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**UNDERSTANDING POVERTY IN SOCIETY: AN
ETHICAL PERSPECTIVE**

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ABSTRACT:

Poverty constitutes a very controversial subject in society today. This is so because it has virtually become a way of life. While some explanations argue that poverty is a natural phenomenon, others have argued that poverty is a product of human activity. Thus there is no consensus regarding why poverty exists. Notwithstanding this, the phenomenon of poverty can be felt, measured, defined and demonstrated. In addition, poor people can be identified and ranked in accordance with their socio-economic status even though ethical aspects need to be taken into account. Increasingly, analysts look for ethical issues in their analysis of poverty, attempting to find out the connection between poverty and human behaviour. Theories of distributive justice become important tools upon which studies pertaining to poverty in this regard draw. Such values are valued because of being effective gateways into policy areas. They are useful as windows into policy-making process and considerations when formulating public policy. While poverty belongs to the public sphere since it affects people, it has moral and ethical implications. Consequently, its investigation should not exclude moral and ethical questions. This paper adopts an ethical perspective in dealing with the broad topic above, without discounting the value of other approaches. It argues that a full understanding of poverty in society is contingent upon looking at the phenomenon's moral and ethical dimensions including the principles underlying public responses.

The problem of poverty

For some analysts, including the author, poverty is a social menace. Of course, recognizing that poverty exists is only part of the equation (Komba, 2002). Understanding why poverty exists for all practical purposes, the most difficult one. Admirers of present socio-economic order in the world with its technological advancement, which has undoubtedly helped to raise living standards, must sometimes be baffled that so many of the world's citizens live in poverty. Even if poverty is accepted as a relative or absolute term in some of the world's economies, it still baffles the imagination to learn that the largest statistics of citizens of such economies live in poverty. For instance, Shaw and Barry (1998) noted that over one in six US workers earns poverty-level wages and nearly one-third of the unemployed fail to collect their statutory welfare entitlements. Surprisingly, this is the case despite the fact that poverty is accepted as a relative term in the world's largest economy. By the same token, India - the world's largest democracy, faces shocking level of poverty. Of India's 1.2 billion people, 700 million live in abject poverty (Sunday Times, October 2003). Such is the level of poverty in India, the world's second most populous country. Not that Africa and South Africa are any better. More than 40% of South Africa's labour force is without jobs and in certain parts of the country poverty level is way beyond 60% (Sunday Times, October 2003). Admittedly, this is a shocking reality of poverty in the modern world, which boasts renowned technological advancement and democracies.

The underlying reasons for poverty cannot be understood without first considering wealth distribution in society. This is so because repeated studies have shown that poverty coexists alongside wealth. Unfortunately, social, economic and political explanations seem to provide unreliable forecasts of poverty. Despite national and international initiatives to eradicate poverty, the impoverished populations of the world are no better off today than they were ten or twenty years ago (Komba, 2002). In its report "attacking poverty", the World Bank paints a gloomy picture of the conditions of the poor in the world (World Bank, 2001). It is being acknowledged that the efforts of the past decade have made little dent on the ambitious goal of "eradicating poverty".

Clearly, the above picture points to the effect that there is "a void" in the theoretical explanations as to why poverty exists. In that case, ethical arguments for explaining why poverty exists appear to be incontestable. This is so because the previous analysis singularly fails to mention the impact of ethical values on the redistribution of wealth in society. Thus explanations of why poverty exists will be incomplete unless they explore the different values and beliefs people hold about distributive justice, which are likely to influence their political and socio-economic behaviour.

POVERTY IN SOCIETY: ESSENCE, MEANING AND BASIC THRUSTS

Poverty cannot escape definitional controversy as a social phenomenon. It has been struggling since the dawn of history to define itself. The biblical injunctions say, "The poor ye have always with you". This injunction

underscores the difficulty of defining "poverty" or "the poor". A definition that promises to get us quickly out of the quagmire and take us close to understanding poverty is that provided by Baumal and Blinder, (1994:425). According to them, there are two ways to define poverty. The more optimistic definition uses an absolute concept of poverty: if you fall short of a certain minimum standard of living, you are poor; once you pass this standard, you are no longer poor. The second definition is based on a relative concept of poverty: the poor are those who fall too far behind the average income.

Each definition has its pros and cons. The basic problem with the absolute poverty concept is that it is arbitrary. Who sets the line? Most of the Basotho would be delighted to live a bit below the South African poverty line and would consider them quite prosperous. Similarly, the standard of living that we now call "poor" would have not been considered so some hundred years back in Lesotho. Clearly, poverty seems to be an issue of time and space. Thus, different times and places apparently call for different poverty lines in society.

The fact that the concept of poverty is culturally, not physiologically determined suggests that it must be a relative concept. For example, one suggestion is to define the poverty line as one-half of the national average income. In this way, the poverty line would automatically rise, as the nation grows richer.

In a similar fashion, once we start moving away from an absolute concept of poverty towards relative concept, the sharp distinction between the poor and the non-poor starts to evaporate. Instead, we begin to think of a parade of people from the poorest soul to the richest billionaire. The "poverty problem" then, seems to be that disparities in income are "too large" in some sense. At least in part, the poor are so poor because the rich are so rich. If we follow this line of thought, we are led away from the narrow problem of poverty toward the broader problem of inequality of incomes and wealth, which are not at all insurmountable or insuperable. Shaw and Barry reject the view that inequalities in wealth and income are inevitable and cite the economies of Japan and Germany, both as capitalistic as the USA and UK, where the distributions of incomes are far less extreme. For them, "inequality of income is not a brute fact of nature, even in market-oriented countries and how much inequality a society is willing to accept reflects both in moral values and the relative strength of its contending social and political forces" (1998:97-8).

Explanation of why more unequal distribution of wealth and income occurs in prosperous democratic societies like the USA and the UK are too complicated for discussion in this paper. What can be asserted, however, is that any answer will be incomplete unless it explores the different values and beliefs people hold about distributive justice, which are likely to influence their political and socio economic behaviour.

THE CONCEPT OF DISTRIBUTIVE JUSTICE

In general, justice refers to what is owed or due to individual members of society. The content given to the concept of justice, that is, what one determines as actually being owed or due to another will vary according to certain philosophical and methodological presumptions from which one approaches the issue. For example, utilitarian conceptions of justice, Rawls's theory of "justice as fairness; communication conceptions of justice, and catholic teaching of social justice are all competing notions that depend on different views concerning the relationship between individuals and society, how society ought to be structured and what constitutes the appropriate goals of a just society. When considering the concept of justice, it is important to distinguish among four different types of justice:

- (1) Commutative justice which refers to that which is owed between individuals in conducting business transaction;
- (2) Contributing justice, which refers to what individuals owe to society for the common good;
- (3) Legal justice, which refers to rights and responsibilities of citizens to obey and respect the rights of all and the laws devised to protect peace and order; and
- (4) Distributive justice, which refers to what society owes to its individual members i.e. the just allocation of resources. Thus, it is this fourth type of justice with which the paper will concern itself.

Considered as one type of justice, distributive justice is a central concept in the catholic tradition and is closely linked to the concepts of human dignity, the common good, and human rights. Considered as an ethical principle, distributive justice refers to what society or a larger group owes its individual members in proportion to:

- (1) The individual needs, contribution and responsibility;
- (2) The resources available to the society or organization; and
- (3) The society or organization's responsibility to the common good.

In the context of allocation of resources, distributive justice requires that everyone receive equitable access to the basic resources necessary for living a fully human life in so far as there is a basic human right to just allocation of resources.

The principle of distributive justice implies that the society has a duty to the individual in serious need and that all individuals have duties to others in serious need. In decisions regarding the allocation of resources, the duty of the society is not diminished because of the person's status or nature of need. Everyone is entitled to equal access to basic resources necessary for living in a human way. In other words, allocation decisions should not be based upon judgments of the quality of persons. Benefits and burdens should also be distributed in a just manner.

That said, it is not surprising that the concept of distributive justice has been with us since the dawn of human life. And indeed, it has been an

important branch of ethics at least since Aristotle, who noted that it invariably raises the interrelated notion of:

- Individual rights
- Fairness
- Equity and
- Entitlement (McEwan, 2001).

These issues are often discussed as distributive justice, which explores the appropriate distribution of social and economic benefits and related cost in any given society according to the following five principles:

1. An equal share for each individual/collectivity. This principle upholds the principle of equal benefits for each individual as, for example, when equal welfare allowances are paid by government regardless of differences in individual income;
2. A share according to the needs of each individual/collectivity. This approach is based on the principle of targeting specific needs of individuals usually in cases where rationing is seen as necessary. For example, special offers in a supermarket may be limited to one item per customer to attract the largest number of shoppers and reduce complaints should stocks run out too early.
3. A share according to the efforts of each individual/collectivity. This approach supports the principle

of recognizing individual achievement, as in the case of a productivity scheme that rewards staff according to their individual outputs.

4. A share according to the social contribution of each individual/collectivity. This approach grants awards according to the social benefit of specific activities such as paid leave of absence for employees to attend local council or trade union meetings, or tax concessions when a firm organizes specialized training for its employees not provided by its competitors.
5. A share according to the merits of each individual/collectivity. This approach supports the principle of rewarding recipients on the basis of individual merit or collective achievement, as in competitions when the winners receive most prize money, or when a company is awarded the Queen's Award for Industry in recognition of outstanding export achievements (McEwan, 2001:274).

Theories of distributive justice

As noted earlier, explanations why poverty or unequal distribution of wealth or income occurs will be incomplete unless they take on board at least three interrelated ethical variables: libertarian, utilitarian and egalitarian influences. These are distinct and interrelated approaches to distributive justice. They have influenced the economic, political and moral values as well

as relationships regarding distribution of social and economic benefits and related costs in any given society. The libertarian explanations for poverty, (explained as unequal distribution of wealth and income), are varied but all focus on "rights". For instance, Nozick's libertarian theory of economic distribution asserts that individuals possess what he describes as "Lockean rights (1974). According to McEwan (2001:274-275), acknowledgement of these rights imposes "side constraints' on how individuals may behave towards other persons, so that each individual remains responsible for his/her own unique life without coercion from others. This is achieved through an entitlement theory of economic justice, which allows each individual to own personal goods, property and money that have been fairly obtained. The individual is also entitled to dispose of them as s/he chooses, unless one or more persons have a prior claim to them due to violation of their lockean rights. This entitlement theory is derived from three interrelated principles:

- 1) The original acquisition of holdings. Following Locke, Nozick argues that property is a moral right since individuals are entitled to the products of their labour, as when personal assets are used productively and sold without others suffering from those transactions. This principle also applies to money, which may be held/saved without deterioration, other than that due to inflation.
- 2) The legitimate transfer of holdings to/from others. Individuals may also acquire assets from others, which they are entitled to hold if legally obtained. These include all purchases, exchanges;

gifts received or donated, but exclude anything obtained by theft, fraud or violence.

- 3) The illegal acquisition of holdings. Nozick defines injustice as any violation of a person's rights that seeks to justify the illegal acquisition of holding contrary to the above two principles (McEwan, 2001:275).

Paramount in Nozick's entitlement theory of economic distribution is how possessions are acquired (McEwan, 2001). For instance, if individuals are legitimately entitled to their holdings then economic distribution is just, regardless of actual distribution at any one time. Thus, whether the distribution is just depends solely on how holdings were acquired. Property rights are derived from an individual's basic moral rights over all social and legislative arrangements imposed by society. This explains why Nozick rejects the notion of taxes imposed by government for redistribution purposes. According to Nozick such actions are unjust because "Taxation of earnings from labour is on a par with forced labour".

Utilitarianism, another popular theory of distributive justice, is concerned with the maximization of personal happiness, which should ultimately determine what is just, or unjust behavior. However, it is not easy to identify which activities will promote human happiness for want of a reliable standard of utility. John Stuart Mill acknowledged that without a clear standard of justice, confusion about how to evaluate principles is inevitable. In discussing economic distribution, he asked whether it is just that talented workers should receive greater remuneration than less capable

counterparts, noting that two valid answers are possible. From one standpoint, he did his best "ought not in justice - be put in a position of inferiority for no fault of his own". On the other hand, "society receives more from the more efficient labourer. [Whose]... services being more useful, society owes him a larger return for them". If arbitrary distinctions between equally plausible answers were to be avoided, "social utility alone can decide the preference". A utilitarian standard is therefore essential for resolving any conflict between rival principles of justice.

Mill's analysis of the relationship between injustice and justice indicated that injustice involves the denial of rights to some identifiable person. It differs from other forms of immoral behavior because the denial of individual rights may include loss of possessions, breaking one's word, or treating the person worse than s/he deserves; and less equitably than people without superior claims to the individual. What these examples share in common is a wrong done and some assignable person who is wronged ... the specific difference between justice and generosity and beneficence [is that] justice implies something which is not right to do, and wrong to do, but which some individual can claim from us as his/her moral right."

If injustice involves the denial of moral rights, it follows that to possess a right to something is equivalent to having a valid claim on society to protect an individual's possession of that thing, either by law, education or pressure of public opinion (McEwan, 2001). Justice, for Mill, is the name of certain classes of moral rules, which concern the essentials of human well being [and] the essence of the idea of justice - that of a right residing in an

individual - implies. The moral rules, which forbid mankind to hurt one another (in which we must never forget to include wrongful interference with each other's freedom).

Ultimately, the attainment of justice is a matter of pursuing social well being which is tied to the question of promoting happiness through economic distribution. This reasoning supports the utilitarian view of Brandt (1979:312-13) that a more equal distribution of income from those with more to those with less is likely to increase the overall happiness of a society.

Another theory of distributive justice, which explains why poverty exists in society, is egalitarian. This approach is associated with the views of John Rawls (1971:11-15). Rawls is an author of a Theory of Justice, which explores the concept of justice in relation to the ideals of equality and freedom. His initial analysis is based on the notion of a social contract, except that Rawls introduces the notion of an abstract social contract to establish principles of justice rather than present specific laws or other social arrangements. His hypothetical contract therefore describes persons who are in an idealized "original position", which is not unlike the "state of nature" starting point of the social contract.

Rawls (1971:11-15) further assumes that these persons in the original position all live behind a "veil of ignorance", unaware of their age, race, gender, or whether they are rich or poor, idle, energetic, intelligent or stupid. They are also assumed to know nothing about their individual

situation or what sort of society they will be entering once the "veil of ignorance" is lifted.

These constraints are included to ensure that the principles persons choose to live under are fair so that they will not seek to gain any overt or covert individual advantage over others (McEwan, 2001:277). Rawls (1971) arrives at these principles by rational analysis. For example, these hypothetical people will be reluctant to live under utilitarian principles intended to provide the greatest good for the greatest number, rather than for all, as some members of society will be excluded. These could include anyone who chooses to implement this system in the first place. Rather, people in the original position would choose to adopt what is known in games theory as a "maximum rule", which states that the option should be chosen under which the worse that could happen is better than the worse under any alternative system. A period of "reflective equilibrium" should convince people that each individual will care more about avoiding an unacceptable outcome (e.g. execution) than in achieving the ideal outcome (e.g. world's richest person), given that no one has advance knowledge of what a hypothetical society would be like once the "veil of ignorance" is lifted.

Furthermore, after considering all the possible options in a rational and systematic way, people will finally choose the following two basic principles of justice:

- 1) Each person has an equal right to the most extensive scheme of equal basic liberties compatible with a similar scheme of liberties for all.
- 2) Social and economic inequalities are to meet two conditions. They must be (a) to the greatest expected benefit of the least advantaged, and (b) attached to offices and positions open to all under conditions of fair equality of opportunity. (Rawls, 1971).

Under the first principle, Rawls defends the notion that every individual would be assured justice as equal treatment for all once the veil of ignorance is removed. As for the equally important claim of freedom, Rawls argues that the "maximum" principle recognizes that: "each person possesses an inviolability founded on justice that even the welfare of society as a whole cannot override [and] the rights secured by justice are not subject to political bargaining or the calculus of social interests".

Under the second principle, Rawls addresses the notions of social and economic inequalities. To redress social inequalities, positions in society should be viewed, not in terms of any differences between offices and positions, but as "differences in benefits and burdens attached to them, such as prestige and wealth, or liability to taxation and compulsory service". As an analogy, he notes that baseball players do not challenge the notion of different positions or the various privileges and powers invested in each position under the rules of the game. Similarly, a nation's citizens do not object to the offices of president, senator or governor, or to the special rights and duties associated with each different position. In short, the basic social structure, not the transactions between individuals, should

establish justice as a corporate project for the mutual benefit of society, and minimize the social and economic consequences of random natural differences between people.

In a nutshell, these are the distributive justice theories, which explain why poverty exists in society. Their respective explanations differ in terms of their varying, yet competing standpoints. Despite their competing claims, they are important tools upon which studies pertaining to poverty should draw. They are also valuable as effective gateways in to policy areas. In fact, they are useful as windows into public decision - making process and considerations when formulating public policy regarding distribution of resources in society.

Distributive Justice in action: Some Public Policy Implications

The available evidence suggests that public policies have a lot to do with the existing state of poverty in society (World bank, 2000; World bank, 1990). On the one hand, bad policies pursued by societies are being blamed for creating and sustaining poverty conditions. On the other hand, poverty alleviation/reduction strategies adopted by societies have not had significant impact of poverty. It is no wonder that of late ethical understanding of poverty is sought to inform public policy process. This is not unexpected. Policies aimed at alleviating both relative and absolute poverty are often influenced by attitudes towards the rival libertarian, utilitarian and egalitarian theories of distributive justice. These

differences need to be recognized in understanding why attempts by society or governments to address poverty are welcomed or criticized. From an ethical standpoint, libertarians would support public policy on distribution of resources as a moral right since all individuals are entitled to the resources of the society, assuming no others suffer from these transactions. Thus, libertarians would support societal investment in poor areas to create an environment for people of such areas to use their assets productively. Investment would be subject to beneficiary areas being selected where future benefits could be maximized without need of any financial support from intergovernmental institutions. As De George observes about Third World investment: "our governments have no direct obligation to other peoples. But we as individuals do" (1995:19-20). By this, De George underscores the need for joint frontline attack on poverty, given resources we have as members of the society. We all have moral obligation to address Poverty.

The utilitarian perspective on public policy regarding distribution of resources in society is influenced by the writings of Singer (1993). Singer would want to see far more financial support from the First World for the greater good of the greatest number of people in the Third World. For example, he argues that, despite their larger financial commitments to supporting the UN since its inception, only a handful of First World countries offer generous financial support to UNDP in aid of the poorest countries. In particular, only Sweden, the Netherlands, Norway and some of the oil-exporting Arab states have achieved the UN target of 0.7 per cent of GDP as aid to the Third World. During the 1990s, the UK gave just over

0.3 per cent, Germany over 0.4 per cent, Japan barely 0.3 per cent and the USA gave a penny-pinching 0.15-0.2 per cent of GDP (McEwan, 2001:289). This state of affairs, thus undermines the efforts geared to poverty, which we are all under moral obligation to help eradicate.

An increasing number of those taking an egalitarian perspective would share much common ground with Singer's utilitarian perspective. They would support the view that since all people are entitled to live life's of material and psychological prosperity, the grossly unequal distribution of prosperity has to change. Singer who adopts a utilitarian position, provides the following rationale to justify a more egalitarian approach towards the poorest nations:

- First Premise: If we can prevent something bad without sacrificing anything of comparable significance, we ought to do it.
- Second Premise: Absolute poverty is bad
- Third Premise: There is some absolute poverty we can prevent without sacrificing anything of comparable moral value.
- Conclusion: We ought to prevent some absolute poverty (McEwan, 2001:280).

Singer (1993) argues that the problem is not that the world is unable to produce enough to feed and shelter its population. According to him, the problem is that insufficient welfare provisions are in place to eradicate the unjust effects of excessive disparities, which lead to absolute poverty. He concludes that severe poverty could be eradicated if adequate welfare

arrangements were provided. He adds that: "The principle should be to prevent what is bad - serious violations of individual rights, injustice, broken promises, and so on - and promote what is good".

Understanding poverty: A proposal

The way forward lies in recognizing and accepting the influences and impacts of libertarian, utilitarian and egalitarian values on the redistribution of wealth in society. Reliable evidence exists for accepting that the spread of libertarian values have resulted in a steep stratification of incomes in private sector organizations (McEwan, 2001:272). This shows the powerful influence of ethical values on distribution of wealth and income in society. It follows that to deal with poverty, ethical values are of paramount importance. This is so because they influence people's attitudes and perceptions - behavior. So to address poverty in society, attention must also be paid to ethical values. By so doing, efforts towards eliminating vast inequality in incomes, in assets (including education and health status), in control over public resources, and in access to essential services, as well as pervasive insecurity can be realized. In addition, macroeconomic and structural policies that encourage growth and employment require ethical fertilization for them to become essential for any poverty reduction strategy. In fact, poverty challenges today require ethical considerations to be key ingredients of any poverty reduction strategy in society.

Concluding remarks

In this paper, I have attempted to show that poverty is the pressing social problem in society. Efforts to address poverty will be inadequate without taking on board ethical imperatives. This situation calls for, rethinking about understanding and explaining poverty. In this connection, it has been argued that ethical values have an important role to play. The analysis of poverty calls for ethical issues. As a result, distributive justice becomes a starting point for exploring the appropriate distribution of social and economic benefits and related costs in any given society. Consequently, theories of distributive justice influence on the economic political and moral values become critical in explaining why poverty exists in society. In fact, they go a long way in exploring the different values and beliefs people hold about distributive justice, which are likely to influence their political social and economic behavior in any given situation. Explanations of why poverty exists, therefore, draw from these theories of distributive justice. Hence they inform all policies geared towards addressing poverty.

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