

CAUSES OF POVERTY IN DEVELOPING COUNTRIES

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Summary

Substantial sections of human beings in the contemporary world suffer the affliction of impoverishment in multiples ways, arguably the most basic of which is viewed as material poverty, or deprivation in terms of needs such as food, shelter, clothing etc. As is well-known, such poverty is overwhelmingly located in the developing countries.

This chapter begins with a brief survey of the meanings and ways of measuring poverty and goes on to argue that the causes of poverty in the contemporary developing world are best understood by locating the problem in the context of the evolution and dynamics of world capitalism. In particular, it is argued that the roots of contemporary mass poverty in much of Africa, Latin America and Asia cannot be explained adequately without examining the ways they got enmeshed into, and were dominated by, capitalist colonialism and imperialism.

Further, as regards the persistence of mass poverty in most countries in these three continents, it is largely on account of the failure to address their agrarian question and rise to the challenge posed by other structural constraints. Finally, it is suggested that the recent worldwide ascendancy of neoliberal policies may reflect an increase in the predatory power of capital with negative implications for poverty-mitigation.

1. Introduction

Persistent mass poverty, even if one conceptualises it in the narrowest sense of deprivation of food required to generate a certain minimum calorie level that keeps a human being in a biologically functional state, is a well-known fact of life in so-called developing countries. Of course, the scourge of hunger also afflicts sections of population belonging to the so-called developed countries as well, and even the richest country in the world, the USA, has not been able to banish hunger and destitution from within its boundaries. However, the nature of the problem in the developing countries is immensely more serious, where millions suffer from endemic undernourishment and often die prematurely after a nasty and brutish life.

If one opts to adopt conceptions of poverty broader than the narrowest one in terms of a certain minimum calorific intake, the scale of the problem obviously increases accordingly. It is now widely accepted that poverty must be viewed as a multi-dimensional phenomenon, and it should not be reduced solely to hunger and malnutrition. In the next section we look at some of the key arguments advocating such a view. The obvious point, as said earlier, is that if one goes along with such an advocacy, then the magnitude of poverty in much of Third World increases manifold, compared to standard official estimates based on the calorie-linked narrow conception mentioned above.

Although the fact of persistent mass poverty in developing countries is a stark one, investigations into its causation as well as policy initiatives to remedy/eliminate it have often led to highly controversial arguments. There is a huge literature—theoretical as well as empirical—on these issues, yet the terrain remains a minefield. This essay is not intended as an all-encompassing survey of the relevant literature on these issues; rather it attempts to present a point of view, some of the arguments for which have received detailed attention in the existing literature and others may require more probing investigation, that may help us to understand the nature and causation of endemic poverty in developing countries.

In the next section of the paper, we very briefly look at the widely-accepted case for conceptualising poverty in its multifaceted nature, along with the philosophical underpinning of some of the important conceptions advanced, and stress the need for viewing contemporary poverty in a systemic sense, in particular by locating it in the evolution and dynamics of capitalism. Section three follows the thrust of the preceding section, and it is argued that the roots of contemporary mass poverty in much of Africa, Latin America and Asia cannot be explained adequately without examining the ways they got enmeshed into, and were dominated by, capitalist colonialism and imperialism. Of course, this is not a novel argument by any reckoning, but it is reiterated here as it may help us understand the importance of certain structures and processes inherited from the past in throwing some light on the obstinate persistence of contemporary mass poverty in these countries. There is a great deal of empirical evidence in support of the above argument relating to historical genesis of poverty and, very briefly, we look at the case of South Asia, the region which currently houses almost half of the officially defined poor in the world, and make an attempt to draw on the experience of Africa and Latin America as well.

The objective of this section is not to go as much into specifics of different cases as to emphasize certain key uniformities.

Section four of the chapter attempts to probe the dialectics of the structural and conjunctural, in efforts to tackle mass poverty, subsequent to the attainment of freedom from colonial subjugation in the case of most developing countries. Again, the emphasis is not on variations in individual country experiences, but on what appear to us as certain critical commonalities which, hopefully, shed some light on the subject under consideration. Several important themes in present discussions on poverty, e.g. growth and poverty reduction, importance (or otherwise) of land reforms and a greater command of the poor over natural, financial and human resources in alleviating poverty, etc. are taken up. Finally, in this section, we also look at the poverty scenario in the Third World during the period of so-called economic reforms, (i.e. since the early 1980s). During this period, there has been a substantial increase of poverty in many low-income countries, and some of the increase may be on account of the neoliberal economic policies that have been on the ascendancy worldwide. Not only the Third World, but also some of the leading advanced industrialized economies have witnessed increased poverty, and often substantial increases in inequality during the last couple of decades, giving a severe jolt to the complacent conventional wisdom which suggested that, after a certain stage in their development, countries gradually grow out of poverty. As regards countries belonging to the erstwhile so-called socialist bloc, for many of them, including Russia, the dramatic descent into poverty for millions of families since the early 1990s is well-known, and this again has some clear organic linkages with neoliberal economic policies. Thus it is quite clear that in several regions of the world recent trends relating to poverty, both in the absolute and in the relative sense, are far from encouraging, and the global total of the number of poor (even if defined in the narrow sense mentioned earlier) may have increased at least marginally during the last decade and a half. Such a scenario of course calls for a close look at the significant aspects of economic processes at work in different regions and countries of the world and a scrutiny of how they are impacting on the economic well-being of the relatively vulnerable groups of people. However, as mentioned earlier, in view of the focal concern of the paper, our enquiry is largely confined to the Third World.

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Bibliography

[In the writing of this paper I have drawn on a large number of books and articles and it is hardly possible to acknowledge all of them here. In the following I mention only a tiny fraction of the resource material that forms the basis of the chapter, and the references cited below may be viewed as a sort of an entry point for

further reading for those interested in the subject].

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Biographical Sketch

Dr. Praveen Jha is an Associate Professor at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi. He is also the honorary economic adviser to the Centre for Budget Accountability, New Delhi and has been guiding its research programme.

Dr. Jha has been teaching now for more than 17 years. Apart from Jawaharlal Nehru University, he has been on the faculty of St. Stephen's College, Delhi, LBS National Academy of Administration, Mussoorie, and University of Bremen in Germany. He continues to be a Visiting Professor to the University of Bremen, Germany.

He has authored and edited four books, and has published several articles, apart from being associated with close to a dozen commissioned research studies. His major areas of research interest include Development Economics, (in particular, Labour Economics, Agricultural Economics, and Environmental Economics), and History of Economic Thought.

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