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Understanding Global Poverty Reduction: Ideas, Actors, and Institutions

CHAPTER SUMMARY

This chapter has sought to introduce the concept of “poverty” and explain why ending poverty, or at least poverty reduction, across the world gained entry to the international agenda in the 1990s and crystallized into the MDGs (approved by the entire UN membership) and now heads the post-2015 SDGs. Ideas were of great importance, especially the reformist idea of pursuing human development in all countries and the existence of a measuring stick (the dollar-a-day poverty line) that would make it possible to count how many people were escaping extreme income poverty. A vast number of formal and informal institutions shaped and used these ideas in contests to achieve their goals of either social mission or self-interest. At one level this can be seen as a contest between the ideas of the Bretton Woods institutions and the other UN agencies. However, the processes of interaction—G7/8 meetings; UN summits; regional conferences; civil society protests; the annual World Economic Forum in Davos, Switzerland; and a million more—meant there were no clear sides and no one fully understood what the products of debates would be. The material capabilities of particular nation-states, and particularly the collapse of the Soviet Union’s economic power, underpinned these processes. The growing wealth of the world made it reasonable to argue that, at the very least, the basic needs of all of humanity could be met. A new millennium demanded that world leaders come up with something grand: they could not come up with a real vision, but they could agree (eventually) to a negotiated set of anti-poverty goals.

VIDEO RESOURCES

Why We Need to Think Differently about Sustainability

<https://www.youtube.com/watch?v=5lOSIHWOp2I>

Time 17:34

Leyla Acaroglu is a sustainability strategist and leading proponent of systemic life cycle based sustainability. She is the founder and director of Eco Innovators, designer, social scientist, strategist and educator she is a creative force who finds innovative and inspiring ways of catalyzing change. Her work spans a range of fields and projects including the development of one of the first online life cycle assessment tools—“Greenfly,” creative director of the award winning sustainability education project “The Secret Life of Things,” designed the “Design Play Cards” and in 2012 was an Artist in Residence with Autodesk. She lectures at RMIT University where she is also undertaking her PhD in designing change.

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8 Millennium Development Goals: What We Met And Missed

<https://www.youtube.com/watch?v=A5giOGjj5X8>

Time 2:01

The UN created eight “Millennium Development Goals” in the year 2000 in an effort to improve the lives of the poorest people around the world. The deadline was set for 2015. How far did we get, and how far do we have to go?

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Extreme Poverty: Choices

<https://www.youtube.com/watch?v=xM7KozmQcSw>

Time 2:12

Extreme poverty is commonly defined as living on less than \$1.25 per day. But extreme poverty is more than just a measure of daily income—it is the denial of basic freedoms and basic human dignity. People living in extreme poverty are forced to make impossible choices daily between food, medicine, housing or education, often with potentially catastrophic consequences.

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Equity in the Distribution of Income Series: Absolute Poverty vs. Relative Poverty

<https://www.youtube.com/watch?v=0rUSzNigFSA>

Time 10:33

As a teacher of IB Economics in Santiago, Chile, these videos were created to help students navigate their way through their two-year course of study. I have made these videos public in the hope that they might be helpful to other Economics students around the world.

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SY4 Modernisation Theory

<https://www.youtube.com/watch?v=P9s4MhPATZ0>

Time 12:01

A World Sociology screencast outlining and evaluating Modernization Theory.

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What Is Human Development?

<https://www.youtube.com/watch?v=HwgZQ1DqG3w>

Time 2:40

The UNDP Kosovo animation video “What is human development?” explains and promotes sustainable human development. Sustainable human development means the creation of the same opportunities for a life with dignity for all people and next generations.

REVIEW QUESTIONS

1. Compare and contrast absolute poverty and relative poverty.
2. What is human development about? Explain briefly but clearly.
3. Explain the main assumptions of Amartya Sen’s capability approach.
4. Discuss briefly the structuralist camp.
5. What makes human agency different from social structure?
6. What were the criticisms from the Third World’s perspective against modernization theory?
7. Explain two specific theoretical strands that became underpinnings for efforts to tackle global poverty.

ANSWER KEY: REVIEW QUESTIONS

1. Absolute and relative poverty. Absolute perspectives interpret poverty as occurring when people cannot meet their minimum physical needs because of lack of income. This leads to an unambiguous poverty line. This method is simple and measurable and focuses on basic human needs. Major technical concerns arise, however, in dealing with differences in the minimum amount of nutrition that people need, for example, according to age, health status, employment, and household size. Those advocating a relative conceptualization recognize that human beings are social actors, and argue that poverty must be defined relative to others in a society. For some, relative poverty is only a small step in the right direction. It is relational poverty that needs to be analyzed—not merely income inequality but the unequal power relations between different groups in a society (p. 464).
2. The idea which had provided general support for UN conferences and associated declarations throughout the 1990s has several variants. It is promoted two specific theoretical strands that became underpinnings for efforts to tackle global poverty. First, it advanced the case that development strategies needed to directly pursue the goals of development, and not just economic growth. Human development provided an overarching conceptual framework for arguing that education and health improvements, gender equality, and other goals were not only good in their own right but were essential components of the pursuit of a dynamic vision of the good life. Social goals should not play second fiddle to economic goals; they had to be pursued on an equal footing. Second, experts in international organisations and scholars argued that development and poverty reduction were multi-dimensional. There is a need to draw on the complex interactions of ideas, empirical evidence, political interests, and personal values. (pp. 468–469)
3. The conceptual foundations of the capability approach can be found in Amartya Sen's critiques of traditional welfare economics, which focuses on resource- (income, commodity command, asset) and utility- (happiness, desire-fulfillment) based concepts of well-being. Sen rejects these frameworks in favour of a more direct approach for measuring human well-being and development, which concerns itself with the full range of human function(ing)s and capabilities people have reason to value. Sen's framework makes the following distinctions: First, functionings. "The concept of 'functionings' . . . reflects the various things a person may value doing or being. The valued functionings may vary from elementary ones, such as being adequately nourished and being free from avoidable disease, to very complex activities or personal states, such as being able to take part in the life of the community and having self-respect" (Sen, 2001: 75). Second, capability or freedom. "A person's 'capability' refers to the alternative combinations of functionings that are feasible for her to achieve. Capability is thus a kind of freedom: the substantive freedom to achieve alternative functioning combinations (or, less formally put, the freedom to achieve various life-styles)" (Sen, 2001: 75). Third, development. The expansion of freedom is the primary end and principal means of development. Development involves the expansion of human capabilities and the enrichment of human lives. (p. 469).
4. In the "structuralist camp" are critical sociologists, anthropologists, political economists, and heterodox economists. Their analyses are most often picked up and supported by activist non-governmental organizations (NGOs) and civil society groups, trade unionists, environmentalists, and left-of-centre political parties. It is argued that qualitative approaches lack rigor and permit the analysts to select non-representative empirical materials to advance their argument. The qualitative analysts argue that by focusing on what is readily measurable at the individual and household level, these dominant measurement approaches neglect the analysis of culture, identity, agency, and social structure that are central to the processes that create wealth and poverty (pp. 463–465).

5. These contrasting conceptualizations of the underlying causes and solutions to poverty are particularly important for understanding debates about relationships between poverty and inequality. Agency-based approaches benefit from the simplicity and precision of thinking in terms of individual behaviour and experiences of poverty. Structuralists argue that the units of analysis are multiple (class, gender, race, and others) and overlapping, and that behaviours are complex and, at best, only partly predictable. Both approaches have their strengths and weaknesses. Giddens has proposed a conceptual means—structuration—of integrating both approaches. (p. 464)
6. For all except a few East Asian countries, post-World War II promises of modernization were not delivered. This led to the criticisms from the Third World scholars against modernization theory. The most important of these criticisms is the structuralist analysis that “underdevelopment” (Fanon, 1961) was blocking economic and social progress. Africa, Asia, and Latin America (the periphery) were underdeveloped because of their relationships with the US and Europe (the core), which meant that development required the reform of the core’s exploitative relations with the periphery rather than “foreign aid” from advanced nations. These radical ideas were prepared to shift to revolutionary if required, identifying their priority for action as tackling the root causes of poverty and underdevelopment, namely, the structures and relationships of post-colonial capitalism (p. 466).
7. Two debates shaped the MDGs. First, it advanced the case that development strategies needed to directly pursue the goals of development, and not just the means (economic growth). Human development provided an overarching conceptual framework for arguing that education and health improvements, gender equality, and other goals were not only good in their own right but were essential components of the pursuit of a dynamic vision of the good life. Second, there is a need to consider the multiplicity of the goals of development for any rigorously thought out poverty reduction effort (p. 469).