INTRODUCTION

One often comes across terminologies like the “world is divided between haves and have nots” or “poverty anywhere in the world is danger to prosperity everywhere”. These terminologies point out to very core issues of poverty and human development normally faced by the developing and the least developed countries. The issues have come to the fore in the post World War II period as some countries progressed rapidly and industrialised their economies, while some remained poor. The industrialised countries became developed and were able to solve the problems of employment, provision of public goods and basic services to a large extent. The poor countries have not been able to adequately industrialise their economies and have been grappling with the problems of unemployment, low per capita income, illiteracy, inadequate basic health services and sanitary facilities etc.

The problems of the poor countries since the beginning of the 1980s have become critical as the wave of globalisation and privatisation compel them to readjust and restructure their economies under the guidelines of international financial and trade organisations. The policy guidelines, so far, have not proved so beneficial mainly because the process of globalisation and privatisation is skewed towards the developed countries. Against this backdrop we analyse the subject matter and bring out the various facets involved in its discussion.

POVERTY: A BROADER OUTLOOK

There are two broad views on poverty: one is of a sociologist and other is of an economist. A sociologist looks at it as a multidimensional concept by taking into consideration the many aspects of human well-being. For instance, people deprived of social contacts are described as being socially isolated, and hence poor in this dimension. Similarly, people living in squalid...
housing are viewed as “housing poor and people with health deficits as “health poor”. Individuals who fail “to reach ‘minimally acceptable’ levels of different monetary and non-monetary attributes necessary for a subsistence standard of living” are defined as being poor.

Economists tend to prefer a concept of hardship that reflects “economic position”, or “economic resources”. However, there are widely varying perspectives on which economic variables best identify those people whose economic position lies below some minimally acceptable level. Some rely on the income of a family, and compare this to some minimum income standard or “poverty-line”. Others look to the level of consumption as an indicator of the living. Still others rely on families’ own assessment of their economic well-being, and move from this assessment to a judgment regarding who is poor and how many of them there are.

Another concept (within the economists’ purview) recently brought out by Amartya Sen is concerning ‘human capabilities’. This concept rests on individual “capabilities”. Like other poverty measures, this measure seeks to identify those in the population who experience the most severe hardship, those who are the most deprived. In this case, those who are at the bottom of the distribution of “capabilities-to-generate-minimum-necessary-income” are taken to be the most needy. This is “self-reliant poverty” indicating that individuals who are self-reliant poor are unable to be economically independent. The income they are capable of generating lies below a socially-defined minimum standard of living. In essence, being incapable of independently securing sufficient income to meet basic needs may reflect a more debilitating and vulnerable situation than being short of cash income in a particular year, living currently in substandard housing, or even living temporarily at a consumption level below a minimum acceptable standard. The ‘capability’ concept is explained by Amartya Sen: “The basic failure that poverty implies is one of having minimally adequate capabilities and hence that ‘poverty’ is better seen in terms of capability failure than in terms of the failure to meet the ‘basic needs’ of specified commodities”.

Human capabilities are examined at an individual and collective level. Poor people need a range of assets and capabilities at the individual level (such as health, education, and housing) and at the collective level (such as ability to organise and mobilise to take collective action to solve their problems). Closely connected with the concept of ‘capabilities’ is ‘entitlements’ developed by Amartya Sen. Entitlements, as described by Sen are “Socially Sanctioned claims, effective legitimate command over food that is available”. A person’s effective legitimate commands are his or her entitlement. The failure of entitlement to cover subsistence needs is mostly the cause of starvation and death in famines. This had happened during a famine in West Bengal (in India) in 1942 and this has been happening in certain parts of Africa in recent years.

However, expansion of entitlements should not be seen as the ultimate goal of human well-being. Instead the focus of real interest is what people can do and be with their entitlements. The capability of doing valued things (functioning) is what really matters. A person’s capability, in Sen’s words, is defined as “the set of functioning bundles, representing the various ‘beings and doings’ that a person can achieve with his or her income, social and personal characteristics.” A person’s capability to be nourished depends crucially on other characteristics of a person that are influenced by such non-food factors as medical attention, health service, basic education, sanitary arrangements, provision of clean water, eradication of infectious epidemics and so on.
This concept of capability has gained much ground in various poverty eradication programmes of the World Bank and non-governmental organisations (NGOs) working at the international level. Mainly because it has been observed that mere rise in income of an individual or a family cannot provide sustained capacity to a person or a family to achieve either minimum standards of income to lead a dignified life in a long period. And by strengthening human capabilities there is assurance of enriching human development. The concept of human capabilities and human development are interdependent and correlated.

25.2.1 Poverty Related ‘other’ Concepts

Most of the time issue of poverty gets messed up with other issues which create confusion in understanding the issue in proper perspective. In the following lines we would throw light on such issues.

Who is Poor?

The idea of poor is different in different societies, and is likely to depend on value systems as well as economic factors. For long and in many cultures of the world poor was not always the opposite of the rich. Other considerations such as falling from one’s station in life, being deprived of one’s instruments of labour, the loss of one’s status, lack of protection, exclusion from one’s community, abandonment, infirmity, or public humiliation defined the poor. Mere a certain level of income is not taken as an indicator of poverty or labelling a person as poor.

Relative Poverty and Social Exclusion

Individual, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diets, participate in the activities and have the living conditions and amenities which are customary, or at least widely accepted and approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that are, in effect, excluded from ordinary living patterns, customs and activities. Social exclusion is the process through which individuals or groups are wholly or partially excluded from full participation in the society in which they live. The idea of social exclusion originated in France and is now applied throughout the industrialised world of the North (i.e., the developed West and the European Union). However, its applicability for the countries of the South. (i.e., the developing and the least developed countries) is a matter of debate. Because, most countries of the South are deprived of minimum basic needs and therefore the concept of human capabilities is largely applicable to them.

Chronic Hunger and Famine

Chronic Hunger

Chronic hunger is a sustained nutritional deprivation (i.e., under-nutrition) of population. Chronic hunger is one aspect of a wider set of deprivations understood as poverty. Most of the time in print and electronic media one notices pictures of under-nutritious children and their mother from several parts of Africa like Sudan, Ethiopia, Rwanda, Burundi, Uganda etc. There the children under-5 mostly face under-nutritious situation and ultimately die. This has almost been the regular phenomenon in these countries.
**Famine**

Famine is a crisis in which starvation from insufficient intake of food, combined with high rates of disease, is associated with sharply increased death rates. During famine one can notice a sharp increase in mortality arising from acute starvation and related disease. However, famine is not the only form of hunger. In many parts of the world where famine has not occurred for several decades, sustained nutritional deprivation (i.e., chronic hunger) is, nevertheless, experienced by a significant proportion of the population. This long term condition of chronic hunger kills more people globally than the acute crisis of famine does.

**Gross National Product (GNP) and Gross Domestic Product (GDP)**

While categorising a country as a developed, developing or a least developed country the national income is taken into consideration. The national income comprises many factors and for its measurements GNP/GDP concepts are often used. GNP is the total income available for private and public spending in a country, while GDP measures the size of the economy. However, both are defined technically in terms of output. GDP is clearly and simply an output measure, defined as the total final output of goods and services produced by an economy.

In the case of GNP, output is used to define a measure of income. Thus GNP is the ‘total domestic and foreign output claimed by residents of a country’ in one year. What they ‘claim’ is also their income; thus GNP is a measure of national income and GNP per capita is a measure of the average income of each member of the population, including what they may earn or receive from abroad. GNP and GDP are closely related. The GNP of India, for example, is the output produced in India (its GDP), less whatever is ‘claimed’ by foreigners (repatriated profits, migrant workers’ earnings, etc.), plus what Indians earn outside the country (remittances from abroad, returns on investment abroad).

The growth in the GDP is seen as a indicator of progress of an economy. If a country with relatively less number of population increases its GDP rapidly then that country is looked upon as a developed or a rich country. For instance, Sweden, Japan, Norway, US, Australia, UK, France, etc. come under this category. Contrary to this, countries with moderate GDP growth and relatively large population and small size of economy either fall in developing or least developed countries. They are also called as poor countries. Such countries are mostly located in Southeast and South Asia, Africa and Eastern Europe.

**25.3 POVERTY AND INEQUALITY**

Before proceeding further we will touch upon a related issue that is the difference between poverty and inequality. Do they impact each other? With the advent of globalisation, since the beginning of 1980s, one often comes across a phrase – the rich are getting richer and the poor are getting poorer. It precisely indicates gap between the rich and poor is widening and that the economic inequality or inequality of income and expenditure is expanding. However, poverty and inequality are two different things but they are closely related too. Economic inequality, usually of income or of expenditure over a period of time such as a year or month, refers to the manner in which that item is distributed among members of a group, frequently a country. Inequality in wealth, at a given point in time, also refers to its distribution. Since distribution, in this sense, is share, it is a matter of comparison. A standard procedure that
economists use is to compare the (percentage) share of the top 10 per cent and the bottom 10 per cent households in the country. These shares can also be expressed as ratio. Inequality, then, is relative.

The measurements of poverty are quite different. To measure it, it is necessary to agree upon a norm. The norm could be physical such as requirement of certain calories a day per person, as was done in the 1960s and 1970s in Asian and African countries, or could be a monetary figure, such as earnings or expenditure (a day, a month etc.) Physical norms, of course, can be converted into monetary equivalents provided appropriate goods yielding the physical quantity can be located and their prices too can be agreed upon. Poverty line such a figure commonly is accepted (US dollar a day, for instance) with those below it considered poor. In nutshell, inequality is expressed as a ratio and the poverty line as an absolute sum. However, neither the measurement of inequality or of poverty can be foolproof, mainly because the assumptions about economic conditions / factors keep changing frequently within the household as well as at the national level. Similarly there cannot be uniform prices of the goods and services for a long period which is mostly taken as a measure of consumption expenditure. Therefore, we find differences among economists about the extent of poverty and economic inequality.

### 25.3.1 Growth, Poverty and Inequality

It is mostly presumed that (economic) growth reduces poverty and inequality. However, the empirical studies carried over a period of time in developed, developing and the least developed countries give a different picture. Undoubtedly growth can impact poverty and inequality; but one cannot determine the course of its impact. Growth can reduce poverty and inequality; growth can reduce poverty and increase inequality; growth can increase both poverty and inequality. These diverse patterns are possible because growth is not a uniform numerical addition. It is a process of change that affects not only the volume of output, but the composition of that output, the number of production, the relative values of particular goods, the participation of different sections of the population in productive activities, the purchasing power of different sections and so on. How these impact on poverty and inequality will have to be empirically examined. Again empirical results of one country cannot be applied to other countries, nevertheless certain inferences can be drawn from such studies which can be tested in different situations. For example, if there is an increase in the cereal production achieved by labour displacing methods of production, and if the increased output is largely exported, it can lead to an increase both in poverty and in inequality. On the contrary, if the increase in output leads to a fall in cereal prices, a reduction in poverty is possible.

Various empirical studies that were carried out in the US in the 1990s show that between 1970s and 1980s the gap between US rich and poor has widened although the US economy grew rapidly and expanded substantially during the period. According to one authentic study between 1977 and 1990 the average income of the poorest fifth of America declined by 5 per cent, while the richest fifth became about 9 per cent wealthier. That left the poorest fifth of Americans by 1990 with 3.7 per cent of the nation’s total income, down from 5.5 percent in 1950s and 1960s. And it left the richest fifth with a bit over half of the national income. In US the top 5 percent command 26 percent of the nation’s total income. These changes in inequality had a similar effect on the livelihood of many ordinary Americans. Many were
employed but their emoluments were insufficient to provide them minimum living standards. This led to rise in poverty. Such findings establish the relationship between inequality and poverty.

25.4 MEASUREMENT OF POVERTY

Reducing poverty is a goal of nearly all societies. Yet, no standard measure of poverty exists among nations, organisations and scholars. Poverty applies to individuals and households and therefore poverty measures / indices are constructed by taking into consideration per capita per day income. For instance, World Bank does this by measuring a ‘poverty line’ which represents an income level below which a person is held to be in extreme poverty. If a person’s income is less than US one dollar a day (measured in 1985 Purchasing Power Parity – PPP) then he / she should be seen as living below poverty line and is extremely poor. A person’s income is considered in Gross National Product (GNP), i.e., GNP per capita. GNP per capita gives an indication of the average material living standard of a nation’s people. An increase in GNP per capita could mean development implying an increase in prosperity or economic well-being and hence less poverty. However, GNP per capita has limitations (in idea of entitlement). GNP per capita is a measure of average income based on market-valuations, and hence there are several ways in which the measure fails to give a full indication of the incidence of poverty. Being an average, GNP per capita says nothing about the distribution of wealth between rich and poor. The idea of measuring poverty at the level of entire nations and hence labelling certain countries as poor on the basis of their GNP per capita is a recent phenomenon. Global poverty is an entirely new and modern construct and the advent of global consumer society has prompted this notion.

Estimation of poor people at a global level is regularly done by the World Bank as well as other organisations and researchers. The estimates recently brought out by the World Bank are exhibited here in Table 1. It shows over 2.8 billion people the world over are living below poverty line towards the end of the 20th Century. The maximum number of poor was in South Asia: little over half a billion people. However, the poverty rate has declined in South Asia during the 1990s. Next to South Asia was Sub-Saharan Africa where both the number of poor as well as poverty rate has gone up. In East Asia, number of poor and poverty rate has declined and China has been able to reduce poverty substantially. Poverty in Eastern Europe and Central Asia has increased by five times. The rise in the number of poor in this region indicates turmoil in political situation which is affecting “good governance” particularly in the social sector. There is marked fall in the incidence of poverty in the Middle East and North Africa; however the situation in Latin America and Caribbean remained almost the same. On global level, although the poverty rate has declined to a certain level, the number of poor has remained almost the same. This situation paints a worrisome picture. Even though there are massive efforts to alleviate poverty, the success is unsatisfactory.

<table>
<thead>
<tr>
<th>Region</th>
<th>$1.08 per day</th>
<th>$2.15 per day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Head count</td>
<td>Number of Poor</td>
</tr>
<tr>
<td></td>
<td>Index (%)</td>
<td>(millions)</td>
</tr>
</tbody>
</table>
East Asia (excluding China) | 26.60 | 14.71 | 417.53 | 267.30 | 67.04 | 48.72 | 1052.32 | 885.29
Eastern Europe and Central Asia | 23.94 | 9.47 | 114.14 | 53.87 | 62.90 | 44.29 | 299.92 | 252.01
Latin America and Caribbean | 0.24 | 3.75 | 1.07 | 17.80 | 3.59 | 20.70 | 16.35 | 98.24
Middle East and North Africa | 15.33 | 12.13 | 63.66 | 60.86 | 35.54 | 31.72 | 147.56 | 159.14
South Asia | 4.30 | 2.11 | 9.31 | 6.03 | 30.03 | 29.85 | 65.09 | 85.28
Sub-Saharan Africa | 44.94 | 40.00 | 474.41 | 521.84 | 86.30 | 83.93 | 911.04 | 1094.95
Total | 52.61 | 48.05 | 217.22 | 301.32 | 76.52 | 77.95 | 356.64 | 488.82
Total (excluding China) | 28.31 | 23.45 | 1183.19 | 1175.14 | 61.00 | 56.11 | 2549.01 | 2811.73

Note: The headcount index is the percentage of the population living in households with a consumption or income per person less than the poverty line.


25.5 WHAT IS HUMAN DEVELOPMENT?

The foregoing analysis brings out one issue prominently i.e., “human capabilities” is important in eradicating poverty. The increase in “improved capabilities” enables a person to widen his social choices which ultimately help him to lead a decent life. Traditionally human well-being was seen in terms of material welfare, i.e., how much an individual can acquire material wealth or assets. And for a community or society, the well-being was considered in terms of command of few individuals over the majority wealth of a country. However, in recent period, this view has undergone a drastic change and more stress is now put on human development which covers wide range of aspects in the individual case as well as society and the nation.

25.5.1 Human Welfare: Traditional Thinking

Until recently, in the assessment of (material) welfare of human communities two steps were involved. First, to measure welfare (i.e., income) of each individual in the community. Second, combine the welfare (i.e. income) of these individuals in some way to get a measure of aggregate level of welfare for the society as a whole. Traditionally welfare was taken to be synonymous with material welfare and was measured by one’s command over material resources. Since money is a common measure of all material possessions it was believed that some function of income (or some close proxy of it) would capture most of the aspects of welfare and measure it adequately. Accordingly, welfare of an individual was measured by his income alone. Also the individual welfare was aggregated in a simple way by adding all the component incomes and dividing the sum by number of such incomes added to get an estimate...
of per capita income. Thus Gross National Product (GNP) per capita or one of its variants remained in use for long as an indicator of aggregate welfare of a community.

The shortcoming of this measurement was that it took into account only income of an individual/communities into consideration but neglected other factors such as accessibility to public goods, human capabilities, status of women (employed or unemployed), social status of an individual (despite the level of income), political freedom, etc. To overcome these shortcomings a new thinking has evolved since mid-1970s mainly centring around distribution of income in the society and availability of social choices to each individual to enhance one’s capabilities to lead a decent life.

25.5.2 Human Development: Current Thinking

In the traditional view (i.e., material welfare), development is people’s command over resources like flow of income and ownership of assets, or at times measured in terms of expenditures likely to improve quality of life, such as, on education, health, nutrition, housing, safe drinking water, sanitation and other social services. Economic growth is necessary to meet the objective of better quality and content of life. However, translation of growth into better quality and content of life is not automatic. It matters whether the resources at its command are efficiently utilised by the society for achieving higher goals or used in “wasteful” expenditures, such as on wars, producing and consuming alcohol and other intoxicants, flesh trade, gambling, etc. In modern thinking, human development is seen in terms of whether economic growth has been successfully translated into improvements in various aspects of life.

What are these various aspects of life? They are acquisition of knowledge, enjoyment of a healthy and long life. Development, here, is people-oriented and viewed as expansion of people’s capabilities. The people’s capabilities are measured in terms of their abilities to improve individual’s life as well as society’s as a whole. For instance, an ignorant person in poor health has much less capabilities than a knowledgeable and healthy person and therefore is at a lower level of development.

The current debate on human development since the beginning of the 1990s was the result of massive exercise carried out by the United Nations Development Programme (UNDP) to bring forward human development profile of each nation in the world. The UNDP published its first Human Development Report (HDR) in 1990 and since then it brings out HDR annually. For measuring the status of human development in each country the UNDP constructs a Human Development Index (HDI). The HDI is constructed by taking into account three variables viz., life expectancy, adult literacy and (real) GDP. The HDR indicates the position of various population sub-groups in the human development ladder i.e., who stands where in terms of various indicators of development, such as, female literacy, maternal and child mortality, expectation of life, old age security, housing and sanitation, consumption and income.

The principal concern of the concept of human development is that the economic growth of each country, especially least developed and developing country should be people centric meaning people should be the centre-piece of economic progress. To achieve the goal of human development the economic growth of each country must ensure the improvement of quality and content of human life. However, there is difference between human development and human resource development (or human capital formation). Human development is a
broader concept which looks at human beings more as the beneficiaries and ultimate ends of the development process whereas human resource development treats human beings as mere capital goods or participants in the developmental process. Human development approach emphasises distributive policies (of income) while human resource development indicates production structures. Human development can be summarised as a process of enlarging people’s choices.

As mentioned earlier there are three indices for measuring human development: (i) adult literacy rate for measuring education status of the people; (ii) life expectancy for measuring health status; and (iii) GDP per capita for measuring standard of living. The first two components are semi-public goods which are supported by subsidy by the respective government of each country. The level of human development attained is influenced by the level of subsidy provided. It underlines the fact that the deprivation in literacy and life expectancy varies depending on the extent of variation in the respective subsidies provided. The provision of subsidy depends upon both the priority accorded to the development of education and health and the level of economic growth (i.e. capacity to finance these two subsidised goods). However, the three processes, i.e., capital formation, human development and economic growth occur simultaneously in any country / society. These processes are intended to remove poverty thereby leading to the widening of people’s choices.

25.5.3 Status of Human Development at Global Level

Table 2 here provides the glimpse of status of human development at global level. The human development index (HDI) is used to throw the light on various regions of the world. It clearly shows that in the achievement of human development the developed countries (i.e. OECD) are much ahead whereas developing and the least developed countries are far behind. The two regions, the Sub-Saharan Africa and South Asia are in extremely bad shape: Their indices in the matter of life expectancy, adult literacy and per capita income are nowhere near to the OECD countries. Their pathetic condition can be linked to the low level of GDP growth. One way to achieve faster economic growth is to redefine their economic policies. The persistent implementation of poverty alleviation programme is essential as Table 2 clearly shows correlation between poverty and low achievement of human development. Extreme poverty is the root cause of low achievement in human development.

<table>
<thead>
<tr>
<th>Table 2 : Human Development Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy at birth (years)</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td><img src="image-url" alt="Table Image" /></td>
</tr>
<tr>
<td>Developing Countries</td>
</tr>
<tr>
<td>Least Developed Countries</td>
</tr>
<tr>
<td>Arab-States</td>
</tr>
<tr>
<td>East Asia and the</td>
</tr>
</tbody>
</table>
Pacific
Latin America and the Caribbean 70.0 88.3 74 7,234
South Asia 62.9 55.6 53 2,404
Sub-Saharan Africa 48.7 61.5 42 1,690
Central and Eastern Europe and the CIS 68.6 99.3 77 6,930
OECD 76.8 100.00 87 23,569
High Income OECD 78.2 100.00 94 27,848

Note: Countries under high income OECD category are Norway, Sweden, Canada, US, Australia, Japan, UK, etc. There are about 25 OECD countries. The OECD stands for the Organisation for Economic Co-operation and Development.


25.5.3 Measures to Improve Human Development

Given the dismal picture of human development in developing and the least developed countries various action programmes are suggested to change the situation. In the following lines we elaborate these programmes:

i) Eradicating Extreme Poverty and Hunger

If one sees here Table 1 vis-à-vis Table 2 then one finds that there is direct and proportionate relationship between poverty and human development. If a country is poor then its human development record is unsatisfactory. People suffer from various incapacities such as illiteracy, shorter life-span, etc. These incapacilities create the vicious circle of social evils and therefore, the immediate goal of developing and the least developed countries should be to halve the proportion of people living on less than US one dollar a day. Moreover there is need to halve the proportion of people suffering from hunger.

ii) Achieving Universal Primary Education

Primary education to all is essential as illiteracy breeds most of the social problems. Primary education, especially of girls is the need of the hour. It is found that where primary education is imparted to the women lot, especially in rural area, that country’s population growth rate as well as infant mortality rate remains at low level. For instance, Sri Lanka, Philippines, Malaysia, Kerala (in India) have achieved lowest birth and infant mortality rate because of girls’ primary education. Therefore, there is an urgent need to ensure that children everywhere-boys and girls alike-complete a full course of primary education.

iii) Promoting Gender Equality and Empowering Women

It has been observed in developing and the least developed countries that discrimination exists between boys and girls while enrolling them in primary and secondary education. This is mainly because parents in these countries give preference to boys and spend more money on boys’
education, especially in rural areas whereas girls are neglected in education. The outlook towards girls is limited to performing household domestic work and rearing children. The marriage age of girls is very low. The drop-out rate of girls after primary education is unusually high because parents get them married at a tender age. There is a need to eliminate gender disparities in primary and secondary education. In addition there is need to empower women by providing gainful employment or ensuring self-employment so that they can become economically self-reliant. Empowerment is a desired process by which individuals, typically including the ‘poorest of poor’ are to take direct control over their lives. Once ‘empowered’ to do so, poor people will then (hopefully) be able to be the agents of their own development.

iv) Reducing Child Mortality

The prevalence of widespread malnutrition and under-nutrition among pregnant women in developing and the least developed countries, especially in rural areas, make vulnerable to various diseases and the children born to such women die before attaining age five. The infant and under-five mortality rates in South Asia and the Sub-Saharan Africa is unusually high. The low income and unhygienic conditions increases the vulnerability of child to succumb to various diseases. The reduction in child mortality may provide stability to the family structure and help to keep small family size.

v) Improving Maternal Health

As brought out earlier here the vulnerability of pregnant women is much higher in poor countries because of malnutrition, under-nutrition and unhygienic conditions. It affects adversely the health of a child, especially those who are under five. The mortality rate of pregnant women in poor countries is unusually high. For reducing infant mortality rate there is a need to improve the maternal health, particularly, during pre and post pregnancy period.

vi) Combating HIV/AIDS, Malaria and Other Diseases

Since the beginning of the 1980s HIV/AIDS is rapidly spreading among the South Asian and the Sub-Saharan African countries and causing death to the men, women, and children. Especially innocent children are falling prey to this disease. It is estimated that by the turn of half way mark of the 21st Century this disease may take the shape of epidemic in the poor countries and the respective governments’ finances mostly may be spent on combating this disease. Along with this disease, Malaria is also causing serious concerns and despite persistent efforts to bring it under control, there is limited success. Unless these diseases are brought under control there will be no hope in improving human development.

viii) Ensuring Environmental Sustainability

Since the beginning of the 1990s the concept of economic development has been transformed to sustainable development (SD). The SD is a wider concept encompassing economic progress. Conceptually, the SD is presented as wise resource use by the present generation in order to maintain similar quality of resources for future generations; at the practical level it is presented as the objective of development projects, especially local projects which involve environment resources (vegetation, soil, wildlife). The SD calls for the integration of action in the following three key areas:
a) economic growth and equity,
b) conserving natural resources and the environment, and
c) social development.

The sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.

25.6 GLOBALISATION, POVERTY AND HUMAN DEVELOPMENT

Since the beginning of the 1980s the wave of globalisation is sweeping the world and the developing countries and the least developed countries are often advised by the international institutions such as the World Bank, International Monetary Finance (IMF), and WTO to minimise the role of state/government in economic activities and ensure greater role of market forces. Although these countries are adjusting their economies to accommodate this thinking mostly under the structural Adjustment Programmes (SAPs), however there are resentments and doubts about the success of it. The suspicion is mainly because the withdrawal of state intervention from developmental activities adversely affects the welfare of the poor as market forces largely engage in profit earning activities and neglect social development. The assessment of the implementation of SAPs in the African and South Asian countries is not encouraging. Rather, the SAPs have deteriorated the employment generation and prospects of poverty alleviation have been hampered. It has indirectly affected the human development too.

On the sidelines of globalisation developing and least developed countries have been undergoing the process of privatisation and disinvestment in public sector. It is being argued that the privatisation of education, health service, electricity, water supply and other basic services will improve the quality of these services and enhance the status of human development. However, the evidence show that privatisation of these services could benefit those who could afford to pay higher price for availing them. On the contrary, who are unable to pay higher price are excluded from their usage. The promotion of market forces, so far, has proved detrimental to the poor people in the sense that state/government participation in poverty alleviation programmes is reducing. Similarly government public expenditure is also decreasing.

There are efforts to evolve a paradigm which will amalgamate the interests of poor and profit motive of market forces. The role of NGOs to fill this vacuum is often suggested and one finds large number of NGO’s cropping up world over in recent period. However, given the functioning of the NGOs and financial support to them by influential organisations and governments, raises the question of their independent work. Can they fill up the gap of state/government in providing social and public goods? They can reach to a limited number of poor and needy people and that too mostly in urban and semi-urban areas. What about the majority of poor living in rural and remote areas? Who would look after poor people on the withdrawal of government? There are no answers to these questions and the poor continue to suffer under the process of globalisation and privatisation; which is why we often listen to the demand of globalisation with human face. It underlines the importance of human centred economic development.
25.7 SUMMARY

Two broad views have emerged to look at poverty: one is of a sociologist and another is of an economist. Sociologist looks at it from an angle of human well-being while an economist identifies the lack of economic resources as causing hardship to a person. For certain class of economists “poverty line” is a defining yardstick which differentiate population living below poverty line (BPL) or above poverty line (APL). However, there is no uniform method to measure poverty. Different parameters are practised by researchers and institutions for measurement of poverty. Within the economic circle, the new concept of poverty has come up which considers poverty in terms of ‘human capabilities’. This concept seeks to identify those in the population who experience the most severe hardship, i.e., those who are the most deprived. The people falling under this category are unable to be economically independent and the income they are capable of generating lies below a socially defined minimum standard of living. The “capability concept” looks at poverty in terms of capability failure than in terms of the failure to meet the basic needs of specified commodities. Closely connected with the concept of ‘capabilities’ is ‘entitlements’. Entitlements are socially sanctioned claims, effective legitimate command over food that is available. A person’s effective legitimate command is his or her entitlement. The failure of entitlement to cover subsistence needs is mostly the key cause of starvation and death in famines.

There is a definite pattern in relationship between poverty and human development. For moving upward in the achievement of human development poverty reduction is an imperative condition. The countries with no poor people such as OECD enjoy better human well-being whereas developing and the least developed countries continue to suffer and are deprived of even basic services and public goods like safe drinking water, electricity, sanitary amenities, health facilities, primary education, etc. The worst sufferers are women and girls as there exists gender discrimination in providing these goods and services. The economic dependency of women makes them vulnerable to social evils and even within the households, particularly in rural areas, they are discriminated. The key to improve human development lies with the empowerment of women and the ‘poorest of poor’ in the society.

The current wave of globalisation largely under the guidelines provided by the World Bank, IMF and WTO has opened up the debate about the widening gap between the rich and poor. It is often said that the globalisation has benefited rich at the cost of poor. The process of globalisation and privatisation are moving in and market forces are gaining upper hand while the role of state/ government is diminishing. The withdrawal of state / government from public goods and services in the developing and least developed countries is causing serious concern to the poor. There are efforts to evolve a paradigm whereby private sector or market would take care of the welfare of the “deprived class” of the society, nevertheless so far there is no success and poor continue to suffer. This dichotomy calls for effective role of state / government in providing “good governance.”

25.8 EXERCISES

1) How would you describe the concept of “human capabilities” in poverty discussion?

2) What is the difference between chronic hunger and famine?
3) How would you differentiate between measurement of poverty and inequality?

4) Write a brief note on current thinking of human development.

5) What ways would you suggest to improve human development?

6) How would you analyse the effect of globalisation on poverty and human development?

7) What role can “good governance” play in ensuring improved human development?