



POVERTY

International Young Professionals Summit 2001 Agenda Paper

Abstract

This Poverty Agenda Paper incorporates:

- (i) A vision statement developed by delegates in the Poverty Thematic Group at the International Young Professionals Summit 2001;
- (ii) an Issues Paper reflecting: the work of the Poverty Thematic Facilitator, Oliver Sepiso; interactions and discussions led by the facilitator during online forums; and additional priorities and thoughts of delegates in the Poverty Thematic Group at the International Young Professionals Summit 2001; and
- (iii) a Declaration on Young Professionals Contributions to Eliminating Poverty as a Source for Progress made by Young People gathering at the IYPS, Australia, October 2001

The Issues Paper explores:

- * **differing conceptions of poverty**—suggesting that multi-dimensional understandings are imperative for developing effective solutions, and most importantly, that poverty is more than money.
- * **various causes of and factors related to poverty**—such as meagre assets, inaccessible markets, scarce job opportunities, lack of political power, lack of education, lack of transparency from international institutions such as the World Bank, population pressure, disease and wars; and
- * **some suggested actions for the alleviation of global poverty**—including empowerment; debt cancellation; fair trade; enhancement of educational opportunities; reform of international institutions such as the World Bank, World Trade Organisation, United Nations and International Monetary Fund; pushing for corporate responsibility (social, ethical, environmental); replication of working community models and appropriate use of media.

Vision Statement

“To ensure that the basic survival needs of all humans are met by 2025 and to ensure that equitable opportunities are available”.

Issues Paper

As people throughout the world awake each morning to face yet another day, they do so under such different circumstances that it is hard to imagine. Some people wake up in a comfortable bed with a certainty of three choice meals that day; are healthy, employed, educated; have a say in their life; and have access to many amenities among other things. One fifth of the world's population however, is less fortunate, with little or no shelter, contented if they have a meal in that day, are unemployed, their health is poor and their prospects for a better life are very bleak (World Development Report 2000/2001, Attacking poverty Overview). Are they suffering? Like some say, no one who has not experienced poverty will know what it feels like to retire home to an underpass bridge at night or no home at all; to know that the only water one can have is full of pathogens; to chew on cardboard boxes to deaden the pangs of hunger in one's stomach; not to be able to work because you haven't been to school or you have been to school but there are no jobs or even not being able to read or write.

Poverty is no stranger to the world. It's prevalence reminds us everyday of the failure of “the global project”. According to the World Bank, nearly one in four people of the world (1.2 billion people in total) live in absolute poverty, surviving on less than US\$1 a day for all their needs. The numbers of people living in absolute poverty have remained at this level or higher for over a decade. According to some observers, the amount of human suffering is growing and the gaps between the richest and the poorest countries are increasing.

Poverty is the single greatest challenge that the world faces. The World Health Organisation terms it “the world's deadliest disease and the biggest single underlying cause of disease and suffering”, others call it “the lack of choices for and in one's life”. But what is poverty?

What is "poverty" and who are "the poor"?

Poverty is more than money. There are many views and definitions about poverty and the poor around the globe. These views and definitions encompass a diverse range of meanings and theories with respect to the concept of poverty, including the parameters of human poverties; lacks; physiological and human needs; capacities; fulfilment; goods and services; satisfiers; deprivation; potentials; achievements; liberty; the finite or infinite nature of human needs among other things.

Poverty is often thought of in "absolute" terms, i.e. as definable in relation to some "core" of basic human needs, usually economic. But it must be remembered that concepts of poverty are not absolute, but will vary according to customs, standards and values of one's surroundings. Poverty is to some extent always "relative" in nature, and can't be considered in terms of an absolute standard applicable to all countries and regions at all times.

Similarly, poverty relates to more than just income. And hence defining poverty on lines of income alone gives us only part of the picture. For a start – because of the relative nature of poverty as described in the previous paragraph – income measures of poverty don't take into account different contexts. An income poverty line will inevitably be different from nation to nation. Even if we use an international standard many other factors are different from one place to another. We should therefore look at poverty from a multi-dimensional view.

Poverty might be summed up as a state in which one's daily living is based on survival and is lacking in many respects, with no power to choose and control one's destiny or to materialise one's aspirations. Poverty can also be defined as the deprivation of well-being. Such a definition of poverty is broad, but shares a common base with narrower definitions of poverty (e.g. those based on income). Lack of income is just one dimension of poverty. Properly defined, poverty can be cultural and spiritual as well as economic, which reflects differing interpretations of wealth around the world.

But do we need a definition that we will all agree to before we can fight poverty? Of course not! We all know that in many parts of the world, the poor are where the bulk of the people are. We also know what poverty is even if we are not to define it. To quote an old lady in Zimbabwe when asked for a definition of poverty:

"You want to know how I define Poverty? How can you ask the question when you yourself see that I live in poverty? The definition of poverty is right in front of you. Look at me. I stay alone. I don't have enough food. I have no decent clothing or accommodation. I have no clean water to drink. Look at my swollen leg. I can't get to the clinic, which is too far for me to walk. So what kind of a definition of poverty do you expect me to give you which is better than what you are seeing with your naked eyes?"

As millions and millions of people strive to have what others take for granted, poverty is reduced to a situation people want to escape.

In a world where we all want to see people free from disease and conflict and able to access basic needs that the western world normally take for granted, we have a responsibility to act. In a globalised world with increasing economic interdependence, we can no longer accept an "us and them" mentality. Economic and political decisions we make at home affect communities in other countries. We cannot build a just and sustainable world unless we tackle this problem of poverty. We owe it to the coming generations to address these issues as a matter of urgency instead of falling into the trap of resting on our rhetoric. To debunk the myths associated with poverty, in both the developed and developing world, is to provide the base to build upon in eradicating it. We are the generation that should do what past generations were reluctant or unwilling to do. We have identified many of the roots of poverty, and we have identified that we have the resources to eradicate it. The next step is to implement strategies to solve the poverty problem.

It is a call to action—for the poor and the wealthy alike—a call to change the world so that many more may stay alive and live to enjoy a long life, may have enough to eat, adequate shelter, access to education and health and hence the capability to have knowledge and freedom of expression and thought, the capability for social interaction, protection from violence, to enjoy their human rights and have a voice in what happens in their communities.

We first have to realise why there is poverty and what perpetuates it.

Causes of Poverty

According to the 'World Development Report 2000/2001, Attacking poverty Overview', poverty is the result of economic, political, and social processes that interact with each other and frequently reinforce each other in ways that exacerbate the deprivation in which poor people live. Several key causes of poverty have been identified:

1. The Global Economy: Economic processes have obvious linkages to poverty, but do not stand alone. Meagre assets, inaccessible markets, and scarce job opportunities lock people in material poverty. Poverty can be reduced by promoting opportunity, by stimulating economic growth, by making markets work better for poor people, and by helping the poor to build up their assets. However, stimulation of economies will not necessarily occur under the same western economic model that has been used for hundreds of years. The hypermobility of money and the ability for foreign investment to affect economic stability leads to an inequality in the global market. How can farming communities in developing countries compete equitably in a market dominated by multi national corporations with mass technology bases? Economic liberalisation is a key contributor to the widening gap between the rich and the poor. The World Trade Organisation, for example, is dominated by Western organisations where voting power is directly related to the amount of investment a country contributes. Developing countries in this respect are unable to equally contribute to decision making processes in international trade.

2. Empowerment: Poverty is exacerbated by a lack of political power and empowerment. Political power is often linked to the distribution of economic power, and makes the poor poorer since they lack the ability to make institutions work in their favour. Poverty outcomes are also greatly affected by social norms, values and customary practices that, within the family, the community, or the market, lead to exclusion of women and racial groups, or the socially disadvantaged. That is why facilitating the empowerment of poor people—by making state and social institutions more responsive to them—is key to reducing poverty. Gender inequality and the empowerment of women is also a key consideration in reducing poverty. Addressing under-representation of women in leadership and community roles will address the problem of access to decision making processes on an international scale. Women are an extremely important resource in developing countries, and constitute a significant portion of income earners.

3. Dependency: Dependency is directly related to empowerment at both the individual and community level. Countries dependent on overseas aid both bi-lateral and multi-lateral, are disempowered because they are unable to function independently. Development and aid projects are traditionally geared towards eventual independence, but this is stifled due to increasing debt and the inability to make repayments on loans without diverting funds from welfare, health and public assets. This imbalance must be addressed by focusing on sustainable development and transparency in aid and development funding. Psychological aspects of dependency at an individual level affecting empowerment and motivation to achieve goals is also a critical point that must be taken into account. The community is never independent of the individuals that comprise it.

4. Corruption/Misallocation of Resources: Often not widely recognised at the global level, this is a critical component of poverty, and includes the accountability of the international community in addressing corrupt governments and diversion of funds. In some of the most economically repressed countries in the world, there exists elite groups who diverting funds allocated to aid and development into private investment. It is the responsibility of donor countries to track aid money efficiently, and it is also the responsibility of international institutions such as the UN to hold these governments accountable for their actions.

5. Security: Poverty is also about vulnerability to external and largely uncontrollable events—illnesses, violence, economic shocks, bad weather, natural disasters—that reinforce poor people's sense of ill-being, exacerbates their material poverty, and weakens their bargaining position. That is why enhancing security—by reducing the risk of such events as wars, diseases, economic crises, and natural disasters—is key to reducing poverty.

Poverty must also be considered in the context of broader global issues. For example:

- * **Population Increase:** The world's population is increasing. It is estimated that the world's population will increase from 6.1 billion to 8.9 billion by 2050 (SPAC Watch Working Paper by Jeffrey Barber 'The Sustainable Production and consumption of food') The largest chunk of the increase in population is among the poor areas of the world.
- * **AIDS:** Within ten years, 40 million children have been made orphans in the cities of Africa (Peace Child International 'Be The Change, 2000'). These will undoubtedly be poor as they will not go to schools and get opportunities to improve their lives.
- * **Conflicts and Wars:** Worldwide, there are 21.5 million people of concern to the UNHCR (refugees, internally displaced people and refugees who have just been repatriated)). These end up leading poor lives as they do not access the opportunities they would have had in times of peace.

Poverty reduction must be sustainable. To be successful in the long run, poverty alleviation efforts must address the roots of poverty, and not just immediate needs. Poverty reduction is therefore not just about "band-aid" quick fixes, but must be part and parcel of an integrated development strategy.

People remain poor when they are denied access to basic opportunities for human development. A man who suffers from chronic disease, such as diarrhoea from unclean water, cannot reach his potential. Nor can a young girl who is unable to go to school because of chores, or who attends a school where the teacher shows up only twice a week and there are no textbooks. The reasons behind this lack of opportunities and the existence of poverty in one case or the other are not always simple. They can be linked to any number of factors, from geographic isolation to ignorance of the causes of disease. But one thing is certain: no one wants to be sick, poor or uneducated. The problem lies not with the poor themselves, but with their lack of opportunities.

Tragically, extreme poverty is too often passed from one generation to the next. In many poor communities, schools are overcrowded and teachers are under-qualified or even illiterate. If children in these schools are not learning, their parents might pull them out of school to work instead, drastically reducing their opportunities later in life. In doing so, they are likely reproducing the cycle of poverty for at least another generation.

What should we do?

We know that '20% of the world owns 80% of the world's wealth'. Is the answer in redistributing this wealth equally around the world? Should the global north remain richer than the global south? Is it fair that there are '480 billionaires in the world while 1.2 billion live on less than \$1 a day for all their needs and 2.8 billion – almost half – live on \$2 a day'? Something has to be done! The few resources available to the poor regions are also not equally distributed among the people in those regions.

There is no simple, blueprint for implementing strategies to alleviate poverty. Developing nations for instance need to prepare their own mix of policies to reduce poverty, reflecting national priorities and local realities. Choices will depend on the economic, socio-political, structural, and cultural context of individual countries – indeed communities (World Bank 2001). However, developed nations can help developing nations create poverty alleviation policies by understanding the needs of developing countries and by recognising that their policies play a role in the cycle of poverty also. Several strategies have emerged:

1. Empowerment of Poor people: On a global scale, poor people constitute poor nations. Only four donor countries in the whole world give more than 0.7% of their gross national product (GNP) to poor nations. On average, aid from rich nations equates to only 0.25% of their GNP. Sometimes, Multi-National-Companies exploit the resources of the poor nations.

But just how do we empower the poor? Some of the answers lie in education, community based programs, recognition of the psychological impact of disempowerment and addressing it, and by adjusting the policies of developed nations and international institutions. The answer lies also in recognising that one economic model will not necessarily apply to every culture when striving for economic stability in a country of the less developed South.

2. Cancellation of Debt: There is a growing argument that foreign debt is killing poor nations and hence their poor inhabitants. For the poor nations to rise from the abyss, there is need for their external debts to be reduced to manageable levels or even cancelled altogether. In some cases, due to the nature of debt servicing, for every dollar a poor nation borrows, it ends up paying four dollars! In some cases where countries are struggling to repay their debts, programs like the Structural Adjustment Programs the World Bank implements, result in the privatisation of public assets, and diversion of funds away from essential health and welfare programs. According to the UNDP HDR of 1998, in order for the world to achieve universal access to basic health and nutrition, an additional annual expenditure of US \$13 billion is needed. Now this is almost equal to the US \$12 billion, which sub-Saharan African countries pay annually in servicing debt. It is less than the US \$17 billion a year spent on pet food in Europe and America or the US \$50 BILLION spent on cigarettes in Europe per year.

3. Enhancement of Education: Education of a country's population is important and this should be taken seriously. If more people are educated, there will be more productive people in these nations. These people can contribute to greater prosperity. [Unfortunately, often the "productive" educated people leave and go to rich countries!]

4. Fair Trade: Trade should be fair on the international scene. Poor countries should be allowed to trade with whosoever they want to trade so that they can get better profits from what they export. Free Trade and Economic liberalisation open up developing countries to the international market, but also open up these countries to exploitation from multi national corporations who use cheap labour forces to produce goods at a minimum price and sell them at a maximum price, enhancing their profit margins. This profit-driven culture needs to be addressed with a fairer trade system and the recognition of the inequalities that currently exist.

5. Elimination of Corruption: Corruption in poor nations should be looked at seriously. This entails that lending organisations like the World Bank and IMF should first ensure that mechanisms to eliminate corruption are put in the nations borrowing money. Otherwise the money will not help in alleviating poverty but will only enrich a few political leaders.

6. International Organisations: The current agencies in existence, such as the United Nations, could be used as an important forum to address the causes of poverty. Declarations and treaties that are signed by member countries need to have their roots based at the community level, rather than a top-down approach. Issues of transparency and accountability also need to be addressed before international organisations can reach their peak effectiveness regarding poverty. The Declaration of Human Rights could be used as a model to develop an International Bill of Rights on Poverty, with arms reaching to the grassroots level and ensuring accountability.

7. Duplication of successful models: Community models that are effective in counteracting poverty provide an excellent base for duplication elsewhere (for example, microcredit programs). Careful attention needs to be taken with cultural relativism, and an in-depth discourse with the local community is required regarding the application of models, but opportunity must be made for communities and individuals to lead by example. Mentoring at an individual level reflecting good will, intelligence and equity is also an important form of modelling and relates to empowerment of people and their communities.

8. Changing our own lifestyles to make an impact: "Think globally, act locally" is a common theme for this issue. Rethinking spending habits in the western world and in our own lives can make a difference to the larger system. Really thinking about what makes us happy, and whether or not this includes material wealth is an important responsibility.

9. Appropriate use of the media: Transparency in dissemination of information and using the media for education purposes is key in addressing the issue of poverty. Use of the media to not only inform of what is going on, but what the wider public can do, can extend the role of the media to a broader scale. Also, the development of grassroots independent media organisations in parallel to mainstream media fosters critical thought in the community and prompts the questioning of the 'reality' we are presented with.

What else can we do?

NetAid (www.netaid.org) says:

- * Expand access to health education and care so that people do not die of easily preventable diseases;
- * Make education and adequate nutrition a priority so that children can grow up to lead healthy and productive lives;
- * Provide skills training and support for small entrepreneurs to increase opportunities for employment and income generation;
- * Protecting the environment, to ensure that natural resources are conserved and renewed for future generations;
- * Address gender inequality, to increase opportunities for women and to ensure that they have a say in decisions that affect the lives of themselves and their children;
- * Strengthen the role and capacity of local organisations, to make communities more self-sufficient; and
- * Improve the situation of the most vulnerable members of society, including children, women, ethnic minorities, families affected by HIV/AIDS, street children, and the disabled.

But then again, it is easier to talk than to implement things. What is the best way forward? How best can we move from rhetoric to action? We know that we can eliminate poverty; there is enough money to do it. It is estimated that the interest on the world's 40 richest men's wealth is enough to eradicate poverty. But what is the best way forward? Is it a simple matter of throwing money at the problem?

Money by itself cannot get rid of poverty. The richest landlord in a mountain village in South America may be quite helpless if there are no health services available in the village. And girls and women in some parts of the world are denied the opportunity to attend school regardless of whether their families are rich or poor. Efforts must be made to work with people, governments, development agencies and world leaders to raise awareness of the roots of extreme poverty and to help expand opportunities for the poor. If a variety of factors contribute to the persistence of extreme poverty, then a variety of actions is needed to break the cycle. We can eliminate poverty. Once smallpox was a deadly and dreaded killer; it is no more. Slavery was once widely accepted as a 'natural' institution; now it is almost gone entirely because people realised it was a problem, decided to change and then changed their minds and institutions. If so for slavery, why not for poverty?

We can shape the future without simply preparing for a future that is a linear extrapolation of the present or a product of chance. Increased complexity demands informed decision-making, effective action and swift results. A diverse problem requires a diverse response, and who better do this than the youth of the world?

The Poverty Thematic Agenda Area was facilitated by Oliver Sepiso in the lead up to IYPS 2001. The final content of this Agenda Paper reflects the views of the original author (Oliver Sepiso), the Poverty Thematic Facilitator at IYPS 2001 (Rochelle Jones), the IYPS Agenda Team, the Poverty on-line forum, and the discussion between delegates in the Poverty Thematic Area at IYPS 2001.

Further reading

<http://www.glasswings.com.au/geonomics/thirdworld.html>

<http://www.oneworld.net/consultation/dfid/index.html>

<http://www.worldbank.org/gateway/>

<http://www.netaid.org/AboutNetaid/learn.html>

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Sen, Amartya (2000). Poverty and affluence. (in) Inequality Reexamined. Harvard University Press.

Overseas Development Institute (1999). The meaning and measurement of poverty. www.oneworld.org/odi/briefing/pov3.html

World Bank (2001). World development report 2000/2001: Attacking poverty. Oxford University Press.

United Nations Development Programme (2000). Human Development Report 2000. Oxford University Press.

Case Studies

Case Study Example 1:

Paul Cohen, Ashoka Fellow: solution case study in South Africa, where a 300 acre farm was purchased using funds from a development program. The remaining funds were used to begin construction of facilities such as housing and sanitation. Although this program involved external consultants from countries such as the USA, UK and Australia, its focused primarily on utilising the skills of the local people. The block is located approximately 20km from the nearest town and currently houses about 35 people. Although the issues of water, housing, food and money remain daily challenges, the project is sustainable on a basic level. Although the project at its current stage of development cannot be replicated, it is an example of a sustainable long term program.

Case Study Example 2:

Alan Hoban, Australian Volunteers International: not how developed nations can assist developing nations, but rather a reversed flow of information regarding what the developed can learn from the developing world. For example, areas classified as "rural poor" were incredibly rich in culture. Alan said that the longer he stayed in the community, the more he gained through his experiences. He became part of the "family" and adopted some of their values and practices.

Declaration on Young Professionals Contributions to Eliminating Poverty as a Source for Progress made by Young People gathering at the IYPS, Australia, October 2001

Young professionals, young adults, and youth between 14 and 35 years of age from all nations, ethnic and cultural groups, socio-economic status, sectors, and gender signing below agree to:

- 1 Work with poor people to create an enabling environment for the empowerment of poor people.
- 2 Work towards developing fair trade practices that include developing countries.
- 3 Work towards the amelioration of Third World debt.
- 4 Highly value the role of education in poverty reduction.

Ideas for Working with Corporations:

- 5 Lobby governments, corporations and non-government organisations to institute an internationally recognized Nobel Peace Prize or other commendation to be awarded to a corporation that does the most to further ethical and just development in a given year.
- 6 Use the media to publicly shame unethical companies.
- 7 Lobby government to introduce policies and legislation that provides incentives for companies that encourage development and impose penalties on those that exacerbate poverty.
- 8 Work towards implementing institutional trade cost accounting (no subsidies on products) in our own affairs and dealings as an example for others to follow.
- 9 Support campaigns for a Human Development indicator to replace GDP measures of development.
- 10 Lobby governments and business, and support civil society campaigns, for transparency in corporate/government expenditure.
- 11 Find companies willing to put a percentage of profit into alleviating poverty and allow them to use it for marketing purposes.
- 12 Develop a program similar to the "Paul's milk bottle tops" for poverty.
- 13 Lobby organisations in all sectors to donate equipment and resources that are no longer needed to poor people.

Ideas for Working with Governments/International Bodies:

14. Lobby and campaign for a tax on all international financial transactions (Tobin Tax) to use for marketing
15. Support campaigns that pressure the UN, World Bank, IMF and other transnational bodies to actually want to end world poverty.
16. Lobby and advocate to government through available for a to have a worldwide social security net.
17. Lobby and advocate to government, and support civil society campaigns, to have a quota of all military expenditure put into alleviating poverty.
18. Educate governments through the media and through talking to elected representatives to see poverty as a security issue.
19. Examine opportunities and issues associated with billing monetary debt to governments for ecological debt incurred through environmental exploitation sponsored by their policies and legislation.
20. Work towards having governments recognise the enormity and severity of the problems facing the eradication of poverty such that ministers and ministries of poverty eradication are created.
21. Facilitate government members and policy makers having first hand experiences and accounts of poverty.
22. Lobby governments and support civil society campaigns to cancel Third World debt.
23. Support the development of an international legislation that will donate all wages over a specified amount to the relief of poverty.
24. Campaign for the introduction of a 1% tax on all wages to alleviate poverty.

Ideas for Educating Society and Working with Civil Society:

26. Introduce the concept of adequacy (i.e. "what is enough") to consumers through media campaigns and education.
27. Generate public support for poverty alleviation through activating the education system and the

input of parents to child development.

Global Rights for Livelihood:

28. One of the final ideas raised was the suggestion that young professionals work towards the implementation of the following Global Rights for Livelihood:
- Every individual is guaranteed an education that prepares one for an occupation that is consistent with one's skill and abilities.
 - Every individual is guaranteed a job that provides an income sufficient for the worker and his/her dependants.
 - Every business is guaranteed the opportunity/right to generate income that pays for the costs of operation, reasonable capital expenditure for development, but must allocate all profit beyond a reasonable rate to the community and national development.

This call to action is for finalisation post the International Young Professionals Summit by delegates to IYPS 2001 in the Poverty Thematic Group with input from those others in the poverty online forums.