Poverty, the Human Consequence Of Inequality[1]

> Massive poverty and obscene inequality are such terrible scourges of our times – times in which the world boasts breathtaking advances in science, technology, industry, and wealth accumulation – that they have to rank alongside slavery and apartheid as social evils.
> (Nelson Mandela, London, 2005)

At the sharp end of the skewed distribution of power, assets, and opportunities are the billion people who live in extreme poverty. Poverty is about much more than a low income, something that becomes particularly clear when people living in poverty are asked to define it for themselves. It is a sense of powerlessness, frustration, exhaustion, and exclusion from decision-making, not to mention the relative lack of access to public services, the financial system, and just about any other source of official support. Poverty has a deep existential impact – being denied the opportunity to flourish, whether for yourself or your children, cuts very deep indeed. The academic Robert Chambers talks of the world being divided into 'uppers' and 'lowers', a description that fits numerous aspects of poverty, whether women's subjugation by men, or the power imbalances between ethnic groups, and social classes.

The many dimensions of poverty reinforce one another. Poor people are discriminated against, but many people are also poor because they suffer discrimination. In South Asia, households that face discrimination because of religion, ethnicity, or caste are significantly more vulnerable to labour market exploitation and debt bondage than other economically poor families.

In 2000, the World Bank published Voices of the Poor, a remarkable attempt at understanding poverty from the inside, based on discussions with 64,000 poor people around the world. What emerged from these interviews was a complex and human account of poverty, encompassing issues that are often ignored, such as the need to look good and feel loved, the importance of being able to give one's children a good start in life, or the mental anguish that all too often accompanies poverty. The overall conclusion was that, 'again and again, powerlessness seems to be at the core of the bad life'.

The reverse of such 'multi-dimensional' poverty is not simply wealth (although income is important), but a wider notion of well-being, springing from health, physical safety, meaningful work, connection to community, and other non-monetary factors. That is why good development practices build on the skills, strengths, and ideas of people living in poverty – on their assets – rather than treating them as empty receptacles of charity.

Although this multi-dimensional view of poverty is widely accepted in theory, in practice, attention centres on income poverty, most commonly defined by the international 'extreme poverty' line of US$1.25 a day, which forms the basis of the first Millennium Development Goal (MDG), that of halving the proportion of the world's population living in extreme poverty by 2015. Anyone living below that line is judged to be unable to feed themselves properly. The $2-a-day 'poverty line' is seen as the minimum required to provide food, clothing, and shelter.

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[1] An excerpt from Green, D. (2012). "Part 1: Introduction – The unequal world". *From poverty to power: How active citizens and effective states can change the world*. Oxfam, p. 6-9.

There is plenty of good news on development (often downplayed by those keen for further action). Extreme income poverty is falling over time. Between 1990 and 2005 the number of people worldwide in developing countries living on less than the international extreme poverty line of $1.25 a day fell from 1.82 billion to 1.40 billion. As a proportion of the world's rising population, this was a decline from 42 per cent to 26 per cent.

The nature and location of poverty is also changing. The UN notes 'an increased tendency for people to rotate in and out of poverty, a rise in urban poverty and stagnation in rural poverty, and increases in the proportion of informal workers among the urban poor and in the number of unemployed poor'. In 2007, the earth's urban population overtook its rural population for the first time in human history, driven mainly by growth in cities in developing countries. Of the three billion urban residents in the world today, one billion live in slums, and are vulnerable to disease, violence, and social, political, and economic exclusion. UN-Habitat estimates that the world's slum population will double in the next 30 years, outpacing the predicted rate of urbanisation.

Globally, achievements in reducing income poverty can be attributed largely to the economic take-off of China and India. Despite worsening inequality, China in particular has made extraordinary progress, reducing the proportion of its people living in extreme poverty from 84 per cent in 1981 (835 million people) to just 16 per cent (208 million people) in 2005.

Many countries have shown how to grapple successfully with the other dimensions of poverty. Egypt has sustained one of the fastest declines in child mortality rates in the world since 1980. Bangladesh, Honduras, Nicaragua, and Viet Nam have also achieved rapid progress.

Such advances should of course be celebrated and learned from, but should not be allowed to mask the plight of numerous countries and sectors in which progress has been slow or non-existent – and in many cases, poverty has been getting worse. In sub-Saharan Africa, the ranks of extremely poor people increased by 100.5 million between 1990 and 2005.

Beyond income poverty, too, the glass is not even close to half full. Compared with the position in 1999, there were 39 million fewer children of primary school age out of school in 2009, but close to 70 million still do not receive an education, 53 per cent of them girls. In 2009 there were 4.3 million fewer child deaths than there were in 1990, but 8 million children still die each year. Almost all such deaths are preventable. In Africa a child dies every 45 seconds of malaria; the disease accounts for 20 per cent of all childhood deaths.

The rapid scale-up in global immunization since 2001 through the Global Alliance for Vaccines and Immunization has also brought down the death toll, estimating that it has saved five million lives. Yet diseases such as measles, diphtheria, and tetanus, which can be prevented with a simple vaccination, account for 1.5 million childhood deaths every year. For every child who dies, many more will fall sick or will miss school, trapped in a vicious circle that links poor health in childhood to poverty in adulthood. Like the 358,000 women who die each year from pregnancy-related causes, more than 98 per cent of the children who die each year live in poor countries. That some poor countries have brought an end to such pain and suffering makes these deaths all the more unacceptable.

Poor health is compounded by dirty water. Another 1.2 billion people have gained access to clean water over the past decade, but a further 0.9 billion still lack access to safe water and

2.6 billion have no access to improved sanitation. Diseases transmitted through water or human waste are the second biggest cause of death among children worldwide, after respiratory tract infection. The overall death toll: an estimated 3,300 children every day.

Hunger combines with ill health to weaken the bodies and undermine the futures of poor people. More than 925 million people, including one in four pre-school children, were undernourished in 2010, even though the world has enough food for its whole population, and the number has since risen along with international food prices. The appalling toll is both human and economic – for every year that hunger remains at such levels, premature death and disability rob developing countries of around $500bn in lost productivity and earnings.

While poverty has been falling since 1980, HIV and AIDS have spread their grip across the poorest countries in the world, and AIDS has become a disease that mainly strikes women in developing countries. Although the spread of anti-AIDs drugs has meant that the rates of new infections and deaths have peaked and are slowly falling, in 2009, an estimated 1.8 million people still died from the disease, and another 2.6 million became infected with HIV. Almost all of these deaths were in the developing world, with 72 per cent of them in Africa. Some 33.3 million people are now living with HIV – 22.5 million of them in sub-Saharan Africa. One in four adults in Lesotho, Botswana and Swaziland are HIV positive, and in sub-regions of those countries and South Africa the rate is far higher.

Some of the 1.4 billion people who live on less than $1.25 a day are worse off than others. Many of them move in and out of poverty, according to the vagaries of the weather, personal circumstances, and the economy. An Oxfam survey of slum dwellers in the Indian city of Lucknow showed that over a three-year period, out of 424 households, 110 stayed poor, 162 stayed above the poverty line, and the remainder – just over a third – moved in and out of poverty.

Worldwide, some 340–470 million people constitute the ‘chronically poor’, trapped below the poverty line with little immediate prospect of escape. Chronic poverty exists in all regions, but is heavily concentrated in South Asia and sub-Saharan Africa. Chronic poverty particularly affects children, older people, and people with disabilities, who face layers of social discrimination, often based on ethnicity, religion, or language.

Multiple deprivations reinforce one other. Indigenous children sent to schools that use a language foreign to them fail to acquire the education needed to find decent jobs and earn their way out of poverty, even when racial prejudice does not deny them equal opportunities. For these people, reducing the extent of their social and political exclusion and their vulnerability to shocks is more pressing than economic growth (since many of them are jobless and are likely to remain so).