

The Rising Tide of Poverty

Student Reading

We live in an economically divided world. One-fifth of the world's population enjoys relative wealth, while the other four-fifths barely have the means to survive. As the wealthy industrialized countries speak of economic progress, the ranks of the poor in less developed countries continue to grow. This disparity of wealth and the spread of poverty threaten the future quality of life for all of Earth's inhabitants.

For the majority of the world's people, **poverty** – a state of living below the **poverty line** – is far more than an economic condition. Poverty's effects extend into all aspects of a person's life, such as susceptibility to disease, limited access to most types of services and information, subordination to higher social and economic classes, and complete insecurity in the face of changing circumstances.

In 2003, 18 countries containing 460 million people registered lower scores on the **United Nations Human Development Index** than in 1990.¹ The human development index determines a country's score based on **life expectancy**, adult **literacy rate**, and per capita **gross domestic product (GDP)**. The index is a comparative measure of well being for countries worldwide.

The number of people living in slums and **shantytowns** – illegal settlements of improvised shacks surrounding cities – is rapidly increasing. Many residents fall victim to diseases brought on by lack of access to clean water and sanitation. There is noticeable progress in some places but, on the whole, poverty continues and the numbers of people living in poverty keep

In order to be classified as "poor," a person must be below the poverty line—earning less than US\$1 a day. Consider a family of four in rural Bangladesh. When they calculated their daily budget, they found that their health and food costs accounted for over 90 percent of their basic expenses.

Expense	Per Day	Per Year
food and fuel	80¢	\$292
medical costs	3.3¢	\$12
clothes	41¢	\$15
school books	1.6¢	\$6
family visits/ present giving	2.2¢	\$8

Source: World Resources Institute (Rutherford 2002:10)

multiplying. More than one billion people still struggle to provide for their basic needs on one dollar a day.²

Who Are the Poor?

Most of the world's more than one billion poor live in Africa, Asia, and Latin America. The poor are overwhelmingly illiterate, and therefore they lack access to information and ideas that could help them escape poverty. Two-thirds of the poor surviving on less than a dollar a day live in rural areas and are dependent on agriculture for their main source of income.³ With most of the land owned by a wealthy few, the majority of the world's population is landless. Population growth divides family **subsistence farms** into smaller and smaller plots, until they no longer provide subsistence. Then poor people are typically forced to work as dispossessed laborers for others, unable to achieve economic prosperity.

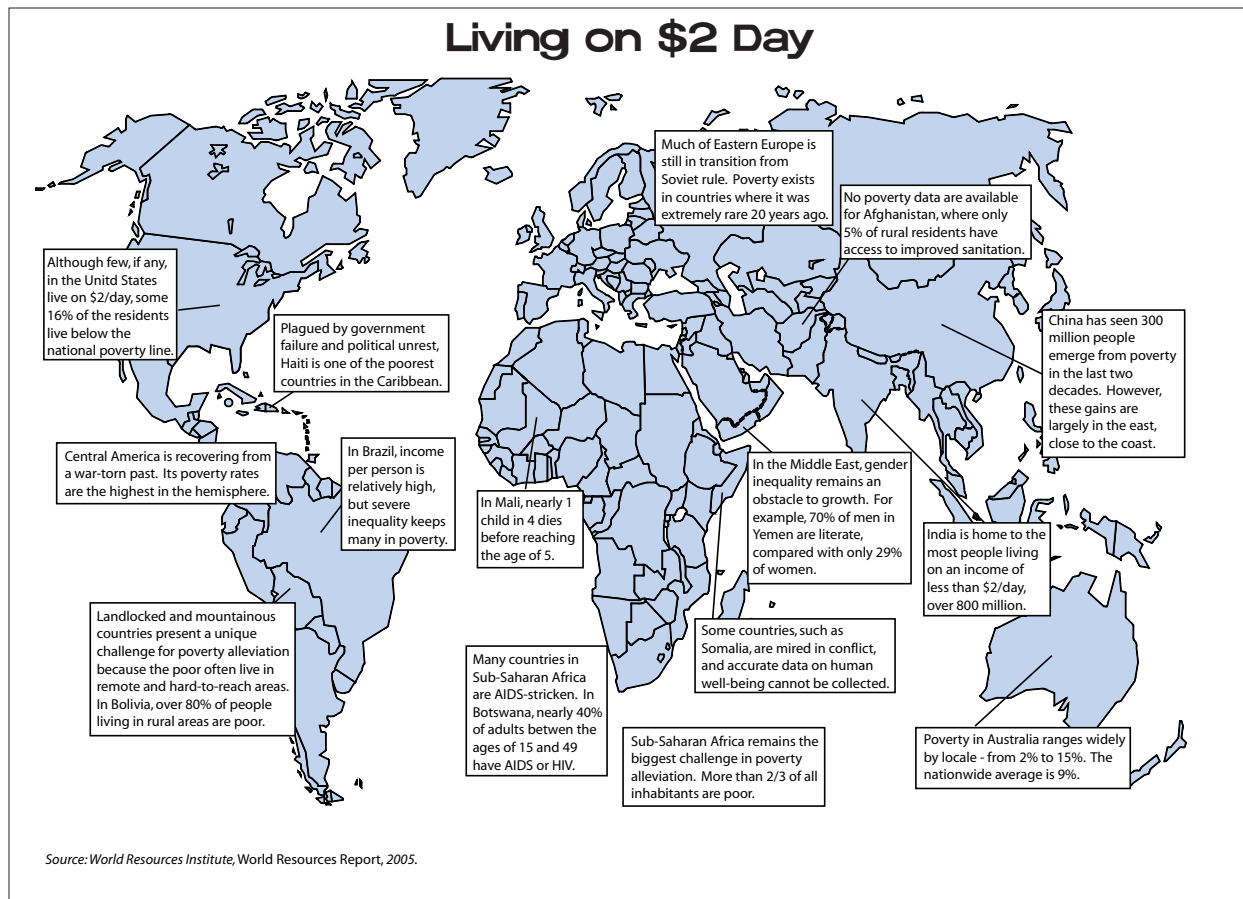
Poverty is not fairly distributed among people. Women, children, the elderly, and ethnic minorities are inevitably hardest hit. Women are disadvantaged by the fact that they frequently cannot own land or get access to credit and have less access to education and good employment opportunities. Chronic persistent hunger can harm children's health as well as their mental and physical development. Malnourishment could stunt and handicap an estimated one billion children worldwide by 2020.⁴ In 2015, there will still be 47 million children out of school.⁵ Lacking sufficient nourishment and clean water, one in ten of these youngsters dies before her or his fifth birthday.⁶

What A Difference!

Great disparities in living standards exist between the world's rich and poor. In 2005, the world's wealthiest 500 individuals had a combined income exceeding that of the poorest 415 million.⁷ Wealthy nations have almost tripled their per capita income since mid-century; in the poorest countries income has remained basically constant. Developing countries make up only six and a half trillion dollars of the \$35 trillion of the annual global GDP, despite the fact that they are home to 80 percent of the world's people.⁸ Furthermore, a full 60 to 70 percent of people in most countries earn less than their nation's average income.

In recent years, the term **developing country** has become a misnomer: many countries are not so much developing as they are losing their fights to eradicate poverty. Though industrialized countries have





experienced an economic resurgence (China's economy, in particular, has grown substantially), other regions of the world do not share in this prosperity. Less developed countries in Africa and Asia endured economic decline, accompanied by rapid population growth, famine, and ecological deterioration.

No Place Like Home

Although most of the world's poor are residents of less developed countries, due to unequal distribution of wealth, people in even the world's richest countries can fall victim to vicious cycles of poverty. In the United States, for example, the richest one percent of the people own 33 percent of the nation's wealth.⁹ Throughout the developed world, in places like Canada, the United States, Australia, and countries in Europe, an average of 15 percent of the population is classified as "poor."¹⁰

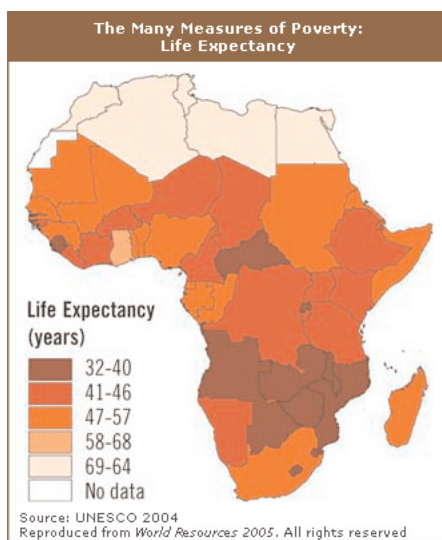
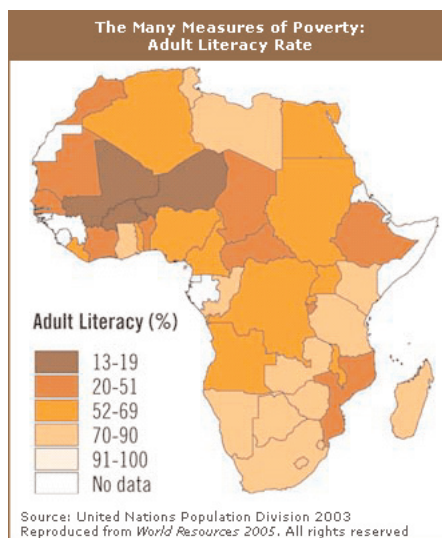
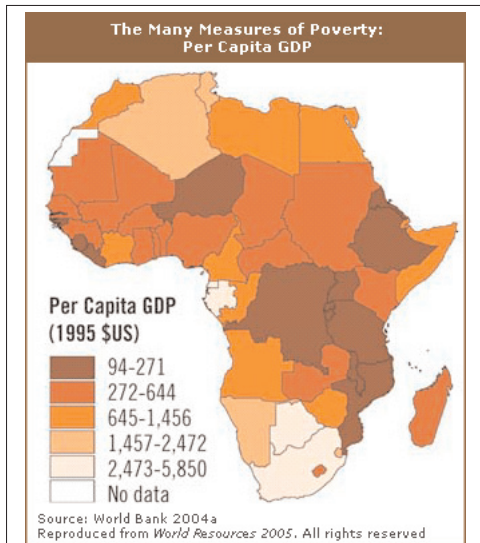
The housing situation in less developed countries is also bleak. Low-income housing is almost nonexistent in most developing-world cities. Generally, those on low incomes rent rooms, live on the streets, or construct shacks in shantytowns. Thirty to 60 percent of all people in developing countries live in shantytowns.¹¹ Without indoor plumbing, shantytown

dwellers use open **latrines** (basic, communal toilets), which produce airborne poisons and contaminate the water supply. The location of shantytowns, often near garbage dumps and hazardous waste sites, further endangers its residents. Disease and death are everyday occurrences for millions of urban poor.

The appearance of these shantytowns is usually due to the migration of people from the countryside to the city. Because jobs in many rural areas are scarce, people move to cities in hopes of finding work and building a better life. More than half of the world's population, or 3.3 billion people, now live in urban areas. This number is expected to grow to five billion by 2030.¹²

Impoverish the Earth

Continued poverty places much of the world population on a collision course towards environmental disaster. Most of the world's countries depend on the export of agricultural products for their livelihoods. But agricultural expansion can often cause ecological stress. Wealthy landowners, cultivating more and more acres for commercial crops, continue to push subsistence farmers onto poor land. Farmers, pushed onto marginal land by population growth and



Well-being can be measured using indicators other than income. Three maps of Africa show country-by-country variations in the three indicators used by the United Nations Development Program to annually measure human development: adult literacy, life expectancy at birth, and gross domestic product per capita.

inequitable land distribution, attempt to increase their cropland by cutting forests and cultivating land on steep slopes. Furthermore, as land is broken up into smaller and smaller parcels – divided among offspring – lack of agricultural knowledge passed from one generation to the next often means much lower crop yields. Without strong farming practices, the incidence of soil erosion and land degradation – resulting in droughts and floods – vastly increases.

Such natural disasters have occurred in recent years: droughts in Africa, India, and Latin American, and floods throughout Asia, parts of Africa, and the Andean region of Latin America. The poor, living on vulnerable hillsides and along unprotected shores, are overwhelmingly the victims of these disasters.

Population and Poverty

How are population growth and poverty related? Scholars agree that poverty frequently contributes to rapid population growth. Low wages, poor education and high **infant mortality** rates are all symptoms of poverty; they are also associated with high fertility rates, which cause rapid population growth. Educating women and girls and making good employment opportunities available to women are two of the most effective ways of decreasing both poverty and fertility rates.

Does population growth contribute to poverty? On the household level, larger family size means that parents are able to invest less in the health and education of each child. These children then have less potential and skills to obtain a good-paying job.

On the national level, in the short term, rapid population growth always means a decrease in per capita income, as limited resources are spread over more people. Over the long term, the situation gets a little more complicated. Some economists argue that a growing number of available workers and consumers may accelerate economic growth, or even be necessary for economic growth. They argue that if people invest enough in the country's economy, it will grow fast enough and create jobs fast enough to absorb the growing numbers of people.

However, it is important to point out that very few economies in the developing world are growing fast enough to absorb population growth at the rate of three to four percent per year. The result of increased population is greater unemployment, more landlessness, further environmental degradation, and poverty.

Reversing the Trend

Although we face monumental challenges to break the cycle of poverty, failure to launch an assault on poverty will guarantee the destruction of much of our shared biosphere. Indeed, much progress has been made. Since the 1960s, child death rates have been cut by more than half and malnutrition has been reduced by a third.¹³ From 1998 to 2005 the percent of children in primary school increased by ten percent (90 percent

of boys and 86 percent of girls), and life expectancies are currently increasing.¹⁴ In addition, the **poverty gap**, or the amount of money needed to bring every one in a developing country up to the poverty line, is only three percent of those developing countries' annual incomes. Only an additional \$74 billion dollars a year are necessary to reduce extreme poverty and hunger by 50 percent worldwide.¹⁵



A small boy rummages through trash in Kibera, Africa's largest slum in Nairobi, Kenya, where most people live below one dollar per day. Youths depend on collecting debris from the Nairobi River (a flowing sewer in the slum area), such as bottles and bags, which they then hope to sell. Most of the homes are shacks, and schools are built on the flowing, murky river. Residents have no access to clean water and hence depend on the polluted river for survival.

© 2005 Felix Masi/Voiceless Children, Courtesy of Photoshare.

Studies on every continent show that as literacy rates rise, especially those of women, so do income levels, nutrition levels, and child survival rates. Population growth slows as child survival and infant mortality rates improve. Parents no longer need to have more children than they desire simply so they can be sure enough children survive to adulthood. As both school enrollment for children and women's participation in the paid workforce increase, children become more expensive and less vital to a family's economic survival, and the number of children a couple desires usually falls.

The World Bank advocates a two-branched approach to eradicating poverty. First, a country needs to make investments in basic social services to provide its people with primary health care and education. The slower the rate of population growth, the easier it becomes to effectively provide these services. Second, the country needs to promote an economic development pattern that makes efficient use of the available labor. Following this plan, people in developing countries will be prepared and able to become productive members of society and will have the employment opportunities to do so.

Recognizing the battle against poverty as a worldwide effort, the United Nations created the **Millennium Development Goals (MDG)** in 2000. These eight goals, which are slated for completion by 2015, include eradicating extreme poverty, creating a universal primary education system, and reducing child mortality.

Endnotes

¹ "Human Development Report," United Nations Population Fund, 2005, 17 July 2007 <<http://hdr.undp.org/reports/>>.

² "Human Development Report," 3.

³ "Human Development Report," 10.

⁴ "U.N.: Poor Nutrition could Handicap 1 Billion Children," CNN, 2000, 17 July 2007 <<http://archives.cnn.com/2000/WORLD/europe/03/20/nutrition.report/>>.

⁵ "Human Development Report," 5.

⁶ United Nations Population Fund, United Nations Human Development Report (New York: United Nations Development Programme, 1996) 26.

⁷ United Nations Population Fund, 4.

⁸ "Remarks at the Conference de Montreal" Worldbank Intranet, June 2004, 17 July 2007 <<http://econ.worldbank.org/>>.

⁹ "Who Rules America?" University of California at Santa Cruz December 2006, 17 July 2007 <<http://sociology.ucsc.edu/whorulesamerica/power/wealth.html>>.

¹⁰ "Poverty," Microsoft Encarta Online Encyclopedia, 2007, 17 July 2007 <<http://encarta.msn.com/>>.

¹¹ United Nations Population Fund, United Nations Human Development Report p. 34.

¹² United Nations Population Fund, "The State of World Population 2007," July 2007, 17 July 2007 <<http://www.unfpa.org/swp/2007/english/introduction.html>>.

¹³ "Child Mortality," United Nations Children's Fund, May 2004, 17 July 2007 <<http://www.childinfo.org/cmr/revis/db1.htm>>.

¹⁴ "Basic Education," United Nations Children's Fund, January 2006, 17 July 2007 <<http://www.childinfo.org/areas/education/>>.

¹⁵ "What Should a Billionaire Give – and What Should You?" New York Times, December 2006, 17 July 2007.