Contrasting or Complementary Approaches to the Modeling of Need: Social Welfare, Income and Poverty?

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'Eradicating poverty will always require more than increasing the incomes of the poorest' - Human Development Report, 1997.

1. Introduction

As is evident from various World Summits held both in the last decade of the 20th century and since the beginning of the 21st century, eradication of global poverty has assumed the highest importance for the international community. Halving the proportion of the world's people living in extreme poverty, suffering from hunger and without access to safe water by 2015 is one of the major goals for development and poverty eradication set by the United Nations (U.N.) in its Millennium Summit.

A long-term and sustainable poverty reduction is inextricably linked to reduction of human poverty and protection of environment. Further goals of the Summit therefore include:

♦ Enrolling all children in primary school and eliminating gender inequality in primary and secondary education

♦ Reducing infant and child mortality by two-thirds

♦ Reducing maternal mortality by three-fourth

♦ Halting and beginning to reverse the spread of HIV/AIDS

♦ Providing access to reproductive health services

♦ Implementing national strategies for sustainable development by 2005 and reversing the loss of environmental resources by 2015.

The above goals aim at satisfying most basic needs of the poor worldwide, namely, food, water, education, health including reproductive health, and protection of environment. However, according to the U.N. only a few of the developing countries will halve poverty by 2015. Human Development Report 2001 points out that the majority of these countries have not taken steps to meet the targets for development and poverty
eradication including that of halving of poverty by 2015. Thus in 74 countries with more than one third of the world's population, income poverty would not be halved by 2015. The Report further states that without accelerated progress in addressing the needs of the world's poorest people, these goals will not be achieved.

Deprivations which poor people suffer clearly indicate the vastness of their needs still to be satisfied:

♦ Nearly a billion suffer from hunger and inadequate food including an estimated 150 million malnourished children.

♦ More than a billion do not have access to safe water. Moreover, 83 countries, with 70% of the world's population, are unlikely to halve the proportion of their citizens lacking access to safe drinking water by 2015.

♦ Over 600 million people living in cities of developing countries cannot meet their basic needs for shelter, water, food, health and education.

♦ Nearly a billion people are illiterate, two-third being women.

♦ An estimated 150 million malnourished children suffer from hunger and inadequate food.

♦ Over 100 million children are still out of school, of whom 60% are girls.

♦ Over 10 million children below the age of five die each year, often from easily preventable causes. But few countries can reduce the casualties. Thus, 93 countries, with 62% of the world's population, are not likely to reduce under-five mortality by two-thirds as planned, unless they have basic health care facilities.

♦ Over 100 million children are still out of school, of whom 60% are girls.

♦ HIV/AIDS is still rising among adults in most developing countries.

This paper attempts to show that social welfare, income and human poverty are complementary approaches to the modeling of needs of vulnerable or poor people, especially those in the developing countries. Even in many of the highly developed countries a sizable percentage of people have not benefited from the high economic growth and suffer from both human and income poverty.

2. Human Poverty and Profile of Poor People
Human poverty is a multi-dimensional and complex concept, and does not mean just lack of adequate income. Poverty is reflected in the deprivation that people suffer throughout their lives. People are poor when they lack choices and opportunities, which are most basic to human development.

Poor people cannot hope to live a long, healthy and self-fulfilling life, nor can they aspire to have a reasonable standard of life. They lack access to education, skills and training, health including reproductive health, safe water, sanitation, nutrition and employment.

They are not able to live in dignity and freedom, self-respect, and community respect, nor can they participate in important decision-making processes affecting their lives. They tend to be excluded and marginalised in society. Thus, poor people's needs cannot be addressed by just providing social safety nets to reduce their income poverty.

2.1 Different Faces of Poverty

Poverty has different faces. Women constitute majority of the poor. Women heads of households, single mothers, older people - especially elderly women (mostly widows), children of poor people- especially girls, and unemployed people are some of the different faces of poverty.

Furthermore, poverty has a constantly changing face. Compared with 1970, an income-poor person now is more likely to be an African or Latin American than an Asian, urban rather than rural, a child, a woman, or elderly (in some countries) rather than an adult male, and a refugee or internally displaced rather than a settled person. In urban areas the slum-dwellers, unskilled low-wage workers and informal workers are generally the poorest people.

The share of poor people declined very little in East and South Asia, and in Sub-Saharan Africa and Latin America. In the Caribbean it even increased. Since the unfavourable economic development in 1997, poverty rose even in East Asia.

Income poverty among the elderly and children rose dramatically in the transition countries and is very high even in many industrial countries like Australia, U.K., and the U.S. Income poverty is alarmingly high in single-parent families and families headed by elderly women.

2.2 Poverty of Children, Women and Girls, and Older People

The prevalence and nature of poverty of children, women and girls, and older people in the developing countries, who form some of the most vulnerable groups, is discussed further in this section.
Poverty of Children

Amongst the poor, children seem to bear the heaviest burden of poverty. According to UNICEF, 40% of the children of the developing world - over 500 million children - who still struggle to survive with less than a dollar per day do not benefit in any way from the unprecedented progress of the world economy.

Other indicators of childhood such as the mortality of children under 5 years, school enrollment, and malnutrition of children, considered as some of the best indicators of development, also reveal that these children are far behind the promises made by the World Summit for Children of 1990:

♦ Despite increasing access to primary education throughout the world, an estimated 130 million children are not enrolled in primary schools.

♦ In this Information Age one third of the children in the developing countries do not complete the minimum five years of education necessary to acquire basic literacy.

♦ Millions of other children suffer from incompetent and underpaid teachers, overcrowded and ill-equipped classrooms.

♦ Poverty is the root cause of deaths of millions of children each year, which could have been easily prevented.

It is due to poverty that millions of children around the world suffer from hunger, do not receive education, are exploited economically or take up dangerous work. When these children grow up into adults, the vicious circle of poverty is perpetuated since they pass on the poverty to their children, and especially to girls.

If this vicious circle of poverty is to be broken, it is obvious that poverty reduction must begin by protecting and respecting the rights of children. Investing in children is therefore, the best guaranty for achieving an equitable and sustainable human development in the long run.

Improving poor communities' access to basic services such as primary health care facilities, education, safe water, sanitation and protection of children, combined with sensitization activities, are found to lead to poverty reduction of their children.

Poverty of Women and Girls

Women constitute the majority of poor. Gender inequalities persisting in most developing countries lead to unequal opportunities for women right from their birth, and especially in education, employment, asset-ownership and credit facility. Women thus have fewer
opportunities and choices in life. As gender inequality is strongly associated with human poverty, poor women are the most vulnerable. Often they suffer from violence and abuse and many are pushed into prostitution due to their poverty and their powerlessness.

United Nations Report, Women 2000, on the situation of women worldwide, states:

- Of an estimated 130 million children not enrolled in primary schools, 90 million are girls.
- While enrolment in primary and secondary schools totals nearly 900 million children worldwide, there are about 85 million fewer girls than boys enrolled.
- At least 60 million girls have been declared as missing as a result of discriminatory abortions, infanticide or negligence.
- Every year three million girls aged 5 to 13 years are forced into prostitution.
- Of 960 million illiterate adults in the world, two third are women.
- 600 000 women die every year after childbirth due to lack of health care.
- Women earn an average salary of less than half of that of men.
- Women's paid work is two-thirds of men's work.
- Women represent on an average only 13% of all parliamentarians in the world, while they constitute the majority of the electorate.
- One woman in three in the world has been a victim of sexual abuse or of violence.

The very high gender inequality and resulting poverty and powerlessness of women is clearly reflected in the above information.

**Poverty of the Older People**

Until recently, only industrialized nations of Europe, Asia, and North America were concerned with the ageing issue, since 20% or more of their populations were 60 years or over. But, now populations are ageing at an unprecedented rate in the developing world while most of their people still live in poverty.

Most of the world's 629 million people aged 60 years or over reside in the developing countries, 53% in Asia alone, while Europe has the next largest share of 25%.
At the moment, most older people in developing countries do not receive any support from their state. Moreover, currently 70% of the world's older people are not covered by pension schemes. Older people are therefore, very often among the poorest in most developing countries and material security can be one of their greatest problems.

Health can be a major concern for older people, especially the poor ones. Majority of older people in many developing countries are in rural areas, while most health care facilities are available in urban areas. Health care can be very costly for poor old persons with special health care needs, disability or chronic illness.

Older people living in poverty find themselves socially excluded and unable to participate in economic, social and political life and even in decision-making processes affecting their lives. This often results in their having poor housing, bad health and personal insecurity.

Thus, more than 10 years after the adoption of the United Nations Principles for Older Persons (1991) too many still spend their golden years in poverty and live on the margins of their society. They face discrimination, exclusion and even violence in the society.

Especially, older women might have been poor all their life due to gender discrimination and lack of access to education, their limited labour force participation or no participation at all, low wages, and discrimination in property, inheritance and credit facilities. Women often bear a heavy burden of household work, child-bearing and rearing, suffer from poor nutrition, and put up with poor health care services. In old age these women are one of the poorest population groups:

♦ Due to women's longer life expectancy, older populations and particularly the oldest old in most parts of the world are predominantly women. Their world percentages are 55% and 65% respectively.

♦ On the other hand, older women's health needs have been mostly neglected by policy makers so far.

♦ While only about 20% of older men are widowers, majority of elderly women - nearly 57%, are widows. In most cases, they are without any source of income, social and financial support services or comfort.

The number of elderly in the world would be a staggering 2 billion in 2050 - 20% of the total world population, as compared with current 10%. Since most of this increase would be in the developing countries, poverty of the elderly would rise sharply in the coming years unless urgent measures are taken to reduce their poverty.

3. **Needs of the Poor People in the Developing Countries**
As seen above, most of the poor people live in developing countries. Needs of the poor people in the developing countries are therefore immense and accumulated over years. The extent of their deprivation in basic needs can be seen from the following:

♦ Nearly a billion people suffer from hunger and need adequate food.

♦ More than a billion need access to safe water, most of whom are from developing countries.

♦ Over 600 million people living in cities of developing countries need shelter, water, food, health and education.

♦ Nearly a billion people are illiterate and need adult literacy education.

♦ HIV/AIDS is still rising among adults in most developing countries, and particularly in the Sub-Saharan African countries. Only in a few countries such as Uganda and Zambia it seems to be declining.

♦ As a result, around 500 million people would live for less than 40 years, most of them in Sub-Saharan Africa. They need health care facilities including reproductive health care, to prevent their getting HIV/AIDS. And those who already are HIV positive need treatment.

3.1 Needs of Children, Women and Older People

As seen in Section 2, children, women and girls and older people - especially, older women are among the poorest and most vulnerable people. Each of these groups have certain special needs.

Needs of Children

Children need health care, at least a basic education and protection from all abuse, exploitation and violence. These are the most urgent and important priorities in addressing the needs of children. Due to chronic poverty these basic needs of millions of children are not met

♦ An estimated 150 million children suffer from hunger and inadequate food and are malnourished. They need proper nutrition to survive and grow up.

♦ Over 10 million children below the age of five die each year, often from easily preventable causes. 93 countries, with 62% of the world's population, need basic health care facilities to reduce under-five mortality by two-thirds as planned.
♦ Over 100 million children are still out of school. 60% of them are girls. They need minimum five years of education necessary to acquire basic literacy.

♦ Parents of poor children need work or micro-credit to start some small informal business, to enable them to send their children to school and not to work.

♦ Millions of poor children need protection from abuse, exploitation and from being trapped into prostitution every year.

Children's needs cannot wait. Their needs must be fulfilled before they grow up and another generation is trapped into poverty.

**Needs of Girls and Women**

Gender inequality is the root cause of women's poverty and vulnerability. Therefore, gender equality and equity need to be promoted in all the developing countries so that women and men can have equal opportunities and choices in all spheres.

♦ Women need to be empowered and education is a critical ingredient in the empowerment of women.

♦ 90 million girls are not enrolled in primary schools due to poverty and/or, to look after their siblings and to do household work. They need to complete a minimum of five years of basic education. Moreover, their parents, especially their mothers, need to be encouraged to take up work, or given micro-credit to generate income for the family.

♦ Girls and boys need equal access to both primary and secondary education.

♦ Women form two-third of the world's illiterates. Adult literary classes are needed to reduce their illiteracy.

♦ Women need opportunities for skill-updating and training.

Women further need among others,

♦ access to all health care services including reproductive health throughout their life cycle, and especially during pregnancy and child-birth so as to avoid any complications which could result in death.

♦ access to safe water, so that girls and women do not have to go very far in search of water and miss school and/or add to their already heavy burden of work.
more and better opportunities for work.

♦ at least 30% representation in parliament, compared with the current 13%.

### Needs of Older People

Older people need an improvement in the quality of their lives. Their contribution to the society and their skills and experience need to be recognized. They need to have equal access to all available services for vulnerable groups:

♦ Older people, especially older women (mostly widows), who are one of the most vulnerable groups, need some work or income generating activity, social safety nets and support mechanisms of the state for material and financial security, free or subsidized health care, and transport services.

♦ Those living in rural areas need to have access to health care services not too far from their village.

♦ Older people in good health need to be allowed to live independently and contribute to their families and communities. While those very weak or sick and living in poverty need adequate support.

♦ Older people need informal family and community networks to provide them with support and to reduce their social exclusion.

♦ Older poor people living alone find it difficult to cope and need Charity Homes for Old People.

♦ Older people themselves need to be given a chance to identify their problems and to decide on the solutions of their choice.

Improved health care, income, social and financial support services and comfort are therefore, urgent needs of the elderly poor.

### 3.2 Priorities in the Needs of the Poor

Children are most vulnerable among the poor, and therefore poverty reduction should start by satisfying their needs. When children of poor families are deprived of their basic needs, they grow up into adults bearing the marks of their childhood poverty both on their bodies and minds. Their bodies can be malnourished and unhealthy due to their deprivation in nutrition, health care, safe water and sanitation. They also suffer psychologically due to lack of even basic education/literacy and due to their inability to
secure a good job or other means of livelihood. The vicious circle of poverty needs to be broken.

Poverty reduction must therefore begin by investing in children, both boys and girls. Investing in children, especially girls, is considered to be the best guaranty for achieving an equitable and sustainable human development. School drop-out children, working children, abused and prostituting girl-children need special attention.

Needs of low-skilled, unemployed, and disabled have to be addressed. Maternal and infant mortality, excessive fertility, and gender inequality need to be reduced. Women's economic activity and their participation in decision-making processes must be increased. Thus, needs of poor and vulnerable children, women, and older people everywhere in the world have to be addressed.

4. Strategies for satisfying the Needs of Poor

For meeting the needs of poor people and achieving the goal of halving poverty, it is crucial for developing countries to adopt a two-pronged strategy of sustainable pro-poor economic growth, and investing heavily in human capital through improvements in education, health including reproductive health, nutrition and other social services. Research in several countries has shown that these two strategies together create a 'virtuous circle' of mutually reinforcing improvements to finally replace the earlier 'vicious circle' of poverty generating more poverty. Singapore, Malaysia and Mauritius among others are striking examples of such a policy.

Such a strategy is also needed in Mozambique, Tanzania, Madagascar, Yemen, Kenya, India and other such developing countries below the poverty line. Otherwise, with the continued rapid pace of population growth, their poverty could deepen further in the coming decades.

A pro-poor growth of economy ensures that the satisfaction of needs of poor people is sustainable. For growth to be pro-poor, employment, productivity and wages of poor people must rise and public resources must be utilized to promote human development by rapid improvement in people's health and skills.

Economic assets of poor people are very meagre. They need access to assets that would reduce their vulnerability. Housing, land and micro-credit are some such assets. Access to safe water and sanitation must be available within the shortest possible time. Social safety nets should be provided to the poorest.

In respect of universal primary education and gender equality in education, many developing countries have already achieved the goals or are likely to do so in near future.
It is now internationally acknowledged that education is very important for many areas of development. Thus major advances made towards universal primary education in some countries may imply that other goals for eradication of human poverty might be achieved soon in these countries.

However, it is to be noted that even in countries that have achieved the goals of universal primary education and gender equality in education, areas of severe deprivation in primary education and high gender inequality in education do exist. Whilst the remaining countries are far from achieving these goals.

Since three-fourth of world's poor are rural people, pro-poor growth should be aimed at increasing agricultural productivity and incomes, particularly in the small-scale agriculture, micro-enterprises and in the informal sector where poor people mostly work. Increased productivity of small-scale agriculture has further advantage of reducing food prices, which in turn benefits both urban and rural poor. Malaysia since 1971 and India in early 1980 followed such a strategy.

If birth and death rates decline rapidly, increasing the speed of demographic transition and lowering the population growth, rural poverty can be further reduced.

According to UNICEF it is possible to eliminate the worst forms of poverty in less than one generation. Thus, by investing a small part of the annual world revenue, all poor children can have a minimum standard of living - access to sufficient nutrition, safe water and sanitation, primary health care services and basic education. The annual investment required is estimated at less than one third of 1% of the world revenue.

Almost universal ratification of the Convention on the Rights of Children reveals that all National governments have taken the political engagement to eliminate the poverty of children. These good intentions need to be translated into action.

Poverty eradication implies that every individual would be able to live a long, healthy, creative and productive life, have a tolerable standard of living, enjoy freedom, live in dignity, self respect and respect others.

5. Summary and Conclusions

Given the multidimensional nature of poverty, there is not just a single solution for reducing poverty.

♦ Although income is needed to have a reasonable standard of living, income alone cannot satisfy all needs of the poor. The poor must also be empowered with health, education, training and/or skill development so that they can come out of the vicious circle of poverty.
♦ Social safety nets are required to provide the most basic needs of the poor and to empower them so that subsequently they can improve their financial situation and are able to live a tolerable life.

♦ Poor people also need an access to necessary public services such as water supply, electricity and transport, other necessary infrastructures and financial services.

♦ Investing in the education of girls and women is particularly important both for attaining gender equity and also because it is found to be the highest return investment for the developing countries. It not only improves the situation of girls and women, but also has a multiplier effect of improving the situation of their families. Eventually it leads to transformation of societies in the future generations by reductions in fertility, maternal, child and infant mortality, and by increasing both the desire and learning abilities of people for skill development and improved economic contribution.

♦ It is essential to remove all discriminations against girls and women, and empower women by giving them equal rights and access to land, credit and job opportunities. Appropriate action is also necessary for ending all forms of violence and abuse against women.

♦ Social safety nets are required to provide the most basic needs of the poor and to empower them so that subsequently they can improve their financial situation and are able to live a tolerable life. National governments, private social welfare organisations and the international community together need to provide such social safety nets to the poor people if the poverty eradication goal is to be realized.

♦ To reach the most marginalised, excluded and vulnerable children more effectively, UNICEF has made alliances with other UN Organisations, Development Banks, Professionals, Media, community services and civil society.

Thus, income alone is not enough for reducing human poverty worldwide and especially in the poor and least developed countries.

Developing countries themselves cannot provide for all the needs of their poor people. International Financial Organizations, UNICEF and other Organizations of the U.N., and rich donors would have to provide funds to poor developing countries to help them meet the poverty reduction goals.