

STRATEGIES TO ERADICATE POVERTY: AN INTEGRAL APPROACH TO DEVELOPMENT

Roar Bjonnes

PROUT Research Institute, Ashland, Oregon, USA

Keywords: Economic disparity, material poverty, spiritual poverty, basic necessities, psycho-economic exploitation, PROUT, purchasing capacity, economism, material progress, neo-liberal development, sustainable development, economic liberalism, spiritual progress, neo-humanism, consumption economy, consumer economy, cooperatives, decentralized economy, economic democracy, self-sufficiency.

Contents

1. Introduction
2. Global Poverty and Inequality
 - 2.1. Poverty: A Rising Tide
3. Toward a Broader Definition of Poverty
 - 3.1 Beyond Facts and Statistics
 - 3.2. Impoverishment of People and Culture
 - 3.3. Child Labor: Beyond the Myths
4. Two Economic Myths
 - 4.1. The Myth of GNP
 - 4.2. The Myth of Per Capita Income
5. The Limits of the Development Paradigm
 - 5.1. The Development Partition
 - 5.2. The Failure of Economism
 - 5.3. Economic Development and the Impoverishing of the Environment
 - 5.4. Five Reasons Why Development Has Not Eradicated Poverty
6. Toward Sustainable Economics
 - 6.1. Questioning Current Economic Assumptions
 - 6.2. The Need for New Models of Development
 - 6.3. Two Forms of Sustainable Development
 - 6.4. Alternative Development Models
7. Economics as if All Living Beings Mattered
 - 7.1. Toward New Economic Values
 - 7.2. Cosmic Inheritance
 - 7.3. Spiritual Progress
 - 7.4. Neo-humanism
8. Beyond Poverty: Two Strategies toward Eradicating Poverty
 - 8.1. Short-term Strategy
 - 8.2. Long-term Strategy
9. Conclusion
- Glossary
- Bibliography
- Biographical Sketch

Summary

It is generally believed that economic growth and globalization are the best ways to remedy the problems of the poor. But despite capitalism's and globalization's promises of greater equality, economic disparity has increased over the last thirty years, especially in the Southern hemisphere. The environment, local culture, as well as the human spirit have also been impoverished by the onslaught of modern development practices.

Poverty is a complex problem that cannot be exclusively quantified and solved through an economic framework. There are many causes and expressions of poverty. These can be broadly defined as: material, cultural and spiritual.

Short term solutions to poverty include: debt relief to poor countries, land titles to squatters, land plot cooperatives, low interest loans to farmers, micro-loans, and selective trade protectionism.

Poverty is caused by a systemic failure of the socio-economic organism. The long term solution to poverty thus requires an integral restoration of the whole organism. Some of the remedies required are: equitable distribution of wealth, justice through both political and economic democracy, a decentralized, ecological and self-sufficient economy, a balance between cooperation and competition, a constitutional right to life's basic necessities, culturally appropriate education, a consumption-motivated rather than profit-motivated economy, agricultural reform, a philosophy of life that supports all being's interests rather than self-interest, and a worldview that sees the spiritual unity of all life.

1. Introduction

Poverty has many causes and expressions—including political, environmental, educational, cultural, and spiritual—economic reform is therefore not a panacea. To eradicate poverty, we must instead develop a multidimensional set of remedies. Most importantly, we must realize that economic growth is not an end in itself, it is simply the means by which civilization can advance and sustain the cultural and spiritual values of individuals and society.

Despite tremendous advances in technology, economic development, and an increase in global wealth, the economic disparity between rich and poor has grown dramatically over the past 30 years. Growing numbers of people, primarily in the Southern Hemisphere, do not have adequate access to life's basic necessities—food, water, shelter, education, health care, and employment. But economic poverty is not the only form of affliction that bankrupts human life. For among the affluent fifth of humanity—the car drivers, the Internet surfers, and the throwaway buyers; in short, all those with access to the fruits of the global economy—another form of poverty is on the rise: the poverty of affluence, the poverty of the spirit. And, in an ironic twist of fate—the more the global economy tries to feed the social, psychological, and spiritual hungers of the affluent with an ever-increasing array of material goods, the more the poor people of the

South are affected, the more the environment suffers (see *North–North, North–South, and South–South Relations*).

Therefore, to many of those who are concerned about the fate of humanity and the earth, the issue that looms larger and larger is this: how can we create a society that is free from poverty—both material and spiritual—and how can we do this without destroying the earth we live on in the process? In other words, since the dominant neoliberal economy has failed us so utterly in eradicating poverty, what can we replace it with?

The influential, UN sponsored Brundtland Report, issued in 1987, declared that the answer is “sustainable development.” Now, more than a decade later—as both material and spiritual poverty has increased dramatically—it has become evident that deeper solutions are needed. Because, as sustainable development has become increasingly part of the global discourse, it has also maintained the fatal flaws of the neoliberal development paradigm.

We need to move “beyond sustainable development” toward a spirit-centered vision of progress and economic prosperity. We need a development model that is life-centered rather than matter-centered; one that grows from local communities, that is cooperative rather than competitive, one that shares wealth equitably, maintains harmony with the earth, protects local markets, vitalizes local cultures, and makes spirituality the defining context of progress.

2. Global Poverty and Inequality

2.1. Poverty: A Rising Tide

The Universal Declaration of Human Rights states that “everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services.” Despite the growing globalization of economic and political affairs, for most of humanity today, these rights have become increasingly inaccessible.

Indeed, the combined accumulated wealth of the three richest individuals is greater than the combined gross national product (GNP) of the 48 poorest countries, or a quarter of the world’s nations.

Despite promises of greater equality by many politicians and economists, there has instead been a tremendous increase in economic inequality over the last 30 years. According to the UN’s *Human Development Report* (1998), in 1960, the income of the richest countries was 30 times greater than that of the world’s poorest countries. By 1995 this income disparity had increased to 84 times. In over 70 countries, per capita income is lower today than it was 20 years ago. And according to World Bank sources in 1999, almost three billion people—half the world’s population—live on less than two dollars a day.

Despite the conventional belief that the world’s economy has experienced soaring economic outputs during the past 30 years, the ranks of the world’s poor have continued

to increase dramatically. Some 1.5 billion people now meet Robert McNamara's 1978 definition of absolute poverty: "a condition of life so limited by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality, and low life expectancy as to be beneath any reasonable definition of human decency."

The dismal reality of global poverty and hunger is even more disquieting when considering that goods and foods are more abundant than ever before. Yet the number of people without adequate shelter and enough purchasing capacity to buy decent food is growing. Clean drinking water is another growing problem. According to the Institute for Food and Development Policy, it is estimated that almost a third of all people in developing countries lack sufficient drinking water. A fifth of all children receive insufficient intake of calories and protein, and two billion people—a third of the human race—are suffering from anemia.

Although 30 million people die of hunger each year and 800 million suffer from malnutrition, the world has an abundant food supply. "In fact," writes Ignacio Ramonet in the French newspaper *Le Monde Diplomatique*, "food products have never been so abundant." Indeed, according to the Institute for Food and Development Policy, there is enough food produced in the world today to supply each citizen with at least 2700 calories per day. Millions of people, however, do not have the ability to purchase and consume enough food to avoid malnutrition and hunger.

Poverty and economic inequality are not just problems faced by poor nations. Amid the food bounty of the world's richest nation—the United States—millions of children's growth is stunted by malnutrition. With its unparalleled industrial and service economy, there are millions of unemployed and homeless people in the United States. Millions more work in full-time jobs while still remaining in poverty.

Economic inequality and material poverty are global problems facing people in both industrial and preindustrial countries. Only in some countries, such as Sweden, Norway, Iceland, and a few other countries, where economic rights are seen as integral parts of democracy, has abject poverty been eradicated.

3. Toward a Broader Definition of Poverty

3.1 Beyond Facts and Statistics

To further understand the daunting economic inequality in the world, let us look at a few staggering facts gathered from the UN's *Human Development Report* in 1998 and 1999. These data illustrate the growing inequity between rich and poor, between the North and the South.

An analysis of long-term trends shows that the economic disparity between the richest and poorest countries was about:

3 to 1 in 1820
11 to 1 in 1913
35 to 1 in 1950

44 to 1 in 1973

72 to 1 in 1992

84 to 1 in 1998

- The 48 poorest countries in the Southern Hemisphere account for less than 0.4% of global exports.
- The combined wealth of the world's 200 richest people hit US\$1 trillion in 1999; the combined incomes of the 582 million people living in the 43 least developed countries is US\$146 billion.
- According to an Oxfam report, the lives of 1.7 million children would be needlessly lost in the year 2000 because of failure to increase the standard of living of poor people.

As important as these economic facts are in illustrating the disparity between rich and poor people today, it is important to understand that poverty does not simply signify a threat to one's physical existence (subsistence poverty), but, rather, the failure to achieve the standard of living that is usual in one's own society. In other words, as Godfried Engbersen, professor of sociology at the Erasmus University, Rotterdam, writes: "[I]f we define those in the bottom 10 or 20 percent income bracket as poor, then there will always be poor people. But the bottom 10 or 20 percent in a very rich country can be prosperous. The term does not only denote the relative disadvantage of one group compared with others, it implies a threshold."

Poverty, in other words, is a relative term that cannot be exclusively quantified through an economic framework. A farmer in the state of Kerala, India (known for its high literacy and employment rates, its low birth rates, and its environmental awareness) is considered poor by Western standards. Because of relatively easy access to health care and education, however, the farmer can be considered "rich" compared to the landless, slum-dwellers of Bombay. Similarly, a Mexican, migrant farm worker in California may consider himself fortunate compared to his poverty-stricken relatives living in a shantytown across the border.

If we compare the Indian farmer with the Mexican farm worker, strictly on the basis of per capita income, the Mexican farm worker comes out ahead. However, if we use the broader definition of poverty as described above, the Kerala farmer is better off. Although he may never be able to afford, or even need a car, by the standards of Kerala, he has all the basic requirements in order to lead a relatively healthy and fulfilling life, including a supportive community and family. Yet, while the Mexican farm worker drives a car and earns many times more than the Kerala farmer, by the standards of the US, he is simply "a poor, migrant farm worker." His work is seasonal; his home is a shack shared with five other men; he has no health benefits; he is illiterate; he cannot afford to rent an apartment or a house. Most importantly—as an economic refugee—he is separated from his family and his community. In short, his life has all the trademarks of poverty.

By thus broadening the definition of poverty, a household can be considered poor when its income is below a certain level depriving its members of material and other conditions necessary for proper participation in their society.

3.2. Impoverishment of People and Culture

Current development practices often create poverty where there was virtually none before. Ladakh, or “Little Tibet,” is a case in point. When Swedish linguist Helena Nordberg-Hodge was introduced to a remote Ladakhi village by a young man named Tsewang in 1975, she was surprised to see that all the houses in the village were both large and beautiful. She asked Tsewang where the poor people lived. “We don’t have any poor people here,” he said, even though, according to Western, capitalist development standards, the village would be considered “poor.” Almost a decade later, however—after Ladakh had received its share of Western-style development—Nordberg-Hodge overheard the same man talking to some tourists. “If you could only help us Ladakhis,” Tsewang said, “we’re so poor.”

In fact, over a period of two decades, Ladakh had indeed become poor in various ways. The people had become psychologically impoverished by feeling inferior to the newly introduced Western lifestyle after being invaded by the messengers of development—tourism, film, and advertisements. The new cash economy undermined their traditional barter system, which in turn, for the first time, created unemployment and a widening gap between rich and poor. The sudden introduction to pesticides, hybrid seeds, and new growing methods caused the precarious ecology of this arid area to become imbalanced. According to Nordberg-Hodge: “I have watched the appearance of unemployment and inflation and a dramatic rise in crime; I have watched population levels soar, fueled by a variety of economic and psychological pressures; I have watched the disintegration of families and communities; and I have watched people become separated from the land; as self-sufficiency is gradually replaced by economic dependence on the outside world.”

During the past 30 years, the South’s complex, cultural diversity has systematically been assaulted and impoverished by a new, commercial and global monoculture based on pop music, violent films, and seductive advertisements. “Westernized Indian films have,” according to Nordberg-Hodge, “had a profound impact on young Ladakhis, making them feel ashamed of their own traditions and values.”

This sudden imposition of a foreign culture upon another has become quite extensive through the globalization of the corporate economy. The newly adopted “pseudo-culture” often makes the indigenous peoples believe that their own culture is “inferior.” Thus they become easy prey for economic exploitation. P. R. Sarkar, propounder of the progressive utilization theory (PROUT), terms this form of economic bondage “psycho-economic exploitation” (see *Neo-Humanism, Globalization and World Futures*).

The eradication of poverty must therefore be seen in a larger, cultural context. That is, maintaining and strengthening local culture, language, and indigenous values is integral to the struggle against hunger, unemployment, and loss of natural resources.

3.3. Child Labor: Beyond the Myths

The International Labor Organization’s “aim is to work towards the progressive elimination of child labor by strengthening national capacities to address child labor,

and by creating a worldwide movement to combat it.” Most people in the North would agree that this is a noble goal. However, a closer look will show that people in the South do not all agree, especially not the poor children and parents involved. According to one child worker called Khalid, “most people in my village stitch footballs. If there was a ban on child labor, most of [us...] would go hungry” (see the website of Save the Children Fund: www.oneworld.org/scf).

Prompted by recent campaigns against child labor that backfired badly, Save the Children Fund (SCF) have had to rethink their strategy. In 1994 the US threatened to boycott garments made by children in Bangladesh, where 50 000 children consequently lost their jobs only to end up as beggars and prostitutes. According to Rachel Marcus of SCF, the boycott had good intentions but “in Bangladesh it was seen as a case of Westerners selectively applying universal principles to a situation they did not understand.”

What organizations such as SCF are starting to understand is that “child labor,” in which children are exploited by multinational corporations, is merely a symptom of an unjust economic system that profits from the labor of the poor. In the words of an Indian nongovernmental organization (NGO): “Only a total destruction of the monstrous economic system that dominates the earth today will help us put an end to child labor and starvation. This is what all well-wishers and friends of children in India should strive for.”

Recent statistics have revealed that only 5% of all the world’s child laborers are involved in sweatshops run by multinationals. The rest are working in the rice fields in India, in small artisanal businesses in Nepal, as herders in Africa, or as apprentices in Pakistan, in businesses which their families have run for generations. Thus many researchers and activists are now claiming that to ban such work is to destroy local cultures and economies, which would then simply facilitate the growth of the global market.

The issue of child labor thus illustrates the complex tapestry of reality we call “poverty.” It forces us to forgo our Westernized assumptions and to ask questions such as: What is culture? What is a local economy? What is the role of children in a local culture and economy? What is work and what is education? For Nordberg-Hodge these questions are important, because the issue cannot be simply defined: “There is a blanket assumption that wherever children work, it is an abuse. But working with the family and community helps to shape their identity, gives them a vital role in life and a feeling of responsibility and belonging.”

4. Two Economic Myths

4.1. The Myth of GNP

Today the most widely used indicator of a country’s economic health is the gross national product (GNP). It is almost universally accepted that a climbing GNP means that a country’s people are becoming better off. But is this really true?

When Ladakh was a “poor,” sustainable subsistence economy, with a very low GNP, its frugal, yet culturally advanced inhabitants lived more in accord with the United Nations Declaration of Human Rights than in the years since Western development arrived. In other words, an increased GNP caused by Western-style development did not, according to Nordberg-Hodge, increase the overall well-being of the Ladakhi people. Neighboring Bhutan is also an example of the limits of describing a society’s standard of living in strictly economic terms. In this Buddhist nation, people provide their own basic needs and live a life of relative leisure, which enables them to produce great art and music. The World Bank, however, describes Bhutan as one of the poorest countries in the world, simply because its GNP is one of the lowest in the world.

Another limiting factor of using GNP as a gauge is that it does not account for the environmental deterioration caused by development. As forests are cut and rivers polluted, no loss appears in the national accounting of GNP.

The predominant development paradigm’s one-dimensional view of progress claims that the regular and eternal improvement of the human condition can largely take place through the exploitation of nature and the acquisition of material goods. This view—widely favored by economists and development experts—often masks the negative economic, environmental, social, and cultural impacts of industrial growth. Moreover, the industrial nations’ rhetoric, as often expressed by the World Bank and the International Monetary fund (IMF)—that increased, capitalist development is the only solution to eradicate poverty—has often proven to be false. As the examples above have shown, development programs may have increased a country’s GNP, but at the same time lowered the standard of living for a large percentage of the population, as well as increased the impoverishment of both environment and culture.

4.2. The Myth of Per Capita Income

In the United States per capita income is currently US\$48 000—the highest in the world. However, this national average income conceals the rampant disparity between rich and poor Americans. It conceals that about half of all American households earn less than US\$35 000 a year—not enough money for most people to buy a home. It conceals that millions of American households earn less than US\$12 000 a year. It conceals that nearly 40 million Americans do not have medical insurance. It conceals that Second Harvest, the largest hunger relief organization in the country, serves more than 25 million people annually. An increase in per capita income is, therefore, not sufficiently reliable as a scientific index to determine the standard and progress of a particular country.

Instead, suggests Sarkar, a person’s purchasing capacity is a far better index for how one’s economic needs are met. “Per capita income,” writes Sarkar, “is not a proper indication of the increase in the standard of living...because, while people may have very high incomes they may not be able to purchase the necessities of life. If per capita income is low, and people have great purchasing capacity, they are much better off. So, purchasing capacity and not per capita income is the true measure of economic prosperity. Everyone’s requirements should be within their pecuniary periphery or purchasing capacity.”

-
-
-

TO ACCESS ALL THE 25 PAGES OF THIS CHAPTER,
Visit: <http://www.eolss.net/Eolss-sampleAllChapter.aspx>

Bibliography

Anandamitra D. (1999). *A Model For the Future: Future Vision Ecological Park*, information paper published by Parque Ecologico Visao Futuro, Porangaba, Brazil. [Describes an eco-village and its many service projects for a poor, rural community in Brazil.]

Anderson M. (1995). Voice of the Sarawak Rainforest. *Common Future*, Volume 1, 38 pp. [Describes indigenous people's struggle against destruction of Malaysian rain forest.]

Brown L. (1991). *Saving the Planet: How to Shape an Environmentally Sustainable Global Economy*, pp. 121–122. New York: W. W. Norton. [Describes how to create a world economy that does not destroy the ecosystem on which it is based.]

Carter P. (2000). Lie of the tiger. *The Ecologist* July/August, 60. [Describes World Bank sponsored development project, and its destruction of tiger habitat in India.]

Dolan K. A. (2000). Waking dead capital. *Forbes*, May 15, pp. 99–112. [Describes economist Hernado de Soto's efforts to grant land titles to the poor in Manila, Philippines.]

Durning A. (1992). *How Much is Enough?* 150 pp. New York: W. W. Norton. [Describes the devastating effect consumerism has on people, culture, and environment.]

Ignacio R. (1998). The politics of hunger. *Le Monde Diplomatique*. [Examines the underlying political and economic reasons for hunger.]

Korten D. C. (1996). The mythic victory of market capitalism. *The Case Against the Global Economy* (ed. Mander J. and Goldsmith E.), 184 pp. San Francisco: Sierra Club Books. [Argues that the original ideas of Adam Smith have been distorted beyond recognition by right-wing economic ideologues.]

Logan R. (1995). A brief survey of concepts of development. *Common Future*, Volume 2, 27 pp. [Describes various forms of sustainable development models.]

McNamara R. S. (1981). *The McNamara Years at the World Bank: Major Policy Addresses of Robert S. McNamara 1968–1981*. Baltimore, MD: Johns Hopkins University Press.

Moore Lappe F. (1998). *World Hunger: Twelve Myths*, 178 pp. New York: Grove Press. [Examines the economic and political causes of hunger and poverty.]

Newbery B. (2000). Labouring under illusions. *The Ecologist* July/August, 18–21. [Describes the complex reality of child labor.]

Nordberg-Hodge H. (1991). *Ancient Futures: Learning from Ladakh*, 192 pp. San Francisco: Sierra Club Books. [Describes the effect Western development has had on the culture, economy, and people of Ladakh.]

Renner M. (1996). *Fighting for Survival*, pp. 136 and 184–185. The Worldwatch Environmental Alert Series, New York: W. W. Norton. [Argues that poverty, unequal distribution of land, and the degradation of the environment are the most pressing issues undermining security.]

Sachs W. (1996). Neo development. *The Case Against the Global Economy* (ed. Mander J. and Goldsmith E.), 239 pp. San Francisco: Sierra Club Books. [Describes why the term sustainable development calls for the conservation of development, not the conservation of nature.]

Sarkar P. R. (1993). *Proutist Economics: Discourses on Economic Liberation*, 395 pp. Calcutta: Ananda Marga Publications. [Describes the principles of a sustainable economy whose goal is to free human beings from economic, social, and environmental problems in order to increase intellectual and spiritual potentials.]

Schumacher E. F. (1973). *Small is Beautiful: Economics as if People Mattered*, 297 pp. San Francisco: Harper and Row. [Describes an alternative, sustainable, small-scale economy rooted in ecology and spirituality.]

Wilber K. (1995). *Sex, Ecology, Spirituality*, 830 pp. Boston: Shambhala. [Describes the course of evolution from matter to life to mind and the common patterns that evolution takes in these three domains.]

Biographical Sketch

Roar Bjonnes is a freelance writer and fellow at the PROUT Research Institute, Ashland, Oregon, USA. He is a contributing editor of *New Renaissance*, Germany; and a former editor of *Common Future* and *Prout Journal*.