130 countries, with 40 per cent of the world's people, are not growing fast enough. The latter include 52 countries that actually had negative growth in the 1990s. Twenty of the sub-Saharan African countries, with half the population of that region, are poorer today than they were in 1990.

Progress in regard to other MDGs is also not on track in several countries: 40 countries with more than 28 per cent of world's population are not on track in regard to reduction of hunger; 25 countries with 32 per cent of world's population are not on track in regard to improving access to clean water; and 85 countries with more than 60 per cent of the world's population are not on track in regard to the goal of reducing child mortality.

Mark Malloch Brown, Administrator of the UNDP, reaches the following overall conclusion:

... at current trends, a significant portion of the world's states are unlikely to achieve the Millennium Development Goals, including the overarching target of halving income poverty by 2015. Many countries are poorer than they were 10, 20 and in some cases 30 years ago. HDR (2002), p. 5

Reducing poverty thus continues to be a great challenge to humanity.