Is Poverty a Political Choice?

By Rasna Warah

Before the outbreak of the coronavirus pandemic, forecasters had been predicting that the world was becoming a better place: more people were being lifted out of poverty; more children were enrolled in school; fewer women were dying in childbirth; the internet was changing the lives of communities in the remotest corners of the planet; and if all went according to plan, and with adequate investment in the right science, life-threatening diseases would be a thing of the past.

International development experts and organisations have since at least the 1990s being gathering data to show positive trends in the state of the world's people. While grim realities often surface, such as the fact that more people today suffer from depression and anxiety than ever before, the general view is that while things are not good for a large chunk of humanity, they will eventually get better for everyone – provided there are sufficient funds and investments (often couched in the language of aid) to ensure that everyone inhabiting this planet leads a reasonably healthy and productive life.

An overriding assumption made by these experts and organisations is that once a country achieves a certain level of per capita income and reduces poverty to single digit figures (i.e., becomes "developed"), issues such as healthcare and education will take care of themselves. But, as has become alarmingly evident in the United States' COVID-19 infection and mortality rates, wealth alone cannot guarantee good quality public health.

The United Nations and financial institutions like the World Bank have made it their mission to eradicate poverty. Heads of state meet every year at the UN General Assembly to discuss their countries' progress in various human development indicators, including poverty levels. The goal of ending poverty is renewed every decade or so (remember the Millennium Development Goals of 2000 that morphed into the Sustainable Development Goals in 2015?) but the poor, as they say, will always be with us.

What's more, now that we have COVID-19, all the gains of the past decades are likely to be reversed. Not only are poverty levels set to increase with rising unemployment, but inequality levels will most likely soar worldwide.

However, before this pandemic, did we really see the progress that international development organisations claimed had been achieved? Or were the statistics plain wrong?

Dodgy statistics

In a highly critical report released early this month, Philip Alston, the outgoing UN special rapporteur on extreme poverty and human rights, says that international development organisations got it all wrong: not only are more people likely to be extremely poor in the next decade but they are likely to remain extremely poor for the rest of their lives (with or without the impact of COVID-19) because "poverty is a political choice" – the result of "longstanding neglect of extreme poverty and the systematic downplaying of the problem by many governments, economists, and human rights advocates".

In fact, according to Alston, contrary to "over-optimistic assessments", there has only been "a slight decline in the number of people living in poverty over the past thirty years""

Alston's scathing final report to the UN Human Rights Council's forty-fourth session spells out in unflinching detail how the World Bank duped the world into believing that poverty lines across the world were dropping. The report says that the current international poverty line (IPL) is derived from an average of national poverty lines adopted by some of the world's poorest countries, but its value (US$1.90 purchasing power parity per day) is "explicitly designed to reflect a staggeringly low standard of living, well below any conception of a life with dignity".

"Almost all of these celebratory accounts rely one way or another on the World Bank's international poverty line (IPL), under which the number in extreme poverty fell from 1.895 billion in 1990 to 736 million in 2015, and thus from 36 to 10 percent of the world's population", says the report. However, "escaping poverty" is not the same as enjoying an adequate standard of living that includes access to healthcare and education. The report proposes abandoning the IPL in favour of a more nuanced and accurate portrayal of poverty.

In 2014, the Standard Bank Group's researchers made a similar assessment. Their research debunked the myth that Kenya is an emerging economy set to become a robust middle-income country by 2030. The Group's research showed that – contrary to optimistic projections by Kenya's Vision 2030 enthusiasts – Kenya still had a long way to go before it is could be classified as middle-income.

According to the Group's report, only 4 per cent of Kenyan households fell into the middle class category that year, which the Group placed as those that had an income of roughly between Sh60,000 ($600) and Sh300,000 ($3,000) a month. Using this definition, the vast majority of the country's households – a staggering 92 per cent – were considered low income i.e. those that earned under Sh40,000 ($400) a month. These figures were validated by an Ipsos Limited survey that showed that 93 per cent of Kenyan adults earned less than Sh40,000 a month and 43 per cent earned less than Sh10,000 ($100) a month.

These statistics fly in the face of African Development Bank figures that place Africa's middle class as those that earn between $4 and $20 a day, or between about Sh12,000 and Sh60,000 a month.

Anyone living in Kenya, where the cost of living is extremely high and where there are very few free or subsidised services, knows that if you earn Sh12,000 a month, you are definitely not middle class, and that if you earn Sh60,000 shillings a month, you are really struggling to pay for food, rent and school fees, and are more likely to live in a slum than in a middle class neighbourhood. Yet, it is these kinds of figures that international financial institutions use to elevate countries to middle-income status.

Alston is also sceptical of the UN's Sustainable Development Goals (SDGs), which he says are pegged on economic growth and private sector funding. (The SDGS, adopted in 2015, are a set of 17 goals, including eradicating poverty, achieving gender equality, combatting climate change and promoting sustained inclusive and sustainable economic growth by 2030.)

"Instead of promoting empowerment, funding, partnerships, and accountability, too much energy surrounding the SDG process has gone into generating portals, dashboards, stakeholder engagement plans, bland reports, and colourful posters. Official assessments are rarely critical or focused, and they often hide behind jargon", he says.

He adds that the strategy to achieve the SGDs is focused on privatisation, which is problematic because privatisation often prevents the poorest and the most vulnerable from gaining access to services. In addition, the SDGs underplay the role of governments, which is "often relegated to insuring private investments". Alston's critique reflects the neoliberalism that has pervaded the development sector since the 1990s when privatisation and the freeing of markets were considered the solutions to ending economic stagnation and poverty.

Statistics, as Alston illustrates, often conceal more than they reveal. It all depends on who is computing them and for what aim. While statisticians and demographers will claim that their science is neutral, and based purely on verifiable numbers, carefully crafted formulas and accurate calculations, sceptics have wondered whether numbers tell the whole story.

In addition, quite often it is difficult to tell which variable impacted which outcome. Are low maternal mortality rates an indication of women's equality in society or merely a reflection of better healthcare? Are urban growth rates a reflection of levels of industrialisation or do some urban areas grow spontaneously? Do high literacy rates and low poverty levels correlate with higher rates of happiness?

Creating just and happy societies

Interestingly, these were the questions that bothered King Jigme Wangchuk of Bhutan nearly fifty years ago when he created the Gross National Happiness Index in 1972, and declared that "if the government cannot create happiness for its people, there is no purpose for the government to exist".

The four key pillars of this index are equitable and sustainable socio-economic development, preservation of cultural values and heritage, conservation of the natural environment and good governance. Economic growth does not feature high in Bhutan's happiness index because the kingdom's policymakers consider spiritual and emotional well-being far more important than GDP, which is considered an inadequate tool to measure other intangible – but invaluable – types of wealth, such as culture and nature.

Bhutan has long acknowledged that economic growth without social justice increases levels of unhappiness in society. This reality has been supported by more recent research that shows that highly unequal societies also tend to be unhappy societies, with high levels of dysfunction.

In a ground-breaking study published a few years ago, epidemiologists Richard Wilkinson and Kate Pickett found that levels of mental illness within a society were related to its level of inequality. In the Unites States, one of the most unequal societies in the world, a quarter of the population suffers from some form of mental illness, while in the more egalitarian Japan, less than 10 per cent do. Germany, Belgium and the Netherlands also have less income inequality and less prevalence of mental illnesses, perhaps because these countries invest more in social welfare programmes than others.

In their book *The Spirit Level*: *Why Greater Equality Makes Societies Stronger* (2009), Wilkinson and Pickett show how highly unequal societies tend to produce narcissistic individuals – people who are excessively preoccupied with themselves and place a lot of importance on individual success (which could explain the Donald Trump phenomenon).

The epidemiologists also found that in highly unequal countries, people tend to be physically and psychologically unhealthy as well. Obesity, depression and drug addiction are more common in unequal societies. In such societies, homicide and other criminal behavior are also more prevalent.

Because unequal societies tend to produce people prone to violence and crime, they are also fearful. Hence they tend to build gated communities and protect themselves with guns or private security. People thus become more distrustful of each other and lose their sense of community, which increases anxiety levels.

The authors say that instead of curing mental illness through increased use of drugs and psychiatric services, countries should look at making their societies more equal through policies that reduce the income gap and that build people's resilience.

This echoes the claim that economic growth alone cannot deliver just, cooperative and healthier societies. China's cities, for example, have become unliveable due to high levels of air pollution because China decided that growth was more important than environmental protection. China also failed to contain COVID-19 in time, which led to it becoming a pandemic, which suggests that the country still has a lot of work to do in the area of public health.

In the United States, shootings in schools and other public places have become more common, perhaps because the attackers feel disconnected from their world. In Kenya, we are building high-rise apartments for the rich but not a single public park has been built since the colonialists left. We are building more roads, but not expanding pavements or bicycle paths. Meanwhile, before the COVID-19 lockdown, motorists in Nairobi were spending more time in traffic than with their families at home.

Inequality was already out of control before the pandemic hit early this year. According to an Oxfam report released in January, in 2019, only 2,153 people had more wealth than 4.6 billion people, 60 per cent of the world's population. In addition, "the richest 22 men in the world own more wealth than all the women in Africa".

According to the World Inequality Report 2018, 50 per cent of the world's population owns less than 2 per cent of the world's wealth while 40 per cent of the world's population (the global middle class) owns less than 30 per cent.

Such depressing figures are set to get grimmer in the near future. According to Alston, COVID-19 is projected to push more than 70 million additional people into extreme poverty, and hundreds of millions more into unemployment and poverty.

Alston says that poverty and inequality can only be eradicated if governments invest in social protection for citizens and involve the poor in policymaking. Governments must also take charge of service provision instead of relying mainly on the private sector.

Extreme poverty must be understood as a violation of human rights. “Protestations of inadequate resources are entirely unconvincing given the determined refusal of many governments to adopt just fiscal policies, end tax evasion, and stop corruption”,says Alston.

Alston concludes his report by stating: “Poverty is a political choice and will be with us until its elimination is reconceived as a matter of social justice. Only when the goal of realizing the human right to an adequate standard of living replaces the World Bank’s miserable subsistence line will the international community be on track to eliminate extreme poverty.”

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