Poverty: multiple perspectives and strategies

Charlotte Lemanski

ABSTRACT: Global agendas to eradicate poverty, such as the Sustainable Development Goals (and their precursor, the Millennium Development Goals) rely on broad agreement regarding the definition and measurement of poverty. This article reviews the key approaches to defining poverty within development discourse and practice over the past 50 years. The second half of the article focuses specifically on the urbanisation of poverty. As global humanity becomes increasingly urbanised, urban poverty has risen, not only due to population increases but also as a result of the urbanisation process itself. In the context of widespread recognition that urban poverty is distinct from poverty per se, the article reviews the ways in which urban poverty has been defined and measured over the past 20 years.

Introduction

Poverty is nothing new, yet definitions and responses have constantly changed as a result of events and developments in knowledge. The Millennium Development Goals (MDGs) are a series of eight targets that United Nations (UN) member countries signed up to in 2000. Their primary goal is described as ‘halving world poverty’ by 2015, and the subsequent Sustainable Development Goals (SDGs) (UN, 2012) are equally focused on ending poverty. However, these seemingly altruistic and worthy visions can only be enacted by use of measures and targets that presume agreement on who is poor, what defines their poverty and, crucially, how these people exit poverty. Poverty is clearly linked to people, and while the MDGs (and SDGs) embrace a largely economic interpretation of poverty, there exists widespread debate about the extent to which poverty is also physical, social, political and psychological.

Arguably, understanding, measuring and analysing poverty is crucial to development geography in terms of both theory and practice. While a simplistic approach might consider poverty and development as polar opposites — in the sense that development seeks to overcome poverty and poverty exists due to absent development — their relationship is complex, fluid and highly dependent on the definitions used. International financial institutions (IFIs) play a key role in promoting particular definitions of poverty within development discourse and practice. For example, while the World Bank conceptualises development as economic growth, and consequently measures poverty according to financial income (see World Bank online), the United Nations Development Programme (UNDP) promotes a human capability understanding of development, and therefore measures poverty according to social welfare and the freedom to make decisions (see UNDP online). Consequently it becomes clear that the causal relationship between poverty and development is tightly connected with the definitions employed.

This article explores the different definitions of poverty that have dominated development
Poverty: multiple perspectives and strategies over the past 50 years. Although different approaches have been in favour at different periods, it is crucial to emphasise that no single correct definition of poverty exists, and that different measures of poverty highlight different needs. Indeed, poverty is experienced and understood differently by different people in different regions and at different times. However, definitions are necessary in order to measure and tackle poverty, and thus debates surrounding poverty continue to be highly politicised. The second half of the article will focus on urban poverty, and consider the implications of the contemporary urbanising world for humanity’s understanding of, and reactions to, poverty.

Definitions of poverty

Broadly, ‘poverty’ is conceptualised as a deficiency or shortage of some sort, typically in comparison either to the living standards of others within the same society/culture (relative poverty), or to a universal measure of adequate provision (absolute poverty). Historically, this shortage has been considered synonymous with lack of income, or at least insufficient income to meet a household’s daily needs. However, more recently there has been a growing awareness that poverty, and being poor, are about more than just material wealth. Nevertheless, while the multidimensionality of poverty is now widely recognised, there is less agreement about the relative importance of non-monetary factors, particularly qualitative indicators such as personal happiness and fulfilment.

Economic definitions of poverty tend to concentrate on either income, such as the US$1.25 per day poverty line established by the World Bank, or expenditure, such as the ‘basket of goods’ assessment (see Figure 1). The former measures absolute poverty in terms of where a household’s income falls on the universal poverty line, whereas the latter assesses relative poverty in terms of whether a household can afford to buy the basic goods necessary for survival within their specific context (typically with the consequences for nutrition and hunger highlighted). However, while these economic assessments continue to have significant influence in defining and measuring poverty, taken on their own, they are now recognised as incomplete and inadequate. In particular, poverty lines are criticised for their sharp distinction between being poor (under the line) and not poor (over the line), a distinction that rarely reflects people’s lived experiences. Furthermore, the economic measures of poverty (established in the 1960s) are criticised for ignoring the social, political and psychological elements of poverty. Consequently, in the late 1970s a focus on understanding poverty as inadequate access to basic needs emerged (Jolly, 1976) (Figure 1) such as healthcare (e.g. dying from a curable illness), education (e.g. overcrowded and under-resourced local school), housing (e.g. insecure, overcrowded and unsanitary conditions) and services (e.g. unclean water or absent sanitation), as highlighted by the photographs in Figure 2. While this basic needs approach expanded the previous economic focus of poverty measures, it continued to conceptualise poverty as being about physical and material needs (see Figure 1).

By the 1990s the idea of poverty as multidimensional had become widely recognised. Indeed, the World Bank’s (2000) World Development Report captured this multidimensional perspective by combining a basic needs approach with more social and political poverty indicators such as vulnerability and fear (e.g. related to violence) and powerless and

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voicelessness (e.g., insecure political freedom). These qualitative measures came about as a direct result of the World Bank’s ‘Voices of the poor’ initiative which collected the opinions of more than 60,000 poor women and men from 60 countries, in an effort to understand poverty from their perspective (Narayan and Petesch, 2002). This represented a radical departure from previous institutional approaches to defining poverty, along the lines of Robert Chambers’ (1997) call for the participation of the poor in the development decisions that affect them. Yet, despite recognition of these non-economic poverty indicators, the World Bank continues to measure poverty primarily through its income-based poverty lines.

At the same time, and in contrast to the World Bank’s poverty line approach, the Nobel prize-winning economist Amartya Sen (2001) was developing a unique interpretation of development as freedom, from which he argues that poverty should be measured against the concrete capabilities of citizens to live full and creative lives. According to Sen (2001), in order to determine if a person is poor, one ought to consider what that person is able to do or what that person can achieve. Poverty, then, in Sen’s terms, is defined as the deprivation of the capabilities (or positive freedoms) needed by an individual in order to function. These deprivations are often a result of institutional inadequacies such as gender or racial discrimination. Consequently, Sen (2001) argues that an income-based measure of poverty cannot adequately capture the poverty of a person because it fails to consider whether they are able to use those incomes to achieve their capabilities. Although Sen’s is an impressively thorough account of human poverty, it is necessarily difficult to translate his qualitative focus on individualised actions into the type of quantitative indicators required by IFIs for widespread measurement. Nevertheless, in 1997 Sen’s approach to understanding poverty was adopted by the UNDP and translated into its Human Poverty Index, later renamed the Multidimensional Poverty Index (MPI) (see Figure 1). This MPI interprets poverty as a denial of choices and opportunities for living a long, healthy and creative life, and measures deprivations against three dimensions: health (child mortality and nutrition), education (years of schooling and school enrolments), and living...
standards (access to water, sanitation, electricity, type of cooking fuel and housing floor, and number of assets owned). In addition, the MPI measures the number of people experiencing overlapping deprivations (prevalence) as well as the number of deprivations they face on average (intensity) in order to determine poverty (Alkire et al., 2011) and has emerged from the Oxford Poverty and Human Development Initiative (see OPHI online).

Thus, during the 1990s two key global development institutions, the World Bank and the UN, introduced very different interpretations of how to define poverty, both of which competed for legitimacy. On the one hand the World Bank’s reliance on a quantitative income-based measures produced clear data that could be compared across countries, and on the other the UN’s qualitative approach (albeit translated into multiple quantitative indicators) was far more complex, yet recognised the non-economic dimensions of poverty. Although the debate between economic and non-economic measures of poverty continues, the distinctions today are less clear-cut because most development agencies and institutions now recognise both social and economic poverty indicators (although their degree of emphasis varies), and, in fact, the basic needs approach has received renewed focus as a result of the material and physical poverty indicators inherent in the MDGs (Misturelli and Heffernan, 2008).

Urban poverty

It is clear that we have entered the urban epoch – the era in which the majority of humanity lives in urban areas (i.e. cities and towns – see Figure 3 and UN Population Division, 2014). While historically urbanisation was seen as a process that occurred in tandem with industrialisation (and whereby industrialised cities were viewed as ‘engines of growth’), contemporary urbanisation is unfolding in a very different economic arena, with severe consequences for urban poverty. Moreover, despite contemporary growth in the proportion of urban dwellers living in poverty, the scale and depth of urban poverty are frequently overlooked (Mitlin and Satterthwaite, 2013).

When the industrialising regions of north-western Europe and the east coast of America underwent their most rapid period of urbanisation in the post-war period, it was against a backdrop of economic prosperity and expanding employment opportunities. In this period the world took 25 years (from 1960 to 1985) to double its urban population from 1 to 2 billion (see Figure 4). In contrast, contemporary urbanisation (which is primarily taking place in the Global South regions of Asia and Africa) is taking place at a significantly faster rate than previous iterations. It is predicted that the world’s total urban population will take just 15 years (2003–2018) to double from 3 to 4 billion urban dwellers (Figure 4) but it will do so within the context of economic stagnation, under-employment and limited public investment in resources and infrastructure. Consequently, contemporary urbanisation appears to be aggravating rather than alleviating poverty.

Arguably, given indications that by 2020 half of all people living in the Global South will reside in urban areas, and by 2030 the Global South will accommodate 80% of the world’s urban population (Satterthwaite, 2007), it is vital to consider the nature of urban poverty.

Traditionally, poverty in the Global South was seen as a rural phenomenon. Indeed, where urban poverty existed it was predominantly viewed as a temporary phenomenon. To this end modernisation theory predicted that urban poverty would disappear as urban consumption matched production and migrants integrated into urban life. In his ‘urban bias’ thesis, Michael Lipton (1977) famously argued that those living in urban areas benefitted from better prices for goods and cheaper services, and, therefore, aid agencies should focus on the rural poor. However, UN statistics show very clearly that urban poverty is rising (Satterthwaite and Mitlin, 2014) and, although rural poverty remains a major problem, this does not mean that urban poverty should be
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In the late 1980s and early 1990s it became evident that urban poverty was rising faster than previously, and that urbanisation itself was a contributory factor. Lemanski and Marx (2015) identify four factors that highlight the rise of urban poverty at this time: (i) the failure of economic growth to reduce poverty in cities; (ii) the differential impact of Structural Adjustment Policies in urban and rural areas; (iii) indications that poverty was growing in cities not just because of population expansion; and (iv) the rapid scale and pace of urbanisation taking place at that time in the Global South. Yet, despite a growing awareness of the importance of trying to address poverty in urban areas, robust definitions of urban poverty are rare. We have to ask ourselves what is specific to urban poverty as distinct from poverty per se?

Urban poverty is at its core multidimensional, combining multiple deprivations that not only play out very differently within the urban context (compared to rural poverty), but are also inherently caused and aggravated by the urban context itself (Lemanski and Marx, 2015). This is not to suggest that rural poverty is not important, nor that it is not multidimensional; instead it highlights that specific urban poverty measures are needed because traditional poverty indicators are frequently irrelevant in the urban context. The income-based measures of poverty used by the World Bank and the MDGs (e.g. US$1.25 per day) do not take into account the higher costs associated with living in a cash-based urban economy as opposed to inhabiting a potentially subsistence rural economy. Urban dwellers face living costs additional to their rural counterparts; these include transport (to work and to school), accommodation, and services (e.g. water, cooking fuel and toilets). Furthermore, in the urban context, basic needs approaches that target access to water and sanitation do not necessarily adjust for whether that water is safe to drink (Mitlin and Satterthwaite, 2013). Consequently urban poverty needs defining further so that it can be measured and combated.

Rather than promoting a single measure (e.g. income) as the primary indicator, attempts to define urban poverty tend to focus on the range of living conditions associated with the urban poor. While this multiple-deprivation approach enables a broad and comprehensive picture of the complexities of urban poverty, it does not lend itself easily to quantitative measures nor does it enable comparisons. One of the first and seminal contributions to attempts to define urban poverty came from the UK’s Department for International Development advisor Ellen Wratten (1995): she identified the four characteristics of urban poverty in Figure 5.

Figure 5: Wratten’s four characteristics of urban poverty. Adapted from: Wratten, 1995.

| 1. Urban environmental and health risks | The urban poor face environmental health risks relating to the spatial proximity of their residence to harmful industrial processes in relation to competition for land, and dense and overcrowded living conditions that are poorly serviced. In short, the externalities of urban industrial production are borne disproportionately by the poor. |
| 2. Vulnerability arising from commercial exchange | Commercial exchange mediates access to more necessities, commodities and services in urban areas, making people more dependent on access to cash through various forms of employment or control of assets and resources, which are irregular, infrequent and/or poorly paid. |
| 3. Social diversity, fragmentation and crime | Less coherent social bonds, households that are split and/or headed by more vulnerable people and alienation leading to crime appear more common in urban areas and impoverish people further. |
| 4. Vulnerability arising from the intervention of the state and police | For many urban poor people, their contact with the state is in negative ways – corruption, confiscation, poor policing and difficulties accessing justice increase poverty. |
poverty. Here, the proximity of different land uses, social groups and densities, as well as the reliance on a cash-based economy in the context of a weak state and social framework, are all specifically urban trends that contribute to urban poverty. In other words, a city or a town is not just a static container in which poverty exists, but the urban environment plays an active role in shaping and reproducing poverty (Lemanski and Marx, 2015). More recently, Satterthwaite (2001) and Mitlin and Satterthwaite (2013) have continued to define the multiple deprivations of urban poverty – shown in Figure 6.

Satterthwaite and Mitlin’s (2014) characterisation frames urban poverty deprivations around two key elements, both of which are inherently urban. First, the urban financial system of cash transactions requiring income, employment and assets; and, second, the urban concentration of state and non-state institutional decision-making – both of which differ significantly from the rural context. Thus, while the specific characteristics of urban poverty may well differ from household to household, city to city and country to country, the urban context in which urban poverty functions and is reproduced is fundamental to better understanding, measuring and combating urban poverty. However, with the notable exception of the MDG 7/11 target to ‘improve the lives of at least 100 million slum dwellers’, aid agencies and IFIs have been slow to respond to the urban poverty agenda. Part of the reason for this omission is the complexity of translating the emerging urban poverty definitions into quantifiable measures. Aid agencies and other institutions struggle to adjust poverty lines (and other measures) to account for increased costs in urban areas that differ between and within urban spaces (Mitlin and Satterthwaite, 2013).

Furthermore, there is continued reticence to acknowledge the significant needs of the urban poor, with many development professionals still adhering to Lipton’s (1997) ‘urban bias’ approach in their perceptions that urban poverty is overstated (Mitlin and Satterthwaite, 2013). This is particularly inconsistent given that the same aid agencies refusing to adjust poverty lines for urban areas provide their employees with higher ‘living

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<td>1. Inadequate income</td>
<td>Inadequate income (because it is low, irregular, informal, and/or infrequent) leads to inadequate consumption of necessities including food and, often, safe and sufficient water. Often problems of indebtedness, with debt repayments significantly reducing income available for necessities or for dealing with fluctuating prices of commodities.</td>
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<td>2. Inadequate, unstable or risky asset base</td>
<td>Non-material and material assets including educational attainment and housing for individuals. Households or communities cannot be converted, or are of low value.</td>
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<td>3. Inadequate shelter</td>
<td>Typically poor quality, overcrowded and insecure, which imposes unnecessary expenses and fails to provide a sustainable platform for developing enterprises.</td>
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<td>4. Inadequate provision of ‘public’ infrastructure</td>
<td>Inadequate piped water, sanitation, drainage, roads, footpaths, etc. increases health and often work burden, impoverishing households and communities.</td>
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<td>5. Inadequate provision for basic services</td>
<td>Lack of day-care, schools, vocational training, healthcare, emergency services, public transport, communications, law enforcement impoverishes individuals because these services have to be sought privately, or because of unnecessary exposure to risks.</td>
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<td>6. Limited or no safety net</td>
<td>Basic consumption cannot be maintained when income falls; also access to shelter and health care can no longer be paid for, thus imposing additional costs.</td>
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<td>7. Inadequate protection of poor groups’ rights through the operation of law</td>
<td>Exclusion from laws and regulations regarding civil and political rights, occupational health and safety, pollution control, environmental health, protection from violence and other crimes, protection from discrimination and exploitation all impoverish by exposing poor people to unnecessary burdensome costs.</td>
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<td>8. Poorer groups’ voicelessness and powerlessness</td>
<td>Within political systems and bureaucratic structures, voicelessness leads to little or no possibility of: receiving entitlements, organising, making demands, and getting a fair response. No means of ensuring accountability from aid agencies, non-governmental organisations, public agencies and private utilities to address priorities.</td>
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<td>9. High prices paid for many necessities</td>
<td>Necessities cost more, which is often because of inadequate or lack of public provision. This means that, for example, water has to be purchased from vendors or kiosks, and access to toilets and fees for children to go to school must be paid for. These are costs that other wealthier urban dwellers do not incur because they are either provided with the service on a different basis or because wealthier groups can purchase the necessities in more economical units.</td>
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Conclusion

Although the UN’s MDGs sought to halve the proportion of world’s population living in extreme poverty, as this article has revealed, just how development agencies and IFIs define and measure who is (and who is not) poor is complex. While this MDG target is hailed a success because of the significant decline in the proportion of the world’s population surviving below the World Bank’s US$1.25 a day poverty line, such income-based measures tend to provide an incomplete picture of poverty. Non-economic poverty measures are widely accepted in development geography discourse, where the social, political, cultural and psychological elements of poverty are recognised as crucial to understanding, measuring and tackling poverty, yet income-based poverty lines remain the primary mechanism for delivering poverty statistics. The limitations of exclusively economic poverty measures are particularly evident in definitions and measurements of urban poverty, where the density and complexities of life mean that urban poverty requires a multidimensional approach. Given the contemporary depth and scale of urbanisation in the Global South (and particularly in Africa and Asia), there is clearly a need for more robust urban poverty measures and strategies.

Notes

1. Modernisation theory posits development as about becoming ‘modern’ in a western sense.
2. Structural Adjustment Policies were implemented by the World Bank and the International Monetary Fund (IMF) in the 1980s both as a means to promote market-led efficiency to governments in the Global South and as a condition for receiving aid in the form of loans.

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