

# POVERTY – FATALITY OR CIRCUMSTANCE? THE PRINCIPLE OF “TAKE-OFF” FROM POVERTY

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## **Abstract**

*Poverty is one of the most challenging issues to be addressed by contemporary society. Although it could be considered as a legacy of previous era and it was addressed by a wide range of experts, a meaningful solution is still to come. The paper looks to the content of the poverty concept, reviews the causes of it and how it is approached by various ideologies and formulates a principle – “take-off” – that could serve as guidance for reducing or removing it. This principle refers to perspective, motivation that transforms perspective into a tangible goal, and external support that could be engaged directly through investments, jobs or indirectly through education, health assistance, and social work.*

**Key-words:** *poverty, “take-off” principle, survival, perspective, motivation, support*

**JEL Classification:** I32, I38, I39

## **Introduction**

The Millennium Development Goals (MDG) program of the United Nations (UN) covers a wide range of changes, but its core is made up by a strong commitment in fighting against poverty. Thus, the list of goals are headed by “end up poverty and hunger” having as targets “halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day” and “achieve full and productive employment and decent work for all, including women and young people”. Facts on progress (box no.1) are not supportive for an optimistic perspective.

### **Box nr. 1 Quick facts about eradicating extreme poverty and hunger**

<p>The number of people living under the international poverty line of \$1.25 a day declined from 1.8 billion to 1.4 billion between 1990 and 2005.</p> <p>The proportion of people living in extreme poverty in developing regions dropped from 46 per cent to 27 per cent – on track to meet the target globally.</p> <p>The economic crisis is expected to push an estimated 64 million more people into extreme poverty in 2010.</p> <p>About one in four children under the age of five is underweight in the developing world, down from almost one in three in 1990.</p>
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Source: UNITED NATIONS SUMMIT, 20-22 September 2010, New York, High-level Plenary Meeting of the General Assembly,  
[http://www.un.org/millenniumgoals/pdf/MDG\\_FS\\_1\\_EN.pdf](http://www.un.org/millenniumgoals/pdf/MDG_FS_1_EN.pdf), accessed on 04.01.2010.

Since poverty is an important concern for several decades that affect a large number of inhabitants and that is featured with a high persistence in both developed and developing nations we engaged in an in depth analysis, which aims to reveal the main causes, the perspective on poverty developed by various ideologies aiming to formulate a supporting principle that could serve as guidance for poverty reduction or even removal. Thus, the first part of the paper will look to some definitions and prominent opinions. Further, we present a range of causes for poverty considering different perspectives and give detail on the “take-off” principle by referring to perspective development, motivation building, direct and indirect support.

### **Poverty – definitions and views**

The World Health Organization defines poverty as a “life lacking the chances of living at a certain minimum standard level”. The World Bank calculates the poverty threshold considering calorie consumption: “poverty is the minimum level of incomes at which consumption expenses allow the satisfaction of nutritional needs and provide acceptable calorie consumption.”

Robert McNamara, the former president of the World Bank, considers that in absolute poverty, humans, by fighting for survival are exposed to risks and humiliations that exceed the fantasy of the privileged world. He considers that this could be considered the threshold of survival.

Spiker et al. (1999) and Zamfir et al. (2009) consider that poverty is the product of a power structure that exists in the society and of the ways how certain social processes create poverty and block the exit chances for certain social groups or for certain individuals.

Over time, several ideological approaches emerged on poverty:

- neoliberal perspective: it advocate minimal governmental intervention in the economy, leaving the market to operate freely and individuals to struggle on their own to secure their living;
- conservationist perspective (Zamfir and Zamfir, 1995) accepts the moderate intervention of the state, not specifically for poverty prevention, but as support, without great financial effort;
- social-democracy: it is represented especially by the labourists in the United Kingdom and by Scandinavian governments and it advocates poverty reduction by a combination of social and economic policies, state being a well represented actor on the labour market by reducing unemployment;
- socialism: from the second part of the twentieth century considers that capitalist economy should be replaced with an economy that focuses on common property on production means and that this will remove poverty.

In present there are various combinations represented in different governments. The failure of socialism in Europe and its persistence in the most dynamic economy (China) shows that these ideologies should be reconsidered.

## Causes of poverty

In a world in which poverty is occurring, in different proportions in all countries, the causes of poverty are manifold. They are explained by applying various points of views as follows:

- Individual crisis: the poverty's psychology considers that poor are the ones that are guilty for their poverty. Thus, the society, although it should not neglect their help, it should be tuff with them in a sense that support should not encourage them to remain in this status, but to push them to find solutions to their own needs.
- Economic and social explanations: poor are the victims of the society and are not guilty for their status. Thus, poverty could be controlled through governmental policies that stimulate job creation, provide housing, and education. Poor could be characterized by many policy values that are similar to the average population. Dostoyevsky said that not poverty, but misery is a vice, while poor still keep the nobles of innate feelings.
- Political explanations: causes of poverty are in the bad functioning of the institutions. Meanwhile, poor should make everything to outrun their status.
- The interacting perspective focuses on how people perceive and define elements that influence life. Their perception on poverty creates their vision about life, and this strengthens poverty and living in poor communities discourage them to change the situation. Solutions are investments in poor areas.
- The theory of social labelling of poor is important from the perspective of survival, assessment and take-off from poverty. If poor are labelled as lazy, incompetent, immoral, listless these will not find the energy needed to change their faith.
- Cultural explanations: poor create their own culture that lead to the creation of their own world from which they do not desire to break out. The culture of poverty is not only a way of living, but also a reaction (negative) to the poverty status.

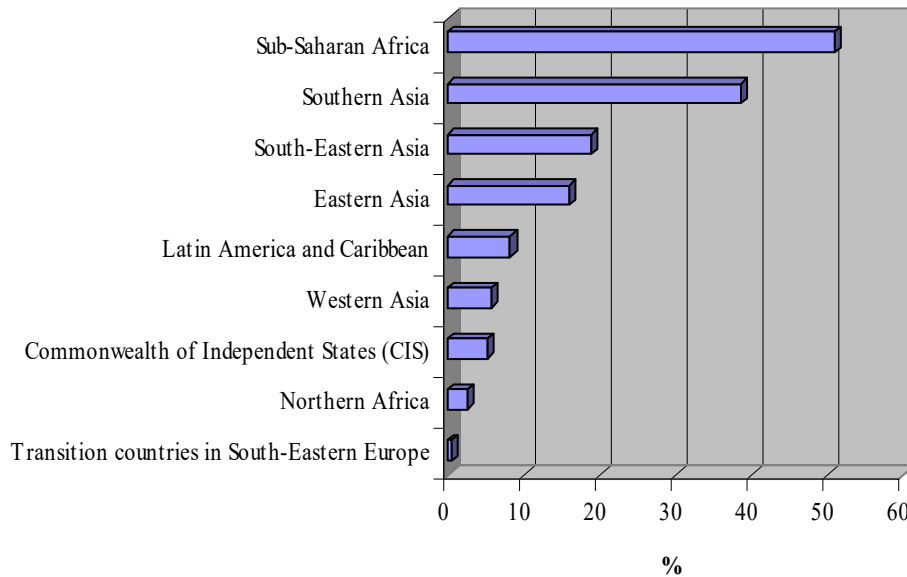
There is little chance to find all these perspectives confirmed by reality, which represents a mixture of these causes in various proportions. Among the most widely accepted opinions on the barriers for outrunning poverty it the one according to which breaking out from poverty is prevented mainly by the lack of motivation and hope; it is necessary to change the listless status, the fatalist attitude that undermines the fight and reduces the chances to escape from poverty and go beyond survival.

Walter (1921) was convinced that “capitalism has a structure that is comparable with the one of the religion and would serve the satisfaction of the same worries, anxieties, and hopes. But, the religion of capitalism has a basic weakness: do not save, do not forgive, and do not serve “the reformation of living”, but simply transform people in individuals that have debts one to another.”

### The size of the issue

Poverty is not only a long lasting issue, but also an issue that has significant amplitude. Some numerical data is illustrative at this point:

- According to the World Bank, 80% of the world population lives with less than ten dollars per day. Out of this, more than three billion people (almost half of the Earth inhabitants) have 2.5 dollars per day as income, and the poorest live on less than one dollar daily.
- In Europe, poverty affects around 80 million individuals.
- In Romania, in 2008, there were recorded 1.25 million persons who lived below the poverty threshold. 70% of these are living in rural area. Gipsy are poor in a 77% proportion.



Source: UN, Millennium Development Goals Report 2010,  
<http://mdgs.un.org/unsd/mdg/Resources/Static/Data/2010%20Stat%20Annex.pdf>,  
accessed in 05.01.2011.

Fig. 1. *Proportion of population living with less than 1.25 dollar per day in 2005 at the purchasing power parity*

Sub-Saharan Africa and South-Eastern Asia are leading regions in terms of the proportion of the poorest people. In Sub-Saharan Africa more than half of the population is comprised in this category (50.9%). Although this figure is significant enough, the reality could be even worst since for this indicator there are plenty of countries (Angola, Uganda, Central African Republic, Somalia, Kenya etc.) under the “no data” label in MDG monitor’s interactive map.

### **“Take-off” from poverty principle**

The brief description of the poverty state – as the main social threat – enlightens a number of elements that could be considered within the survival process.

Firstly and above all, poverty is present in all countries of the world, accounting from more than 50% in sub-Saharan Africa and Latin America to 9% in Denmark, 12% in Slovenia, 20% in Italy, and 17% in the European Union.

The second interesting element is the range of poverty assessment, which starts from the level of fulfilling basic needs and goes until the poverty threshold (absolute or relative) posing poverty on several treads. In quantitative terms this means the interval of poverty comprised between the threshold of mean average income and one dollar/day, level that point the installation of social misery.

In this relatively wide area of poverty an individual has the possibility to climb or to descend all treads of living standards. Going up on this road, toward breaking out from poverty (“take-off”) is the goal pursued by survival and is a feature of programs, policies, and strategies made for controlling the poverty phenomenon. If the objective would be to eradicate poverty we will find ourselves within the domain of utopia. The correct formula seems to be to control poverty, not to eradicate it.

In the domain of poverty there is a dynamic environment, with dramatic features among those that enter and those that try and succeed to come out from this sad space. If the statistical interface between poor and rich is made up by the poverty threshold, and this threshold is flexible, the threshold of absolute poverty is stable, close to the value of one dollar per day. At this level should be considered the priorities in approaching poverty control. Here is the start for survival, at the border between “to be or not to be”.

Theoretic and ideological approaches and proposals advanced for reducing poverty level comprise a wide variety of options. This proves, among others, the complexity of the issue (causes, effects, solutions, diversity of historical situations) and the difficulty in finding solutions.

The political organization system of most of the countries makes it difficult to run such programs because: i) the number of poor does not drop significantly; ii) the category of “cropped” countries emerged; developed countries maintain in their social structure a certain proportion of poor that indicates the idea of a tolerable threshold of poor number, according to the difference among people and the regulating role of labour market; iii) gaps between the incomes of poor and rich increase; iv) resource (oil, natural gas, wood, minerals) countries have poor population.

International institutions present the situation of poor in “black and white”, as follows:

Accomplishments: increasing life expectancy at birth to 63 years; number of countries that provided their own food doubled from 25 to 50; literacy degree increased to 68%; infant mortality decreased by 50%, although 34 000 children die

each day; proportion of rural families that have access to safe drinking water increased from 10% to 60%.

Threats to human life: 15% of world population has not enough food, and one of three children suffer from malnutrition; 1.3 billion people have no access to safe drinking water; 1.3 billion people live in absolute poverty; 2/3 of total illiterate are in the poorest countries of the world; in each second a forest area that equals a football arena is deforested.

These considerations could be taken as premises to the proposal of poverty “take-off” principle and secure that it will be taken seriously and it will operate, ordering the Brownian movement of individuals in the domain of poverty in such a way that the trend of breaking out the social condition will be dominant.

Breaking through the tunnel of poverty is difficult task. We propose as guidance the “take-off” principle. The taking-off from poverty would be possible by providing a *perspective* and a *motivation* to make the perspective tangible, external support coming as direct support through investment and jobs, and indirect support through education, health assistance, aid for children etc. for unleashing poor’s latent energies.

These latent energies feed the engine that lead to take-off from poverty. The external aid should be complementary, synergic with the will, desire, and action of poor. A wide range of obstacles should be overcome on the long way from stagnation, anxiety, absolute poverty until take-off using perseverance, motivation, and faith that it is possible to reach and exceed the upper limit of poverty.

*Perspective.* The sustainable poverty at individual level is very dangerous, being as a chronic illness without hope of recovery. A sustainable poverty form is called subsistence level, which is very close to the poverty threshold. This threshold could be considered as an initial perspective for take-off. The subsistence level, which occurs in case of rural population, proved to be sustainable and is to be preferred to other poverty stages. This *subsistence level* could be used as an attractor for, especially for urban poor who still keep the knowledge of agricultural practices.

*Jobs* are another attractor, but this attractor could be used only in the case that plenty of jobs could be offered. Governmental investments could be a good solution for this. The example of China is supportive: governmental investments are accomplished using three shifts of workers.

Other perspectives could be: urban agriculture, migration, seasonal employment, interactive tourism, volunteer actions, learning new skills, education of children, household economy, moving in rural area.

*Motivation.* A second condition of survival is to motivate poor to wish to get out from poverty by a realistic perspective. There are possible two situations: poor who have will and energy to make a change; and poor who do not want to change anything, could not be motivated to overcome their condition.

Motivation could be built by informing and spreading knowledge continuously. This includes up-dating of professional skills, knowledge and application of regulations, order and discipline, physical aspect, social behaviour.

### **Box nr. 2. External assistance and the poor in Romania**

Bucharest: a building prone to demolition is inhabited by the poor collectivity, including tramps and interlopes. The building was in very bad condition, a monument for the human misery (lack of utilities, missing windows, overcrowding, mounting waste, etc.). A representative of European Union (EU) asked the ones who answered her call (only women) what do they expect from God or authorities. The answer was: kinder-gardens and schools for children who should raise and leave a different, better, life

Rural Romania: visiting the poorest rural settlement in Romania, EU's representative asked children in school to show what they brought as a meal. The unfolding bags revealed chips, sweets bought at the boutique in the village. Meanwhile in private gardens apples were decaying on the ground. People explained that nobody buys these apples and that some are used to feed livestock.

The third condition for taking-off from poverty is *external support* that should be provided for poor by governmental, local authorities, or even international institutions. These could be represented by policies, measures, programs that manage poor areas for a certain timeframe. It is important to design this support as an interactive one. Thus during implementation, poor will be pursued to participate in each stages. Although this is a legitimate requirement for such programs, in practice it proved to be difficult to respect it (box no. 2).

#### **External support in Romania**

Romanian authorities came to the decision that pupils should receive every morning a cup of milk and a croissant and/or an apple. This was meant as a support measure especially for poor and could be considered as a good move on the behalf of the government.

Looking in depth, some features could be noticed that makes the real intention questionable, as well as the effectiveness of the measure for poverty alienation. Most of the milk and apples used in the program come from imports, while croissants are not made in rural areas, but in county residence being transported by fossil fuel using cars. Meanwhile, the croissant, milk, and apple could be provided in almost all rural areas from local sources. In this the money from local budget remain in the community and contribute to locking the added value for members of this community. Instead, the solution contributes now to the wealth of a wide range of intermediaries.

Another situation related with external support is related to criminality. Among the poor, criminality is usually high. Many poor caught for committing various crimes end up in jail. This is functioning by using public money, including the contribution of the people who are injured by criminals. Nevertheless, during detention, criminals are not prone to work in order to earn the money needed to host them. The possibility to acquire new skills, which are essential for take-off, is limited.

## Conclusions

Poverty is of a great concern for almost all governments. It persists, affects a quite wide range of people, and generates delinquency with impact on the wellbeing of the entire society. The international agenda is also headed by this issue, although progress on fulfilling it is small.

Our paper examined some conceptual development, ideologies, and perspectives on the causes of poverty in order to create guidance for taking-off from poverty. We conclude that although the theoretical knowledge is quite advanced, and practical experience is wide, these found a weak representation in practice as it results from the latest MDG Report.

Guidance for “taking-off” from poverty means to provide for the poor perspective – at least the perspective of subsistence or a job, motivation by better information and knowledge spreading, including updating or acquiring new skills, and external support. Romania’s case revealed another important feature of the poor – they are unable or unwilling, in certain circumstances, to manage the resources available for them. It also showed that external support was not very inspired and did not make a significant contribution to poverty alienation, especially due to bad organization.

Further research should further explore the economic and social impact of governmental support in order to find the aspects that should and could be improved. Awareness raising campaign could be also designed for improving both willingness and skills in managing local resources.

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