Poverty and the Millennium Development Goals*

G. J. Ebrahim 1

1 Department of International Child Health. Institute of Child Health. University of London. 30 Guilford Street. London, W. C. 1N 1EH. E-mail: zef.ebrahim@wich.net

Abstract

Poverty has been defined variously at different times in different countries. An early attempt in 1899 in Britain was based on resources necessary for survival. This subsistence standard definition has been used as a measuring rod in one form or another in different countries. For example, less than half the average income has been used as a measure in Britain, and minimum wage or multiples of it in Latin America, and so on. Unless a proper definition of poverty can be agreed attempts at its alleviation can have no target to aim for. Alleviation of poverty, though championed by political leaders of all types has proven to be difficult because equitable division of the national budget requires consensus which is not always forthcoming when the “haves” control the levers of power and the “have nots” must make do with what they get. Measuring collective poverty on a global scale has been attempted by several international agencies. The definition used by the World Bank is stark - “people who live on US $1 per day”. According to this definition in the Year 2001 one billion people lived in poverty with consumption levels of US $1 or less per day, and 2.7 billion on less than US $2 per day. Now that more than half the world’s population is living in cities, urban poverty is presenting a challenge in most developing countries. Within the physical environment of deprivation there develops a culture of poverty with its prevalence of disease, social disruption, violence in the home and outside, and dependence on drugs and alcohol. In the mind set of the urban poor risk taking behaviour is common. The main victims of poverty have been the children who are denied the right to a good education and future economic opportunities.

Resumo

A pobreza tem sido definida de diversas formas em diferentes tempos e em diferentes países. Uma tentativa preliminar na Inglaterra, em 1899, tinha como base os recursos necessários para garantir a sobrevivência. Essa definição padrão de subsistência tem sido usada como um instrumento de medida de uma forma ou de outra em diversos países. Por exemplo, na Inglaterra, uma renda menor do que metade da renda média do país tem sido empregada como medida de pobreza, enquanto que o salário mínimo ou múltiplos dele tem sido usado na América Latina, e assim por diante. A menos que se chegue a um acordo para uma definição apropriada de pobreza, as tentativas para reduzi-la não alcançarão os seus objetivos. O alívio da pobreza, embora proclamado pelos líderes políticos de todos os tipos tem provado ser difícil porque a divisão equânime da renda nacional requer um consenso que nem sempre é atingido quando as “élites” controlam as rédeas do poder e a “não elite” tem que se contentar com o que possui. A medição da pobreza coletiva em uma escala global tem sido realizada por várias agências internacionais. A definição utilizada pelo Banco Mundial é clara - “pessoas que vivem com um US$1 por dia”. De acordo com esta definição, no ano de 2001, um bilhão de pessoas vivia na pobreza com níveis de consumo de US$1 ou menos por dia e 2,7 bilhões viviam com menos de US$2 por dia. Agora que mais da metade da população mundial está vivendo em cidades, a pobreza urbana é apresentada como um
deprivation are women and children, the aged and the infirm. Evidence is presented to show the stultifying effects on children growing up in poverty. Remedial action is an uphill task, expensive and not always successful. An awakening of social conscience globally brought about by the stark realities of the urban poor living cheek by jowl in close vicinity of affluence and conspicuous consumption has led enlightened world leaders and economists to mobilise public opinion. A meeting of world leaders held at UN headquarters in the Year 2000 proposed and agreed Millennium Development Goals. The goals address not only poverty per se but also its effects. The target date for achieving the Millennium Development Goals is set at Year 2015. Progress towards the target has been patchy and depends upon national political maturity.

Poverty is described as a deficiency of resources that significantly reduces life chances and prevents participation in events and relationships that give life meaning. Such resources could be essential material resources such as food, shelter, water and sanitation, or social resources such as education, access to information, health care, social status and political power.

Poverty is associated with chronic hunger and under nutrition. It is also associated with lack of cleanliness and personal hygiene, as well as the consequences. Further refinement of the term "lack of essential resources" has led to the concept of resources "necessary for survival". An early attempt was made in 1899 by Sebohm Rowntree to work out how nutritional intake was related to the maintenance of body weight. He estimated the nutritional needs of adults and children, translated these needs into quantities of different foods and then into cash equivalent of these food. To the costs of foods he added minimum sums for clothing, fuel, and other household items according to the size of the family. Thus was born the subsistence standard which has been used as a measuring rod of poverty in one form or another in Britain as well as in several other countries.

Food costs (derived from Consumer Expenditure Surveys) represent about a third of total income needed by households consisting of two persons in many countries of Western Europe and North America. This does not take into account the effect of inflation. Based on such data many countries have established a minimum wage as a legal standard for payment of manual workers. In countries with high inflation rates multiples of minimum wage are used to define poverty. The Organization for Economic Co-Operation and Development (OECD) stated in 1976:

But people's needs are conditioned by the society in which they live and to which they belong. Not only do needs differ in different societies but they also differ in different periods of the evolution of each individual society. Beyond mere subsistence is the style of living and prevalence of social interaction. When individuals and families cannot participate freely in social groups and networks they suffer social exclusion. Many nations are thus in fact two nations - the haves and the have-nots. The haves exercise political power and when it comes to defining the 'poverty line' are reluctant to give ground (Figure 1).

Modern politics is about who gets what, when and
The proper task of government is to meet people's wants and reconcile them as far as they can be reconciled within available resources. Minimum basic needs, however defined, has come to be the defining factor in the 'politics of need'.

All the great religions of the world give great importance to charity and giving of alms to alleviate poverty. Some even make it obligatory as a major tenet of religion. As nation states evolved and grew prosperous provision was made for the poor. The state's intervention to secure the well-being of its citizens came to be seen the core of social welfare policy. In Britain the Poor Laws mark the first state intervention which commenced in medieval times. Experience gained through their operations and that of charity organizations led centuries later to the creation of the National Health Service, and indirectly to the creation of the National Health Service, and indirectly to the creation of other social services. From time to time various Royal Commissions appointed by parliament have attempted to link the services more closely to the economic and social conditions of the time. The changing nature of a large modernising society with rapid growth of large urban areas results in major social problems which could only be tackled by the provision of state-based services. A series of legislative acts introduced between 1944 and 1948 form the basis of the British Welfare State. These include among others, the Education Act, Family Allowance Act, National Insurance Act and the National Health Service Act.

In the developing world several countries have created their own anti-poverty programmes. The first country to demonstrate that vast numbers can be rescued from chronic hunger was China. Early reports of visitors to China describing declining infant mortality, elimination of under nutrition, improving longevity and coverage with health services including immunization using innovative methods were first discounted as propaganda, and only later caught the imagination of the rest of the world. India with one of the largest population of the poor had established fair price grain shops at affordable price as far back as the 1970's. Later as the economy improved the Integrated Child Development Scheme (ICDS) was commenced in 1975 with the stated objective of reducing child malnutrition and morbidity/mortality among the rural and urban poor. Brazil took the lead in immunization coverage by nominating National Immunization Days. The initially sceptical medical establishment soon came to notice the benefit of it, and now the Americas have been cleared of polio for several years, and the world is on the brink of eradicating this dreadful disease. Such experiences show that enlightened national leaders chart the path towards the general good, and campaign hard to carry the rest of the nation with them. National enlightenment and solidarity allows the carrying through of programmes which may not be initially acceptable to some sections of the population. The Lula government in Brazil has built on the initiative taken by the predecessor Cardoso to bring about reduction in poverty and inequality in a country long known for its markedly skewed income distribution.
The Real Plan prompted a sharp drop in poverty by slashing inflation. In the years 2002 - 2006 the share of national income going to the poor half of Brazilian society increased from 9.8% to 11.9% (Figure 2).

More recently the Bolsa Família and other federal programmes have helped to break the cycle of poverty by linking income transfer to poor families in return for parents taking children to clinics for regular health care and enrolling them in schools. Similar improvements are taking place in other Latin American countries including Mexico and Chile (Figure 3).

**Collective poverty**

When individuals, families and large sections in society lack the resources for obtaining enough food, have inadequate living conditions and amenities of water and sanitation, and get excluded from the activities of the main stream society they constitute...
collective poverty. Collective poverty is relatively general and lasting in much of the developing world (Figure 4).

Nutritional deficiencies, low life expectancy, high levels of mortality among infants, children and women, as well as chronic illness such as hypertension, diabetes, sexually transmitted diseases and obesity among adults are prevalent. What is more collective poverty gets transmitted from generation to generation. For parents and their children living in the sprawling slums and shanty towns of the mega cities (Figures 5 and 6) life on the margin has become the way of life with no avenues of social mobility, and a bleak future of living from day to day.

A subculture of poverty pervades the slums and ghettos of the urban poor. The economic traits of this culture have been variously described as unemployment or under employment; low wages; unskilled occupations; child labour; chronic shortage of cash; no savings; absence of food reserves in the cramped home; a pattern of buying small quantities of food many times a day; pawning of personal goods; and borrowing from local money lenders at high rates of interest. The social and psychological characteristics of the culture of poverty are life in crowded living conditions with lack of privacy; high incidence of alcoholism and drug abuse; frequent resort to violence in the settlement of disagreements; early initiation of adolescents into sex; teenage pregnancy; free union or consensual marriage; high incidence of abandonment of mothers and children; and little ability to defer gratification so as to plan for the future (Figure 7).
Figures 5

Mega cities by region.

<table>
<thead>
<tr>
<th>Region</th>
<th>2000</th>
<th>2015</th>
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<tr>
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<td></td>
</tr>
<tr>
<td>0.5m-1m</td>
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<tr>
<td>1m-5m</td>
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<tr>
<td>over 5m</td>
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<tr>
<td>Latin America and the Caribbean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5m-1m</td>
<td></td>
<td></td>
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<tr>
<td>1m-5m</td>
<td></td>
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</tr>
<tr>
<td>over 5m</td>
<td></td>
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</tr>
</tbody>
</table>

Source: UN-Habitat

Figures 6

Urban population living in slums % of total, 2005

<table>
<thead>
<tr>
<th>Region</th>
<th>Slum annual growth rate, %</th>
</tr>
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<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>4.53</td>
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<tr>
<td>South Asia</td>
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<tr>
<td>East Asia</td>
<td>2.28</td>
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<tr>
<td>Latin America &amp; the Caribbean</td>
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<td>Ex-Soviet Asia</td>
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<tr>
<td>West Asia</td>
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<tr>
<td>East Asia excl. China</td>
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<tr>
<td>South-East Asia</td>
<td>1.34</td>
</tr>
<tr>
<td>Oceania</td>
<td>3.24</td>
</tr>
<tr>
<td>Ex-Soviet Europe</td>
<td>-0.33</td>
</tr>
</tbody>
</table>

Source: UN-Habitat

Figure 7

The physical environment of subculture of poverty.
The subculture of poverty is both an adaptation and a reaction of the poor to a life that holds little meaning. The authority of the government ends at the border of the ghetto. Instead total control is exercised by the drug barons and their bully boys.

It is staggering to think that hundreds and thousands live such a precarious existence. The World Bank estimates that up to 40% of the population of the average city in the developing world live in poverty. Several United Nations agencies have estimated that on a global scale in year 2001 one billion people lived in poverty on consumption level below US $1 per day, and 2.7 billion on less than US $2 per day.

Figure 8 sketches the pathways to a variety of health problems in the ghettos and slums.

Figure 8
Pathways to illness in slums
The residents are aware of what affects their health. In fact several of the pathways were developed during focus group discussions with residents of shanty towns in countries as far apart as Kenya, India, the Philippines and Brazil. The residents are also aware that whatever meagre health care is available to them only scratches the surface and does not in any way influence the root causes of their health problems. Such an awareness creates a mind-set in which fatalism, lack of self esteem as well as alienation from the main stream society prevail, and risk taking behaviour becomes common place. In the slums and favelas knowledge of the lives and deaths of people known personally is especially influential in shaping people's mental picture of life prospects. Those who feel they are caught inside a web of misery find it difficult to invest in future through education or preventive health measures or through cleaning their immediate environment. They know they are the flotsams on life's currents. They find it difficult to plan ahead for major life events and transitions.

Add to this the general knowledge widely publicised in the media that the net worth of the world's 358 richest individuals is equal to the combined income of the poorest 45% of the world's population i.e. 2.3 billion people.\textsuperscript{2} Psychosocial pathways associated with living in grinding poverty from which no escape seems possible act in synergy with the direct health effects of material deprivation, through neuroendocrine pathways.\textsuperscript{3,4}

Much research has been published describing the
mortality and morbidity gradients between the lower and upper socio economic strata in several countries. Data related to life expectancy, infant and child mortality, maternal and child undernutritions as well as adult morbidity are well known. Much lesser known is the high prevalence of depression and other mental health problems in areas of endemic deprivations. What is only now becoming realcised is the adverse effects on children of growing up in disadvantage. Commencing in fetal life with fetal malnutrition (rates of birth weight <2500 g are as high as 40% to 50% in some countries), it continues into infancy and preschool years with under nutrition, micronutrient deficiencies and into adolescence. For girls it progresses into early commencement of child bearing, and the cycle of malnutrition continues into the next generation. Cohort studies are now revealing the fetal origins of many adult diseases. The stunting effect of disadvantage commencing in fetal life and continuing into adulthood and beyond can have serious outcomes not only for the individual but society in general. Remedial action has both political and fiscal dimensions. It is far less effective than prevention as recent experience in Britain shows. The proportion of children born and brought up in households with less than half the average income tripled in Britain during the 1980's and UK reached the highest rates of child poverty for any country in the European Union. These children are now reaching adulthood so that nearly a third of the adults in the country would have been reared in conditions of relative poverty. The early consequences are already being noticed in the form of poor reading skills, unmanageable aggressive behaviour so that many city centres are becoming no-go areas after dark, binge drinking, drug misuse, teenage pregnancy and rise in crime rates are being reported. The overall health indices show that during 1982-1992 there were no improvements in mortality rates among young men (aged 20-40 years) and only small improvements among younger women (aged 15-24 years) as compared to most other ages.

Reversing the situation is an uphill task. If the major determinants of health are social, so must the remedies be. How far social and economic policies will succeed in influencing the social determinants remains to be seen. A measure of the challenge that lies ahead can be gained from recent British experience. When the current labour government came to power it set itself the task of addressing child poverty. Legislation affecting taxation and tax credits, sickness and rehabilitation benefits, maternity and child benefits, child support by absentee fathers, expansion of nursery places to allow single mothers to work, housing policies, labour markets including the minimum wage, and welfare-to-work programmes ensued. After 10 years in government only half the estimated original 100,000 children could be moved out of poverty. Much needs to be done still to make the administration of programmes more efficient, to stop wastage and to target the remaining hard core of families trapped in poverty.

If the damage caused by growing up in poverty can be so pervasive in a relatively rich country how about the one billion in the not so rich part of the world who must eke out an existence on less than US $1 per day?

It is true that all rich countries have established departments of overseas aid. However few countries achieved the avowed target of 0.9% of their Gross domestic product (GDP). Besides it is public knowledge that overseas aid came with strings attached, and whatever was not siphoned off by corrupt officials went largely into supporting exports from the donor country. In the meantime the economies of many low income countries have been in a downward spiral with mounting international debt. In several poor nations up to a third of the national income has been going into servicing this debt. In a game of blaming the victim political leaders and other opinion makers in the rich world began to debate openly about compassion fatigue!

Following a period of devastating drought and famine in Africa a group of pop singers and musicians led by Bob Geldof and others gave a charity concert, Band-Aid, which became the trigger for a public wave of humane concern and the song “Feed the world” reverberated around the world. But compassion and humane concern are by themselves not enough. The existing economic dogma had to be addressed. In stepped the economist Jeffrey Sachs who in a passionate and optimistic treatise “The end of poverty” stood the old dogma on its head and provided a rationale for ending poverty. Why should Jeffrey Sachs succeed when several economists before him, such as Gunnar Myrdal, Galbraith and Sen among others have gone unheeded? Sachs speaks to the enlightened liberal classes. His message provides the wind of optimism to the ground swell of public opinion. Sachs message has come at the right time. Poverty fatigue has overtaken compassion fatigue at the global level. This was reflected in an international meeting organised by the United Nations in 2000 attended by more national leaders than ever before.

They identified the Millennium Development Goals (MDGs) targeted to be met by the year 2015:
* Halve the proportion of people living on less than one dollar a day
* Ensure children everywhere complete primary school
* Educate girls and boys equally
* Reduce under-five mortality by two-thirds
* Reduce maternal mortality by three-quarter
* Halt and begin to reverse the spread of HIV/AIDS, malaria, tuberculosis and other major diseases.
* Halve the number of people without access to safe water and sanitation
* Increase aid and improve governance

The Millennium Development Goals (MDGs) have the advocacy and support of leading political brains (including Bill Clinton, ex-president of United States) and sharp fiscal minds (including Gordon Brown, ex-chancellor and now prime minister of UK). The task of achieving the goal targets will not be easy. Impoverished countries have to start from where they are, not where those attending a world summit wish them to be. Aid money cannot bridge the gap overnight, but nor should lack of foreign cash stop countries inching their way out of poverty by their own efforts. And this is where “Make Poverty History” is beginning to come to life.

Unprecedented economic growth in China and India holds promise for the first MDG target to be met. In 1990 about 32% of people in the developing world lived on less than one dollar a day. In 2004, the figure was 19.2% (Figure 9).

Extreme poverty rate in Africa has fallen from an estimated 46% in 1999 to 41% in 2004. It is still way off the target of 22%. The proportion of under-fives who are under weight has declined only marginally from 33% in 1990 to 29% in 2005. And the goal for school enrolment is still far in Africa. The rate has gone up to 70% in 2005 from 57% in 1999.

Attaining the MDGs, however noble, is not just the question of flow of aid from the richer to the poor of the developing world. For aid to produce the desired results there must be reciprocating commitment, good management, and honest government at the receiving end. Nigeria, for example, has received US $280 billion in aid over the past 30 years, with very little to show for it. Only 1% of €20 million of aid sent to Chad actually reached rural health clinics that were its intended target. Enlightened leadership that can put aid to its intended use are few and far between. It is no surprise that the tax payers in the rich G8 countries are reluctant to see hard earned tax revenue squandered with no noticeable gain in some countries, whereas millions in East Asia and Latin America are demonstrably moving out of poverty. The right approach will be to channel aid only through fully accountable non-governmental organizations that exercise fiscal discipline and channel aid to the intended targets bypassing local officials. The media in G8 countries has the duty to applaud success as much as they criticise failure. Different nations carry their own unique historical, cultural and political baggage within which enlightened national leaders must operate. Lula’s Bolsa Familia programme or Chavez’s oil in return for Cuban help in improving Venezuela’s health care system may not fit into the typical development model, but can become the springboards for future welfare states. For the liberal minded globally who share Sachs’ commitment for ending poverty it is time to join in the international effort of making poverty history.

Figure 9

% People living on less than $1 a day.
References