

# Poverty

## What is poverty?

The dictionary defines poverty as "Not having the minimum income level to get the necessities of life". 'Necessities of life' means basic things like food, shelter and clean water, which are vital to life. But poverty also means not having the opportunities and choices which open up a future – education, healthcare and human rights.



John Bosco Tulikumana, 6, represents the scandal of hunger. After years of starvation his body was stunted to the size of a toddler. Bosco has been nursed from the brink of death at a Trócaire-funded clinic in south Rwanda.

## How poverty affects people

Despite improvements in recent years, statistics from developing countries are sobering. Nearly 6 billion people – 84 per cent of the world's population – live in developing countries. In these countries:

- > 69 million primary school aged children don't go to school
- > 884 million people don't have access to safe drinking water
- > 14.1 million children in sub-Saharan Africa have lost one or both parents to AIDS.

The differences between rich and poor countries are just as shocking:

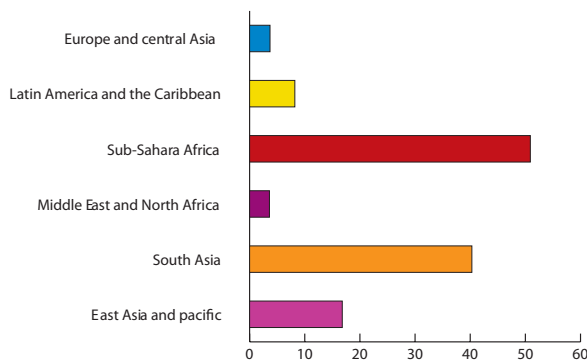
- > In low income countries, 1 in every 10 children dies before the age of five. In wealthy nations, like ours, it is 1 in 143.
- > The chance of women dying in pregnancy in sub-Saharan Africa is 1 in 16. In the developed world, it is 1 in 3,800.
- > Life expectancy at birth in 2008: Europe 75, Africa 53

(Sources: Millennium Development Report 2010, Human Development Index 2008, UNICEF 'Progress for Children' 2010, World Health report 2010, Human Development report 2010)

## Measuring poverty

The UN classifies anyone earning less than \$1.25 a day as living in extreme poverty; in other words, not earning enough to live on. In total, 1.44 billion people live on less than \$1.25 a day.

### Percentage of people living below the poverty line



(World Development Indicators 2010 – based on 2005 stats)

**“The goods of creation are destined for all, and in the world community economies must be directed toward the sharing of these goods, their lasting use and the fair division of the benefits that derive from them.”**

Pope Benedict XVI (World Food Day 2008)

Illustration: Dylan Gibson

## There are three main ways of measuring a country's wealth:

Gross Domestic Product (GDP) is annual total value of all goods and services in a country, plus exports, minus imports.

Gross National Product (GNP) is the same as GDP, plus income from investments abroad. Divided by population, it gives an income figure per person.

Human Poverty Index (HPI) includes education, length of life and living standards as well as income. The UN uses this to produce its annual Human Development Report.

### FACT

50,000 people die every day as a result of poverty (Millennium Development Report 2010)

### TRY THIS

Go to the UN Development Programme website and find the HPI rankings of two developed countries and two developing countries. What do the rankings tell you about the differences between these countries?

### GNP per person 2010

Sweden:	£31,000/€ 35,397
UK:	£26,343/€ 30,077
Cambodia:	£412/€470
Ethiopia:	£209/€239
Congo (DRC):	£101/€115

(World Development Report 2010)

### TRY THIS

Find out what the Millennium Development Goals are. Find an example from the UN MDG website or the Trócaire website of how one goal is being achieved.

### FACT

In the Democratic Republic of Congo, Zambia and Zumbabwe, people are worse off now than in 1970. Conflict, AIDS and economic and political mismanagement have caused countries to 'move backwards' in development. (Human Development Report 2010)

## Causes of poverty in developing countries

Most causes are interlinked and all are powerful in preventing people from escaping from poverty.

**Conflict** Armed conflict forces people to leave homes, land and jobs. Everything is disrupted including schools and healthcare. People may end up in refugee camps.

**Debt** Poor countries borrow money to fund development projects like roads, irrigation programmes and agriculture, or to help them through difficult times. If there are poor harvests, natural disasters or low export prices, debts can mount up, and debt payments can eat into budgets for education, health and development.

**Food** Without secure supplies of the right food, suffers, affecting people's ability to earn money and send their children to school. Children deprived of the right food over long periods of time suffer from incomplete physical development and learning difficulties, which can condemn them to a life of poverty.



**Education** Education is an essential route out of poverty. Children who can't go to school will have fewer opportunities to escape poverty.

**Gender** Women and girls are more vulnerable to poverty than men and boys. They often have less access to education, lower wages and in some countries, can't even own their own land.

**Health** In many poor countries people either can't afford healthcare or the right kind of healthcare is unavailable. Millions of Africans have died because of AIDS because they did not have access to the drugs available in rich countries. Families are left without wage earners.

**Environment** Climate change is having a devastating impact on some developing countries. Drought is more common so people struggle to grow food. Farmers in countries prone to excessive flooding and rising sea levels, like Bangladesh, are losing their land and their livelihoods.

**Trade** Trade rules favour richer countries. Countries dependent on commodities (coffee, tea, cocoa, food crops) or raw materials are at the mercy of international markets, because the prices of these products are lower than other goods, and tend to fluctuate dramatically. For most of the past 20 years, international coffee prices have been below the Fairtrade Foundation's minimum price.<sup>1</sup>

**“Like slavery and apartheid, poverty is not natural. It is manmade, and can be overcome by the actions of human beings.”**

Nelson Mandela, 2005

Do you agree or disagree with Nelson Mandela's statement? Give reasons for your view.

TRY THIS

Can you think of any other causes of poverty? If you could solve one of these problems, which would you choose, why and how?

FACT

Low income countries provide only 1% of world exports (World Development Indicators 2010)

TRY THIS

Look at other Trócaire factsheets for more information on many of the issues highlighted here.

<sup>1</sup> [http://www.fairtrade.org.uk/includes/documents/cm\\_docs/2008/A/Arabic%20Price%20Chart%2089-08.pdf](http://www.fairtrade.org.uk/includes/documents/cm_docs/2008/A/Arabic%20Price%20Chart%2089-08.pdf)

## Tackling poverty

Poverty is being tackled but slowly, and with varying degrees of success:

**Millennium Development Goals** Agreed by leaders of the world's countries in 2000, these are eight goals which, if achieved, would transform the lives of people living in poverty. Some are on track to be achieved by 2015. However, war, natural disasters and the world economic crisis have led to millions of people in sub-Saharan Africa and south Asia becoming even poorer.

**Aid** 40 years ago the UN set a target for aid: each rich nation should devote 0.7 per cent of its national income to foreign aid, calculating that this would be enough to lift all developing countries out of poverty. Few countries have met this target.

**Environment** The impact of climate change is felt first and worst by the poorest. Every year international talks on climate change take place but progress is slow. Trócaire believes that developed countries must reduce their greenhouse gas emissions and provide extra money to help developing countries adapt to the effects of climate change.

**Trade** Schemes such as the Fairtrade Foundation's Fairtrade Mark help poor producers get a fair price for their produce. This is not enough. New trade rules are needed that guarantee higher, more stable prices for producers in developing countries. There's been some progress towards fairer trade but Trócaire and other organisations are pushing for more.

**Debt** Debt cancellation schemes have been agreed by the World Bank and donor countries. Advances made by the poorest countries which have benefited from debt cancellation show that debt cancellation helps countries escape poverty.



### Useful websites

[www.oecd.org/dac](http://www.oecd.org/dac)

Organisation for Economic Co-operation and Development

[undp.org](http://undp.org) United Nations Development Programme

[un.org/millenniumgoals](http://un.org/millenniumgoals)  
United Nations Millennium Development Goals

[www.dfid.gov.uk](http://www.dfid.gov.uk)  
UK government Department for International Development

[fairtrade.org.uk](http://fairtrade.org.uk) Fairtrade Foundation

[wto.org](http://wto.org) World Trade Organisation

[tjm.org.uk](http://tjm.org.uk) Trade Justice Movement

[jubileedebtcampaign.org.uk](http://jubileedebtcampaign.org.uk)  
Jubilee Debt Campaign

All facts correct May 2011