About poverty

Poverty has many aspects. Absolute poverty is defined according to an absolute minimum standard, often called the ‘poverty line’. Relative poverty means that you are poor in relation to those around you. Income poverty (‘less than a dollar a day’, for example) means that you are poor if you have less money than the defined poverty line for your country. Human poverty takes into account other factors, such as life expectancy, infant malnutrition, illiteracy and lack of food or clean water. Human poverty is about the deprivation of the most essential capabilities, including leading a long and healthy life, having an adequate standard of living, being knowledgeable and participating in community life. It is about more than a lack of income although income and money are needed to buy the necessities of life, food, shelter and clothing.

Measuring poverty is always a problem, especially if you recognize that just using money is not enough. Using an indicator such as the Gross Domestic Product (GDP) to indicate wealth is seriously flawed because it takes no account of natural wealth (eg. the number of trees growing), makes no sense of community or spirituality, measures bad things as well as good (eg. treatments for cancer) and doesn’t include unpaid work. So other measures are required. There are a number of these emerging:

- The Index of Sustainable Economic Welfare. This measures ‘quality’ economic activity by, for example, making a subtraction for air pollution and an addition for unpaid household labour.
- The Human Poverty Index. This is ranked according to three main areas of deprivation: survival; knowledge and a decent standard of living. In the industrial world, where the Index also includes social exclusion, some 7 to 17% of the populations are classified as poor. The higher the percentage figure, the greater the poverty in that country.

At first glance, the statistics give cause for optimism. In the last 50 years poverty has fallen more than in the previous 500. Over the century some three to four billion of the world’s people will have experienced substantial improvements in their quality of life. Since 1960, child death-rates in developing countries have been halved and malnutrition has declined by more than a third.
However, such figures hide the fact that the absolute number of poor people is increasing as the world’s population rises. The number of people with incomes of less than a dollar a day rose by almost 100 million between 1987 and 1993. Today more than half the people in sub-Saharan Africa do not have enough to live on, and the global economic crisis means that over one billion people are suffering a fall in their already-meagre living standards.

And this is not just in the Majority World. In Eastern Europe and the countries of the former Soviet Union, the average incidence of income poverty increased sevenfold between 1988 and 1994. In the US, there are 35.5 million poor people. In Australia poverty levels are five per cent higher than when poverty was first measured in 1973. In Britain, nearly a quarter of old people and a fifth of children are poor – twice as many as in Taiwan and six times as many as in Finland.

And yet the cost of eradicating poverty has been estimated at a mere one per cent of global income. That’s about $80 billion. In 1995 the world spent $800 billion – ten times that amount – on the military alone. Poverty is not just about inequality – but it is the inequality that makes poverty so appalling.

**Inequality**

Inequality is on the increase. In 1976 Switzerland was 52 times richer than Mozambique; in 1997, it was 508 times richer. Two hundred and fifty years ago, the richest countries were only five times richer than the poorest, and Europe only twice as rich as China or India. In 1960, the 20% of the world’s people who live in the richest countries had 30 times the income of the poorest 20%; by 1995 it was 82 times. The world’s 225 richest people have a combined wealth of over $1 million million. Only four per cent of this wealth – $40 billion – would be enough for basic education and healthcare, adequate food and safe water and sanitation for all the world’s people.

Inequality affects many different aspects of life, both between countries and within rural and urban areas of countries. Money and income are the most glaring. Worst affected by the growing inequality gap are sub-Saharan Africa and the countries of the former USSR – here the percentage of people surviving on less than a dollar a day rose from 6.1 per cent in 1990 to 20.3 per cent in 1999.

The Gini index measures equality in income and consumption in a society. The lower the number, the more equal the society. 0 is perfect equality, 100 perfect inequality. Hungary is the most equal society according to this measure, followed by Japan, Belgium and Sweden. Brazil, Nicaragua, South Africa and Namibia (0.67) are among the most unequal.

In many countries, though not all, inequality began increasing during the debt crisis of the early 1980s. (see Information Sheet on Debt, Aid and the Environment) Debt repayments and structural adjustment policies have had a devastating impact on health and education systems. In most countries of sub-Saharan Africa primary school enrolment declined throughout the 1990s. As health and water services were privatized they become inaccessible to the very poor. Global hunger remains high, with six million children under the age of five dying of malnutrition every year. But perhaps the most shocking indicator of global economic inequality is reflected in life expectancy, which keeps rising in the rich countries of the world. An average Japanese citizen can now expect to live to 80; one of Zimbabwe can barely expect to reach 34 years.

Inequality affects countries and people in all aspects of life.
• Ethnic minorities, indigenous peoples and tribal people everywhere face discrimination. This is reflected in quantifiable access to services and resources. In Britain people from ethnic minorities are twice as likely to be unemployed as white people(?). Native Americans are 8 times more likely to get TB than other Americans and 37% die before the age of 45. In South Africa more than 98% of whites live in formal houses, while more than 50% of Africans live in traditional dwellings and the most basic shacks.

• Gender inequality is also widespread. While there are more women than men in the global workforce, women are still the poorest of the poor, representing 70% of those in absolute poverty. In every part of the world women, on average, earn at least 25% less than men.

• While female literacy rates have been rising—two-thirds of the world’s 860 million illiterate adults are still women. More girls are receiving education but still 54% of the world’s children out of school are girls. Nowhere in the world do women hold equal political power to men, but some countries are getting close to equal representation in parliament. (see diagram below)

• Differences in child mortality. If you compare child mortality in the rich OECD countries and other regions, children in poorer regions are more, not less likely to die under the age of five compared to 1990 levels. In 1990 a child in sub-Saharan Africa was 18 times more likely to die than a child in a rich country. In 2001 it was 25 times more likely.

• Life expectancy. In most countries life expectancy has steadily increased over the past decade – but not in sub-Saharan Africa where the impact of debt and HIV/AIDS has reduced the average age of death.

Source: New Internationalist, Inequality

Different ideas concerning Equality
Many, but not all people, take the view that there should be equality of opportunity. That it is
unfair that some people should receive more than others just because of who they are or where they live. Different ideas concerning equality and whether it is desirable in societies have been proposed according to the values and beliefs of the person proposing them. Often it is not a case of choosing only one approach. Different countries often combine elements of several within their policies. See if you can identify the thoughts and ideas informing Namibia’s policies.

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<tr>
<th>Idea</th>
<th>Example</th>
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<tr>
<td><strong>JUSTICE AS FAIRNESS</strong></td>
<td>Justice as fairness’ theory is based on the idea that everyone has an equal right to the most extensive basic liberties. In this is included equality of opportunity. But social or economic inequalities have to be justified in terms of the benefits they bring to the least advantaged. This is called the ‘difference principle'</td>
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<td><strong>UTILITY</strong></td>
<td>Utilitarians argue that redistribution should not prioritize minorities but be based on what will afford the greatest good to the most people From a utilitarian point of view it doesn’t make sense for a greater number of people to give up benefits for the sake of the fewer just because the benefits to the worst-off will be greater. Utilitarianism is therefore a kind of ‘majority rule’ – even though this might be bad for minorities.</td>
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<td><strong>PRIORITY</strong></td>
<td>Many people who consider themselves egalitarians are actually prioritarians. They argue that improvements in the welfare of the worst-off have priority. The individual with a more urgent claim has priority over the individual with a less urgent claim. Once the needs of these are met, then improvements can be made for the slightly better-off, and so on up the scale of privilege. Priority does not concern itself with the numbers of people benefiting or the scale of benefit.</td>
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<td><strong>MARXISM</strong></td>
<td>For Marxists, capitalism is the enemy of equality in that it depends upon the exploitation of workers to create ‘surplus value’ or profit. But since the collapse of the Soviet Union few people believe that there is a viable socio-economic alternative to capitalism. Some people have proposed that jobs are resources to be shared equally and all should be paid, whether they have work or not.</td>
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<td><strong>CAPABILITIES</strong></td>
<td>This is all about creating conditions in which people can realize their ‘capabilities’ which will inevitably be different and have different outcomes due to diversity of human nature and experience. It involves the same basic elements, though, like: being able to live a life of a normal length; having bodily health and integrity; freedom of movement, expression and affiliation; freedom of attachment and so forth. It may involve resources, but it goes beyond them too.</td>
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<td><strong>LIBERTARIANISM</strong></td>
<td>Libertarians argue that there is nothing wrong with inequality. Inequality is natural, inevitable and may even be a good thing – a spur to ambition, competition and achievement. But policies to create equality are harmful: they threaten liberty and individual rights, penalize achievement and lead to a general ‘levelling down’ of society. Many of these ideas have been influential in the US</td>
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<td><strong>DIFFERENCE</strong></td>
<td>Equality is best achieved among socially and culturally different groups by respecting and acknowledging each other’s differences. This requires a principle of group representation and for group-differentiated policies. Groups might be able to veto specific policies that affect them directly. Such multicultural approaches have been criticized by liberal thinkers who insist on universal egalitarian principles.</td>
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<td><strong>JUSTICE AS FAIRNESS</strong></td>
<td>Justice as fairness could take the form of needs-based grants for students.</td>
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<td><strong>UTILITY</strong></td>
<td>An utilitarian approach to taxation might keep it at a moderate level for the middle-income earning majority even if that meant fewer benefits for the very poor or higher taxes for the very rich.</td>
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<td><strong>PRIORITY</strong></td>
<td>Priority, on a global scale, could involve cancelling Third World debt and tackling Africa’s aids crisis.</td>
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<tr>
<td><strong>MARXISM</strong></td>
<td>This might be a universal basic income equivalent to half per-capita GDP of the country in which the citizen lives. In Namibia NGO’s and church groups have formed the BIG alliance to press for everyone to receive a Basic Income Grant.</td>
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<tr>
<td><strong>CAPABILITIES</strong></td>
<td>A has a car while B has a bicycle. In itself, this doesn’t matter because B prefers to cycle. But it does matter if A’s car makes it impossible for B to cycle safely or healthily.</td>
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<tr>
<td><strong>LIBERTARIANISM</strong></td>
<td>Health and education would be left to market forces, but there would be a publicly funded police and penal system. Inheritance tax would be abolished.</td>
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<td><strong>DIFFERENCE</strong></td>
<td>Group-differentiated policies exist in India and Nigeria where there are different codes of family law for Muslims and Christians. Group differentiated policies were enforced in South Africa and Namibia during apartheid rule.</td>
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What could be done

The urgency of addressing what the UN calls the ‘scandal’ of poverty and inequality is being recognized at the highest levels. Poverty is very much on the international agenda; the papers, the statements, the targets are pouring in with the overall aim of halving the proportion of people living in extreme poverty by 2015. If poverty is to be eradicated, it must be more than talk. There needs to be a big push towards the following goals:

- Providing access for those with the lowest incomes to good healthcare and education
- Reducing military spending and promoting peace
- Creating employment and economic resources for poor people
- Working towards a sustainable environment for all
- Reducing the gender gap
- Creating rural development policies which benefit the poor, such as agrarian reform, curbing corruption
- Cancelling debt
- Increasing overseas aid

While the UN has set the target for overseas aid at 0.7% of a country’s GNP, only the Netherlands and Sweden currently meet this target and the US aid budget is the lowest of all. Overall, aid is 0.22% of GNP. If it had stayed at its 1992 level of 0.33%, it would today be $24 billion more than it is. The majority of aid is not spent on direct poverty alleviation. Some is ‘tied’ to trade deals, or debt servicing. In 1997, debt-service payments from sub-Saharan Africa amounted to 80% of aid. Only 24.3% goes to the poorest countries.

More recently (2005) reform of European agricultural subsidies, tariff barriers and a cancelling of debt so that those most highly indebted countries can make greater investments in social services, health and education has been proposed for review by the G8 countries.

Poverty and Inequality in Namibia

An unequal inheritance

International agencies classify Namibia as a lower middle-income country with an annual per capita income of around US$1 800. This places Namibia 65th in a list of 175 countries. But income or GDP is not the whole story. When other indices such as health, housing and education are added in to provide a Human Development Index, Namibia falls 65 places to a rank of 124. This is because even 15 years after independence Namibia is still struggling to overcome the effects of 100 years of separate development or apartheid on the economic and social infrastructure.

Add to this the effects from a severe HIV/AIDS epidemic that results in one in five pregnant women being infected, job absenteeism and an increased premature death rate and progress in all spheres of development is hindered. On a positive note, Namibia is deemed to be one of the least corrupt countries in Africa and is among the eight countries in the world that spend the highest share of GDP on education. Only South Africa in Africa spends more on health(?)

Nevertheless using money as an index of poverty shows that a total of 38% of the country’s households in 1994 were living in relative poverty while a further 9% lived in extreme poverty. The most recent figures show that the richest 7000 people spend as much as the 800 000 poorest, making Namibia one of the most unequal countries in the world. 85% of these poor households are located in rural areas, primarily in the north and north-east.

Inequalities are also present in most other social indicators reflecting a much better quality of life in urban rather than rural areas. This results from historical patterns of spending on education (more for urban than rural), water and sanitation, health and housing and is reflected in the higher incidence of disease ands child mortality but lower educational achievement in rural areas.

Providing development for all

The Namibian government has decided that in order to redress past injustices, Namibia must sustain real economic growth with a bias towards the poorest and most vulnerable groups. This
requires focusing on employment in the rural sectors and providing access to credit, land, and social services such as education and health to rural as well as urban groups.

The Poverty Reduction Strategy focuses on the equitable and efficient delivery of public services, agricultural expansion and the strengthening of food security, and strengthening the informal sector. Namibia is one of the few African countries that maintain a social safety net for vulnerable groups such as senior citizens, orphans, people living with disabilities and war veterans. Since 2003 the government has operated a drought aid scheme involving food distribution, school feeding and food for work schemes. These schemes and others to ameliorate the impact of HIV/AIDS mean that almost a third of the population are receiving some form of social supplementary aid.
Important ideas to stress in your teaching and learning

- Poverty has many different definitions. Some use money, others take into account the provision of social services such as water, sanitation, health, education and housing.
- Measuring poverty by using wealth or GDP can be misleading, since many ‘good’ aspects of the quality of life cannot be measured.
- Although more has been done to reduce levels of poverty in the last 50 years than at any other time in history, the absolute numbers of poor people continue to rise while the gap between rich and poor is rapidly widening.
- Inequality affects all aspects of life; for example access to services and resources of minority groups, gender differences in education, jobs and incomes, child mortality and life expectancy.
- Poverty and inequality is not inevitable. It is results from a free market system linked to international and government policies affecting trade, aid, investment and taxation.
- Different people and countries hold different views on how they view inequality and how it is best addressed.
- As a result of apartheid, Namibia inherited one of the most unequal societies in the world. Despite many new policies, this inequality still remains.

Glossary

Affiliation  
The bringing or a person or a group into a closer relationship with another group.

Ameliorate  
To improve something or make it better.

Capitalism  
An economic system which is based on the private ownership of production and distribution of goods. It is characterised by a free competitive market where motivation is through the incentive of profit.

Child mortality  
The number of deaths of children at a given time.

Discrimination  
Unfair treatment of one person or group usually because of prejudice about race, ethnic group, age group, religion or gender.

Egalitarians  
People who believe that all people are equal and should enjoy equal social, political, and economic rights and opportunities.

Epidemic  
An outbreak of disease that spreads more quickly and more extensively among a group of people than would normally be expected.

Equitable  
Something that is just, fair and impartial.

Eradicate  
To destroy or get rid of something completely so that it can never recur or return.

Ethnic minority  
An ethnic group (a group of people who share the same cultural traits) that is a minority within a nation or society.

G8 (group of eight)  
The group of the eight most industrialized nations in the world comprising of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States.

GDP  
Gross domestic product, this refers to the total value of all goods and services produced within a country in a year, minus net income (sum of money or profit after all deductions have been made) from investments in other countries.

Indigenous  
Originating from or typical of a region or country.
Infrastructure  The basic organization of any company or body.
Life expectancy  The number of years that somebody can be expected to live according to statistics or a country or region.
Majority World  A name given to the countries of the world with low per capita incomes where most people live.
Marxism  The political and economic theories of Karl Marx in which class struggle and libertarians- people who believe that all people should have complete freedom of thought and action and should not be subject to the authority of the state.
Privatized  where a business or public utility has been transferred to from state ownership to private ownership.
Sanitation  the maintenance of public health and hygiene, especially the water supply and waste disposal systems.
Structural Adjustment Policy(SAP's)  SAP’s are economic ‘reforms’ or conditions imposed on a country by the International Monetary Fund in return for a loan.

Sources/Further Reading
The Reality of Aid 1998/99 (Earthscan).