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## **Chapter One: Introduction**

### **1.1 Introduction**

In recent times, the progress in human development has been uneven, showcasing substantial advancements in life expectancy, literacy, and overall well-being. However, persisting issues such as ongoing poverty, exacerbated inequality, and heightened vulnerability continue to affect numerous communities and social groups across a significant part of the world, with even graver implications for regions in the Global South. The need to balance economic and social development goals was underscored during United Nations summits in the 1990s, notably the 1995 World Summit for Social Development. In pursuit of inclusive development, the Social Summit advocated for institutional and policy changes. The Millennium Development Goals (MDGs) succinctly embodied this renewed commitment to social progress, effectively rallying governments and development stakeholders, including the research community (Adams, 2014).

Among the foremost challenges faced today is the coexistence of poverty alongside abundance, where eradicating poverty and achieving income equality emerge as pivotal developmental objectives. Shockingly, the count of people in extreme poverty grew by 70 million, surpassing 700 million individuals. The global extreme poverty rate rose to 9.3 percent, up from 8.4 percent in 2019 (World Bank, 2022). Inequality and poverty significantly impede economic advancement, with the lack of economic opportunities exacerbating the plight of households and individuals. In this context, inequality compounds the absence of opportunities. To address these issues, effective policies are imperative, aimed at bridging gaps and ensuring that marginalized communities can reap their benefits.

Nonetheless, the prevalence of poverty and the extent of economic disparity vary across regions. Sub-Saharan African nations have experienced the highest rates of poverty and income inequality recently. The region's human development index was reported at 0.55 in 2021, the lowest according to the United Nations Development Programme (Statista, 2023) since 1980 compared to other regions.

Disturbingly, out of Africa's approximately 420 million youth aged 15-35, a third are either unemployed and discouraged or in vulnerable employment, while only one in six holds wage employment (African Development Bank, 2023). Research suggests that despite efforts at local, regional, and global levels, the intertwined issues of inequality and poverty have become highly politicized.

According to theory, poverty and inequality are closely intertwined, with the existence of one invariably signifying the presence of the other (Burtless and Smeeding, 2002; Bourguignon, 2004). Elevating the income of those in the lowest bracket can lift them above the poverty line, thereby emphasizing the role of income distribution. This essay aims to dissect the operational dynamics of poverty and inequality politics. It delves into the foundational theories, concepts, and challenges surrounding poverty and equality, all within the context of political implications.

The subsequent essay aims to comprehensively unravel the intricacies of inequality and poverty politics, among other critical issues. Each of these themes will be meticulously explored within the essay, offering a thorough examination of the realm of inequality and poverty politics.

## **Chapter Two: Body of Assignment**

### **2.1 Theories of Inequality and Poverty**

Several theories have been formulated to pinpoint the underlying factors driving poverty. Downes (2010), as noted by Shaffer (2008), presented theories related to insufficient incentive systems, economic underdevelopment, human capital formation, national structural elements, contradictions within capitalism, cultural aspects, and geographical location. Blank (2010) categorizes theoretical approaches into economic, sociological, psychological, anthropological, and political dimensions. Factors like economic underdevelopment, lack of human capital development, dysfunctional markets in capitalism, social and political forces, individual behaviors and choices, and poverty traps contribute to poverty, as outlined by Blank (2010) and Jung and Smith (2007).

Sociological theories encompass social stratification, housing segregation, persistent racism, social capital as a support mechanism, policy effects, and cultural influences (Rank, 2004; Wolf, 2006). Psychological theories, as elucidated by Turner and Amanda (2006), delve into language development, accumulated environmental shortcomings leading to poor academic performance, intelligence-based psychological perspectives, moral shortcomings, and naturalizing viewpoints. These theories can be broadly categorized into those emphasizing individual characteristics and those emphasizing societal roles (Turner and Amanda, 2006).

Anthropologically, factors such as feminism, consumerism, globalization, and culture contribute to poverty (Frerer and Vu, 2006). Political science lenses also shed light on poverty's determinants, including political engagement, public policies, class structures, and cultural influences (Morazes and Pintak, 2006). The causes and theories of poverty, as indicated by Sameti et al. (2012), can be grouped into individual factors, cultural and local influences, and structural factors.

From an economic perspective, Davis and Sanchez-Martinez (2014) discussed classical, neoclassical, Keynesian/liberal, and Marxist/radical theories. Bradshaw (2006) distilled five poverty theories, encompassing personal shortcomings, geographical disparities, economic, political, and social distortions, cultural

beliefs fostering subcultures of poverty, and cumulative cyclical interdependencies.

## **2.2 The Theory of Individual Deficiencies**

This notion posits that an individual's poverty stems from their personal actions. Gans (1995) and Sameti et al. (2012) suggest that individual factors such as attitude, human capital, and welfare involvement contribute to or perpetuate poverty. Bradshaw (2006) accuses the disadvantaged of creating their own problems, asserting that better choices and efforts could have averted or remedied their situations. Inherited traits like IQ, hard to alter, are highlighted by Bradshaw (2006) as driving poverty.

The individual theory finds its foundation in the free market system, promising equal opportunity, and American values. The belief in individualism, as noted by Rank (2004) and Sameti et al. (2012), underscores personal responsibility and exertion to meet basic needs. Furthermore, this perspective asserts that success can be achieved through skills, virtue, and hard work, framing poverty as a failure stemming from a lack of motivation.

However, the historical context of eugenics, rationalizing poverty and even sterilization, challenges the individual theory's disregard for the hereditary dimension (Bradshaw, 2006). Rainwater (1970), as cited by Bradshaw (2006), attributes poverty to moral shortcomings, implying a predetermined suffering for the impoverished due to perceived moral deficiencies.

Contrary to conventional wisdom, research by Schwartz (2000), cited by Sameti et al. (2012), indicates that the poor value hard work, are critical of welfare systems, and stress personal accountability. This contradicts the widespread notion that negative attitudes lead to poverty. Asen (2002) and Bradshaw (2006) assert that success can be attained through dedication and abilities, relegating poverty to the result of lacking commitment and persistence.

### **2.3 The Theory of Cultural Belief Systems that Support Sub-Cultures of Poverty**

This perspective attributes poverty to the transfer of socially shaped yet privately held beliefs, values, and skills over generations (Bradshaw, 2006). Bradshaw (2006) contends that individuals bear responsibility for their dysfunctional subculture or culture, including their actions. It's essential to recognize that the "Culture of Poverty" is the genesis of this theory. The notion of a culture of poverty and social exclusion furnishes frameworks to elucidate the establishment and perpetuation of poverty among specific groups or within certain localities. Cultural and environmental factors interplay to shape an individual's probability of poverty or success, notably influenced by their home environment.

Lewis's (1966) concept of the "culture of poverty" suggests that both affluent and impoverished segments possess distinct sets of values, beliefs, and social norms. The impoverished supposedly acquire specific psychological traits linked to their condition. Lewis (1966), cited by Samati et al. (2012), posits that poverty perpetuates across generations due to the transmission of ideals and aspirations of poverty. McIntyre (2002) contends that the culture of poverty posits the struggle of the impoverished to break free. Bradshaw (2006) characterizes the culture of poverty as a subculture entrenched in impoverished areas, fostering distinctive ideas, values, and behavioral norms intertwined with the broader culture.

However, criticism arises due to the emphasis on blaming the poor for their situation rather than considering societal influences. Rank (2004) and Darling (2002) highlight the influence of human capital on success and poverty. This perspective falls short in considering external factors that shape the subculture of poverty (Bradshaw, 2006). Davis and Sanchez-Martinez (2014) argue against its broad generalizations, highlighting that attitudes among groups of poor people are often interpreted with bias.

In conclusion, traditional theories of poverty posit inherent personal deficiencies or improper behavior as causal factors. Blank (2010) suggests that these theories point towards a need for positive behavioral shifts, although this approach has been critiqued for neglecting structural factors. Nonetheless,

understanding these theories provides insights into the complex dynamics of poverty and inequality and informs potential policy directions.

## **2.4 The Concept of Economic, Political, and Social Disparities or Discrimination**

The foundation of the broader socio-economic order, as posited by structural theorists Abdulai and Shirmshiry (2014), plays a pivotal role in the genesis of poverty. This school of thought contends that poverty stems from the absence of economic, political, and social opportunities and resources, which hinder individuals from attaining financial stability and a desirable standard of living (Bradshaw, 2006). Samati et al. (2012) share a similar perspective, asserting that larger economic and social frameworks contribute to the prevalence of poverty. They argue that irrespective of an individual's exertions (including hard work, skills, and capabilities), capitalism fosters conditions conducive to poverty. Moreover, certain economies, such as that of the United States, sustain conditions wherein millions reside in poverty. In essence, a substantial body of literature suggests that the economic structure perpetuates the lagging of the impoverished, regardless of their competence (Bradshaw, 2006). The theory further contends that unequal initial endowments of talents, skills, and capital, which determine an individual's productivity in a market-driven competitive economic framework, play a role in shaping poverty (Garcia and Davis, 2014).

Specific roles within society necessitate distinct and sometimes unique talents, skills, and knowledge, as expounded by Davis and Moore (1945), as cited by Samati et al. (2012). They posit that to transform talents into specialized skills and knowledge, individuals must undergo training, during which they invest time, money, and other resources. Hence, there is a need to incentivize individuals to make these sacrifices for their training, which, in turn, leads to rewards such as higher wages and privileges, thereby benefiting society. Hurst (2004), referenced by Samati et al. (2012), emphasized labor market theories focusing on income and earning disparities as explanations for poverty's fundamental drivers.

The neoclassical labor-market theory asserts the existence of a relatively open labor market where individuals compete for jobs based on their aptitude, effort, and training. According to neoclassical labor-market theorists, rewards are proportionate to the contributions made to society, as noted by Grusky (2001), as



referenced in Sameti et al. (2012). They posit that education, training, talent, and intelligence are pivotal determinants of productivity in a market-driven society, and greater contributions to the free market lead to commensurately greater rewards. The dual labor-market concept, however, contradicts the neoclassical labor-market theory.

In contrast to the neoclassical theory, proponents of the dual labor-market theory contend that the free market is not flawless. They highlight the impact of factors beyond mere competition on social standing and income levels. They stress the shortcomings of numerous educational and training initiatives in addressing poverty and inequality. Moreover, prejudice against minority groups in the job market undermines the effectiveness of the free market. The prevalence of worker alienation is cited as evidence of the free market model's imperfections. Studies by Blau and Kahn (2000) and Figart and Power (2002) underscore specific labor market characteristics that deviate from conventional labor price determination. Notably, race and gender play a significant role in influencing labor costs. Hurst (2004) observed that societal factors, particularly race and gender, contribute to income disparities. Alkire (2007) corroborated this by highlighting variations in human capital as partial explanations for income disparities. Ultimately, the constructed relationship between labor force compensation and gender or race is underscored. Social constructionists, such as Fischer, argue that inequality is an outcome of deliberate constructs upheld by social institutions and policies (Sameti et al., 2012).

Moreover, several demographic attributes, including ethnicity, gender, disability, family size and structure, residential location, and age, significantly impact the likelihood of poverty. Generally, single-parent households, women, minority groups, and large families experience higher poverty rates (Rank, 2004). The link between poverty and structural injustices is highlighted as a causative, rather than incidental, connection by Richardson and London (2007), with particular emphasis on rural poverty. Their recommendation is to address these impediments as a prerequisite to fostering rural economies. It is important to note that combatting structural poverty does not aim to create a dependency on aid programs; rather, Abdulai and Shamshiry (2014) emphasize the objective of enhancing the self-reliance of the impoverished.

According to Abdulai and Shamshiry (2014), the structural theory of poverty traces its roots back to Marxist ideology, which argues that the capitalist economic system—referred to as the bourgeoisie—established a low-income

class to solidify its dominance. It is pertinent to acknowledge that private property ownership is compatible with Islam, as long as acquisitions are conducted transparently. This necessitates government intervention to establish equitable and legitimate means for wealth acquisition and distribution (Abdulai and Shamshiry, 2014).

## **2.5 Geographical Disparities Theory**

Geographical disparities stand as a central contributor to poverty. The term "geography of poverty" emerges from attempts to theorize poverty through the lens of regional inequalities (Abdulai and Shamshiry, 2014). Bradshaw (2006) argues that this notion encompasses various types of poverty—such as those seen in the Third World, urban ghettos, and rural areas—along with urban and rural disinvestment. This theory underscores the reality that certain places, groups, and cultures lack the tangible resources essential for wealth creation and income generation, alongside the authority to demand redistribution.

As asserted by Abdulai and Shamshiry (2014), the analysis of spatial disparities in poverty assumes a concentration of poverty within specific locales, cities, and regions both nationally and internationally. The causes of poverty are attributed to factors such as disinvestment, proximity to natural resources, population density, innovation diffusion, and others. It is widely acknowledged that even during periods of widespread economic growth, advantaged areas tend to develop at a faster pace than disadvantaged ones. Accordingly, Abdulai and Shamshiry (2014) suggest that addressing the causes of decline in disadvantaged areas offers potential solutions to spatially linked poverty.

A prevalent notion posits that impoverished conditions cluster together, perpetuating a cycle of deprivation. The movement of businesses and enterprises from one area to another leaves "other places" increasingly impoverished. For instance, low housing costs may attract a larger population of economically disadvantaged individuals to underdeveloped regions, prompting property owners to invest less in housing development. As outlined by Bradshaw (2006), several reasons contribute to the economic incapacitation of certain regions, and the severity of poverty is not uniform across all areas. Factors like disinvestment, proximity to natural resources, population density, and the

diffusion of innovation have been proposed as explanations for varying degrees of poverty.

Three theoretical perspectives are associated with this hypothesis, as articulated by Bradshaw (2006): economic agglomeration theory, central place theory, and selective outmigration. The economic agglomeration hypothesis suggests that the concentration of similar businesses attracts ancillary services and markets, leading to further business growth. Conversely, poverty engenders more poverty in already impoverished regions. Central place theory posits that disadvantaged areas experience slower growth compared to privileged regions, even during periods of overall economic expansion. Selective outmigration, as outlined by Wilson (2003), cited in Bradshaw (2006), indicates that individuals with higher education, superior skills, broader perspectives, and enhanced opportunities tend to leave central city areas, further exacerbating the divide.

## **2.6 The Theory of Cumulative and Cyclical Interdependencies**

The Theory of Cumulative and Cyclical Interdependencies, also known as the Cyclical Theory of Poverty, underscores the interplay between individual circumstances and communal resources in driving poverty. This form of poverty arises when individuals or households find themselves unexpectedly unable to meet their basic needs due to unforeseen events, such as natural disasters. The cyclical explanation elucidates that a downturn in the economy can result in individuals lacking the means to participate in economic activities, exacerbating the community's economic struggles as tax revenues decline due to fewer individuals contributing (Bradshaw, 2006). This creates a cycle where insufficient employment leads to insufficient income, which, in turn, leads to inadequate spending, consumption, and savings. This scenario inhibits individuals from engaging in education, establishing businesses, or pursuing entrepreneurial ventures, ultimately stunting market growth and diminishing community options.

The cycle progresses to the second stage, marked by health-related challenges. Lack of access to preventive healthcare, nutritious food, and safe living conditions gives rise to health issues. These challenges compound the difficulties faced by the poor. Additionally, the cycle inhibits investment in children's education, leading to subpar schooling experiences and further disparities upon

entry into the workforce. This group is also more susceptible to illnesses and suboptimal medical care.

The third phase of the poverty cycle emerges due to inadequate employment and income, leading to diminished self-esteem, motivation, and emotional well-being. Psychological struggles are exacerbated by strained interpersonal relationships, fostering a culture of hopelessness. This sense of hopelessness and resignation extends to community leaders, contributing to a pervasive atmosphere of despair, particularly in rural settings (Bradshaw, 2006).

## **2.7 Minority Group Theory**

The initial empirical examinations of poverty introduced the concept of Minority Group Theory. This term refers to the endeavors within these studies to identify the defining characteristics of specific groups experiencing poverty. Rowntree, for example, explicitly stated in his earlier work that his objective was not to delve into the "root causes of poverty," as this would encompass the broader social issue. Instead, he pinpointed the immediate causes of primary poverty—defined as incomes "insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency":

- Death of the primary wage earner.
- Incapacity of the primary wage earner due to accidents, illness, or old age.
- Unemployment of the primary wage earner.
- Chronic irregularity of work.
- Large family size.
- Low wages.

Rowntree's analysis of the poverty cycle provides insights into groups most susceptible to falling into poverty, including children, young couples with children, and the elderly. Nevertheless, his classification refrains from exploring the link between these groups and the qualifications necessary for participation in the workforce, the disparities in remuneration, the sources of support inherent in

institutions and values, or the mechanisms compensating those unable to work or excluded from the labor force. Despite these limitations, Rowntree's categorizations marked a significant step towards shifting political discourse from conditional assistance for a select few toward ensuring a basic income for identifiable minority segments, such as the elderly, the unemployed, and the sick. By delineating the pathways through which families become or remain impoverished and identifying potential categories they might fall into, there were gains in understanding the concept of minority groups, playing a pivotal role in shaping thought.

Understanding the division of the population into diverse social groups and the uneven allocation of resources and relative statuses to specific groups is essential. Conversely, the negative consequences of this process might also gradually push groups into poverty. If certain groups are excluded from new resources offered by a growing economy or new types of services introduced by the government, they may slowly slip into poverty without overt discrimination. This underscores the critical role that the concept of minority groups plays in shaping perceptions and societal structures.

## **2.8 Dimensions of Poverty**

The various facets of poverty. Money is not the only issue; there are also a wide range of complicated deprivations in areas like job, health, nutrition, education, services, housing, and assets, among others, in addition to the ambitions of the millions of people who are currently living in extreme poverty throughout the world. One of the key economic issues facing the current administration is the increasing level of poverty in Nigeria. In accordance with the policy framework, this model contends that poverty encompasses not only a lack of material resources but also other poverty features, such as a loss of voice and authority. As a result, a person who lives in poverty is poor in terms of resources and one or more of the other characteristics, according to Sida's definition from 2017. The fundamental notion is that poverty is complicated. It is essential to understand this complexity and how it manifests for various groups of people in order to be able to create efficient policy measures and ways to eradicate poverty.

The four dimensions help highlight the primary ways that poverty presents itself and how it is felt by those who are poor. Groups of people living in poverty can

be identified using the four dimensions as well. All aspects of poverty are interconnected. Most of the time, a number of disadvantages interact to keep people in poverty. For instance, having limited money typically translates into having limited opportunities, choices, authority, and voice, and vice versa. Being poor in terms of human security can also entail being poor in terms of opportunity, which refers to a person's capacity to build and utilize their resources in order to escape poverty. Being poor in one area can make things worse in another.

The opposite is also true, according to Sada (2017), who claims that advancements in one area might lessen poverty in an adjacent one. The model stresses that the subject of analysis should be who is impoverished. As emphasized by the viewpoints of poor people, it means that the situation, requirements, prerequisites, and priorities of impoverished women, men, girls, and boys serve as the beginning point. The word who has gender symbols to stress the significance of gender in the understanding of who is poor and how they are poor, according to Jenkis (2017), who also stated that this is in the model. Understanding how poverty affects various groups of individuals in the four dimensions is made possible by asking who lacks resources, who lacks opportunities, who feels insecure, and who lacks power, and by recording inequities across groups in these many aspects. The idea that those who are poor can affect change is also supported by this concept.

According to gender, age, sexual orientation, ethnicity, religion, being an indigenous person, handicap, and other social factors, the answer to the question "who is poor in the different dimensions" will change. Although gender intersects with other social variables and must therefore be examined in relation to those variables, gender dimensions are always important. Poverty typically increases when multiple forms of prejudice and deprivation coexist. Geography, the urban/rural split, migrants, those who have been forcibly relocated, those affected by natural disasters and armed conflict are other essential factors to consider.

## **2.9 Social and Economic Dimensions**

According to Graham (2017), reducing poverty requires both social and economic progress. To achieve this, sustained high rates of economic growth are necessary. An essential component of any plan for reducing poverty is the

building of institutional environments that are supportive of both social and economic growth. This calls for a framework that is sensitive to the requirements and realities of the economy and society while also being adaptable enough to move with the times. Sound macroeconomic policies, an institutional and legal framework that serves the needs and interests of all economic and social groups, and transparent governance with strong anti-corruption measures are essential components. A special focus should be placed on ensuring secure property rights, especially for the poor, and removing obstacles that prevent people from transitioning from the informal to the formal sectors of the economy. Between nations and throughout time, economic growth's efficacy in reducing material poverty varies.

In order to effectively combat poverty, it is crucial to pay attention to both growth rates and the degree to which they are accompanied by growth. This latter factor is influenced by both the original resource distribution and the growth's kind. Economic growth has a greater influence on alleviating poverty in nations where resources are distributed fairly (including access to land, capital, human rights, education, etc.) than it does in nations where these resources are distributed very unequitably. So, addressing inequality-related issues must come before or follow measures to spur economic growth. For example, according to Zanon (2017), the incidence of poverty in Latin America would be reduced to a fifth of its current level if the pattern of income distribution found in Southeast Asia were adopted. The sustainability of the environment should be taken into account while evaluating the quality of growth. To have a long-lasting influence on poverty, economic progress must coexist with prudent management of the environment and natural resources.

Fiscal measures, in the opinion of Tendersh (2017), might be crucial in supplying poor individuals with the means of generating income. To ensure that the poor pay no more than their fair share of the costs of the public sector, progressive taxation or, at the very least, the absence of regressive taxation, is a good idea. Given that tax fraud and corruption are detrimental to the poor, a sound fiscal system is essential for a pro-poor approach. Significant effects on inequality and poverty may also result from the expenditure side of fiscal regimes. A pro-poor stance frequently begins with a strong emphasis on the social sectors. The primary connection between economic progress and the eradication of poverty is improvements in employment and labor productivity. Improving the economy's ability to produce good jobs and fair working conditions as well as enhancing the

poor's ability to access these opportunities are both crucial to reducing poverty. To attain fair working conditions, democratic and effective organizations—including trade unions—are crucial tools. The majority of the world's underprivileged people reside in rural areas where agriculture serves as the primary economic engine. Because of this, institutional and legal frameworks that offer sufficient, equitable, and safe access to land and natural resources are essential for pro-poor growth (Sarrim 2018).

However, substantial land reforms are challenging to implement and are highly politicized; inevitably, one person's gain is another's loss. Increased productivity of already-available and-used land must be the main goal because there is a lot of population pressure on it in many parts of the world. The development of agricultural and nonfarm sectors must complement one another for pro-poor growth in rural areas. Jenkins, 2017. The presence of small and medium-sized businesses, as well as fair access to relevant technology, markets, extension services, and credits, is crucial in this respect.

A meaningful existence depends on both education and health. Additionally, they fall under the umbrella of social and economic rights that ought to be extended to everyone. Furthermore, investments in and fair access to education and health care are among the strategies with the highest returns for reducing poverty. In order to reduce poverty, education has often been cited as a key aspect. The majority of poor households and individuals' most valuable asset is their labor, which is another point. The asset that lends itself to improvement the most readily is this one, as well. Poverty and ill health have a strong mutually reinforcing relationship. Poverty leads to illness, while illness and disability make individuals more prone to it. If given the chance, people from lower socioeconomic status can produce substantial amounts of savings (Lawal,2014).

Despite the fact that there is substantial evidence to support the claim that many impoverished individuals are creditworthy, they frequently do not have access to credit and financial services and as a result are at a significant disadvantage in terms of capital. The incapacity of the poor to assert their rights and organize themselves, together with their lack of access to markets and information, are further problems that they face. They are frequently forced to live on the periphery of society and outside of the formal economy. Low returns on their productive resources, large transaction costs, and greater vulnerability are the results. For the poorest classes than for the better-off, and for women and children more than for males, low-paying, unregulated jobs in the informal sector



with little to no legal protection constitute a major source of income, according to Zenon (2017). The poor are disproportionately affected by corruption and rent-seeking, which are both extremely harmful to economic growth. To increase the chances of the poor, it is imperative to have a high level of transparency, clear accountability standards, and effective anti-corruption measures.

In addition to helping people escape poverty, poverty reduction also involves preventing them from experiencing it in the first place. Experiencing shocks and crises-related temporary poverty runs the danger of becoming chronic. The primary duty for social welfare rests with national governments, but Bade (2018) argues that most governments in developing nations lack the institutional and financial resources to effectively address social, cultural, and economic inequality. For the development and efficient implementation of social welfare policies, alliances between diverse power structures and interest groups at various levels are required. Both the wealthy and the less wealthy must participate in these coalitions. Detailed social security solutions that promote cohesiveness, redistribution, and gender equality and are not just dependent on family relationships are required. In order to address the social aspects of poverty reduction, it is important to promote democracy and human rights as well as have a solid understanding of social connections and institutions.

According to Sarrim (2018), cultural distinctiveness plays a significant role in reducing poverty, both broadly speaking (in terms of how people's lives are understood and organized by themselves) and specifically (in terms of how their understanding and perspectives are conveyed). An important component of creating the circumstances for better and more sustainable living conditions is the acceptance of pluralism. The development of a pluralistic society is hampered by social disparities, regardless of whether they are based on gender, ethnicity, disability, age, or other factors.

Women are disempowered by gender-based disparities, which deny them of their fundamental rights (including sexual and reproductive freedoms) and limit their access to security, resources, and opportunities. Overall development is also hampered by it. According to Dada (2018), restrictions on women's ability to produce lessen both national economic growth and individual and household revenues. When it comes to reducing poverty in a sustainable way for both the present and future generations, investments in women's education and health care yield particularly high benefits. In numerous regions of the world, the HIV/AIDS pandemic represents a major threat.

It has gotten out of control in Southern Africa to the point where it poses a threat to everyone's livelihoods as well as the fundamental foundation of society, putting not just the lives of those who are infected but also everyone else's at risk. The demographic, economic, and social repercussions are particularly severe because it disproportionately impacts people who are just starting out in their careers and families. As a result, there is a substantial reduction in the labor force and a lack of key skills, which drastically reduces the economic potential of not only households but also of entire countries. When their offspring are no longer able to provide for them financially, an elderly generation finds themselves without any alternative means of securing their financial future. As a result of losing their parents, a sizable proportion of kids become orphans who will have a grim future. The epidemic's increased demands on healthcare and social security are in stark contrast to the governments of already resource-constrained nations' ability to provide even the most basic services. Inequality between the sexes, especially women's inability to bargain over protected sex, is a major contributor to the spread of HIV/AIDS, according to Graham (2017).

## **2.10 Political Dimensions**

According to SIDA (2017), who examines the human rights frameworks, democracy organizes political and social life to reduce poverty while human rights frameworks serve as a normative foundation. The State is ultimately responsible for upholding human rights, and this obligation is reliant on political will and financial support. As well as recognizing people as active participants and stakeholders, a democracy and human rights approach transforms the needs of the poor into rights. Additionally, it outlines the duties that states must uphold in order to respect, advance, and fully realize the human rights of everyone who lives under their control. Examples of these duties include passing laws, policies, and programs. Particularly crucial are the following three principles:

1. Every human being is born free and with equal rights.
2. Rule of law, accountability, and openness
3. The state's commitment to and ability to uphold the rights and freedoms of all citizens is crucial, as are participation and representation in public decision-making. A fair trial, the right to liberty and security, and the prohibition against

cruel, inhumane, and degrading treatment are only a few examples of political and civil rights. Additionally, they cover economic and social rights like those to food, shelter, health care, and education. For children, it is crucial that they have the right to social security and protection from exploitation and abuse. Democratic space is necessary for the enjoyment of such rights. Uneven power dynamics are frequently the cause of poverty. Therefore, it is crucial that the underprivileged have the opportunity to participate in and shape public discourse. The ability to express oneself freely and hold one's beliefs without interference is a requirement for both people and groups to be able to take part in decision-making and conflict resolution. This applies to all forums for discussion and all levels of decision-making, including national legislative bodies, elected councils at the district level, and village councils at the local level. Other requirements include the presence of independent media and the freedom of organization, which allow the poor to organize themselves into pressure groups and take collective action.

## **2.11 The Politics of Poverty Reduction**

The underlying goal of economic growth is generally acknowledged to be eradicating poverty (at least in theory). However, the "balance sheet of human development" reveals that while some people have seen improvements in some development indices, for others, poverty has worsened and the disparity in the distribution of the advantages of economic growth is growing. Discourses on development and policy are becoming more concerned as a result of the rise in health outcomes inequities. Understanding the challenges of poverty and inequality as well as how they interact and integrate with the development processes is necessary to fully appreciate these issues.

With the coexistence of economic progress and poverty in some locations over the past ten years, as well as the unevenness of the development process overall, there has been an increase in wealth disparity between various regions of the world. For a better coordinated and fruitful growth, other types of significant concerns also exhibit broad-reaching repercussions.

The disparity in income across different regions of the world has widened during the past 10 years, with poverty and economic development coexisting in some locations and the pace of development being uneven in others. Other types of

significant problems exhibit wide-ranging ramifications for a more concerted and successful development.

In the past ten years, the global community has prioritized the reduction of poverty. This can be partially attributed to the fact that the stabilization strategies of the 1980s and 1990s failed to spur or sustain growth in many developing nations and that poverty in some areas got worse. The Millennium Development Goals, which call on governments to reduce poverty and hunger by half by 2015, may have had a significant impact on international development policy by elevating social or human development issues. The MDG targets of poverty reduction and other goals are now firmly prioritized in development assistance. This has caused the distribution of funds to change in favor of social services. Along with a growth in spending on necessities utilized by the poor, public spending in developing nations has a tendency to reflect this trend. Additionally, there has been an increase in social assistance programs, including free health care for kids, expectant women, nursing mothers, and the elderly, pensions for the elderly, income transfers for child care, employment guarantee programs, and school food programs.

Donors are essential in providing funds for these programs in several developing nations. Politics play an important role in ensuring that many of these programs continue to make progress and that the concept of human development is elevated to the point where it tackles more general issues of the productive capacities that offer everyone with fair employment opportunities, social security, and services. This refers to interactions that affect how decisions about resource production, distribution, and usage are made, such as negotiation, dispute, and cooperative processes. The distribution of power, the kinds of ties governments build with various social groups, and the institutions that arbitrate disputes between conflicting interests are further factors that affect how politics turns out.

Sadly, top-down politics are still prevalent in many nations, and they have not learned anything from the kinds of politics that have effectively and consistently reduced poverty in democracies. In order to illuminate the circumstances in which democracies produce results that are favorable to the poor, this contribution draws on the UNRISD report *Combating Poverty and Inequality*.

## **2.12 Persistence of Inequality between and Within different Parts of the World**

Unevenness in development outcomes among countries, locations, gender, and population categories continue to be largely attributed to persistent inequality between and within different parts of the world (OECD, 2013). The idea of knowledge and technology in development, particularly the relationship between knowledge and poverty, is a topical topic that is important for examining this argument.

Technology: Here, organized human beings and their interactions with machines engage in deliberate, practical activities that entail the application of knowledge. The primary issue in development is still how important knowledge is: In order to improve people's lives, especially the lives of the poorest, it is crucial to understand how people and society acquire and use knowledge as well as why they occasionally fail to do so (World Bank, 1999: iii).

In addition to having less capital than wealthy nations, poor nations and their inhabitants also have lower levels of education (World Bank, 1999:1). In general, people are "realizing that economies are built not merely through the accumulation of physical capital and human skill, but on the foundation of information, learning, and adaptation" (World Bank, 1999: iii).

Since the knowledge meant here is closely tied to social and economic power, such as in the case of biotechnology, which frequently involves patents and other intellectual property owned by major pharmaceutical companies and multinational corporations, knowledge is, nonetheless, expensive to produce.

## **2.13 Issue of Poverty and Inequality in Social Dimension**

The typical perspective on poverty in contemporary welfare states is to define the poor in proportion to their fellow citizens living in the same country at the same time, which is to define poverty as the relative lack of economic resources. In today's academic literature, three approaches predominate. The first starts with the money required to live a life that is comparable to others or that enables a living standard defined as the products and services thought necessary, frequently on the basis of consumer or household budget research. Although most nations have poverty thresholds established for various social benefits, this

use of a poverty line is particularly prevalent in North America and is sometimes (and rather perplexingly) referred to as absolute income poverty (Corak, 2006). Instead, it is customary in Europe and the OECD to use relative income poverty measures, which classify people as poor if their incomes are significantly below the median income in the relevant country (the European Union has a threshold of 60% of the median income while the OECD uses 50% of the median). This relative measure of poverty instead of defining it in terms of purchasing power (as in the "absolute" measure) uses income inequality in the lower half of the income distribution (Atkinson et al. 2002).

According to the third method, determining poverty indirectly through income indicators is ineffective because it fails to account for the lack of goods and services that are required for an adequate standard of life (Mack and Lansley, 1985; Townsend, 1979). This strategy frequently involves making a long list of requirements, such as owning a car, washing machine, and modern kitchen; being able to occasionally eat out; having a home that is appropriately heated and maintained; having adequate insurance; and so forth. An advanced version contains data on what is frequently referred to as "consensual" poverty, or what people in general view as requirements (Mack and Lansley 1985; Gordon et al. 2000). The third method, which frequently involves creating a long list of requirements, such as owning a car, washing machine, and modern kitchen; being able to occasionally eat out; having a home that is appropriately heated and maintained, contends that determining poverty indirectly through income indicators is ineffective because it fails to account for the lack of goods and services that are required for an adequate standard of living (Mack and Lansley, 1985; Townsend, 1979).

The majority of poverty episodes are short-lived, and as a result, the cross-sectional group that is considered poor tends to be relatively diluted (Bane and Ellwood 1986; Duncan et al. 1993). This is owing to the fact that households' income careers are frequently quite volatile. It might be claimed that those who have been poor for a long time, who are persistently poor, or who are chronically poor suffer the most from the negative effects of poverty. Furthermore, empirical data shows that those who have lived in poverty for a longer period of time also have a greater lack of access to a "common lifestyle" (Whelan et al. 2003). According to Duncan and Rodgers (1991) and Rodgers and Rodgers (1993), poverty persistence can be described in a number of ways, including having an average annual income below the poverty line over a period of years. The

persistently impoverished can only be identified with any accuracy in longitudinal studies, and usually on the basis of low incomes, as data covering repeated measurements of material deprivation are rare.

Without government involvement, shared prosperity and the eradication of poverty in all its forms cannot be realized. Today, a lot of nations around the globe place a high priority on combating the issue of extreme poverty and have taken a variety of steps to assist their most vulnerable citizens in escaping the poverty cycle. The 2030 UN Agenda for Sustainable Development recognizes the eradication of poverty as one of the most important global goals and has prioritized it. As a result, both nationally and internationally, poverty alleviation has received great attention. The percentage of the extremely poor fell from 36% in 1990 to less than 10% in 2018, a roughly 25-year decline in worldwide extreme poverty. The pursuit of ongoing progress in poverty eradication, however, is one of the greatest problems facing many countries. Particularly, the current COVID-19 pandemic and its related economic crises, which disproportionately affect the world's poor, are undoing hard-won progress made in attempts to eradicate poverty and are escalating income disparity. With an estimated 150 million people globally being driven into extreme poverty in recent years, it is the first time in a quarter century that we are witnessing a greater number of new poor than people rescued out of poverty. Growing poverty could lead to a number of harmful social and political consequences if there is no coordinated and dedicated national response. So, this is a pivotal time to revisit poverty dynamics and look into the political justification for managing it.

### **Chapter Three: Conclusion**

Nearly all regime types have spirited discussions over poverty. But as was already mentioned, the majority of research on "the politics of poverty alleviation" today concentrates on the distribution of public funds in the context of democratic systems. This requires analyzing either the distributive favoritism and electoral motivations supporting efforts to reduce poverty, or the anti-poverty assistance provided to developing nations by the international community and its effects on political stabilization. In other words, present political studies on poverty governance maintain a typical neoliberal ideological posture while giving little thought to poverty governance models and their political logic, especially in non-liberal nations with poor electoral accountability like China. The political causes, methods, and results of the control of poverty in authoritarian governments are little understood. In addition, poverty is a problem that both rich and developing nations are dealing with today in varied degrees and different ways. Studies on poverty in developing nations are primarily limited to rural poverty and absolute poverty, in contrast to the majority of research on poverty in rich nations, which tends to focus primarily on urban poverty and relative poor. Rarely do these two lines of inquiry come together, much less interact.



## Chapter Four: References

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