

Impoverishment – The Threat for Sustainable Developments in Developing Countries

Ubóstwo – zagrożenie dla zrównoważonego rozwoju krajów rozwijających się

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Abstract

The Poverty may be a complicated and stereotypical drawback at both national and international levels. There are no bilaterally symmetrical measures known which would be suitable for worldwide application. However, every country takes specific initiatives to tackle poverty and international efforts go along with nation's efforts for up-rooting this crisis. Creating a compassionate International environment is a serious answer to the current drawbacks. This paper intends to review the poverty level as a threatening issue for sustainable development in top four international developing countries. Wiping-out poverty is a supreme international challenge which the world faces nowadays and there is an increasing demand for sustainable development, especially for developing countries. This paper strives to find out in what way impoverishment can have an adverse effect on the countries sustainable development, particularly in developing countries. This paper also aims to explain the cause of poverty, to chalk out a mechanism to wipe it out and to create opportunities for sustainable development.

Key words: developing countries, sustainable development, poverty, economy

Streszczenie

Ubóstwo jest skomplikowanym i często podlegającym stereotypowym wyobrażeniom problemem zarówno na poziomie danego kraju, jak i międzynarodowym. Nie ma dwustronnie symetrycznych narzędzi pomiarowych, które możliwe byłyby do zastosowania na poziomie globalnym. Zarazem każdy kraj podejmuje indywidualnie inicjatywy, wspierane przez organizacje międzynarodowe, aby wykorzenić ubóstwo i zażegnać kryzys. Uświadomienie istnienia problemu społeczności międzynarodowej to realna odpowiedź. W tej pracy dokonano oceny poziomu ubóstwa, traktowanego jako wyzwanie dla zrównoważonego rozwoju, w czterech największych krajach rozwijających się. Wymazanie ubóstwa z mapy świata to naczelne zadanie, przed którym obecnie staje świat. Oznacza to zarazem wzrost zainteresowania wdrażaniem zrównoważonego rozwoju, szczególnie ze strony krajów rozwijających się. Autorzy wskazują, w jaki sposób ubóstwo negatywnie wpływa na zrównoważony rozwój krajów rozwijających się. Ponadto, podjęto próbę wskazania przyczyn ubóstwa, dzięki czemu łatwiej będzie przygotować program naprawczy i stworzyć szansę na realne wdrażanie rozwoju zrównoważonego.

Słowa kluczowe: kraje rozwijające się, rozwój zrównoważony, ubóstwo, ekonomia

Introduction

Sustainable development in a materially backward economy emphasizes the creation of sustainable progress in the quality of life through increases in real income *per capita*, improvement in literacy, health, and enhancement in the quality of natural resources. It implies the socio-economic development of rural areas which does not decrease over time. Sustainable development is a rural development in a long-term perspective. It describes a process of development of a natural resource which is the basis for rural areas. The emphasis is put on the hitherto unappreciated role of rural environmental quality and environmental inputs in the process of raising real income and the quality of life. Materially backward economy is prevalent in the rural environment (Jhingan, 2006). Sustainable development is an equitable development where the income of all people increases and, as a result, provides an impulse for the economy which helps to *drag people* out of endemic poverty (Joshi, 2008).

20% of the world's population is afflicted by poverty. Impoverishment is not merely a state of existence; it is a complex phenomenon with several dimensions. Sometimes it is characterized by deprivation, vulnerability (high risk and low capability to cope with it), and impotency (Ravallion, 1996). These characteristics damage people's sense of well-being. Impoverishment is often long-lasting or transient. Transient impoverishment, if acute, will pass onto succeeding generations. In order to mitigate poverty, the poor try implementing all kinds of solutions. To grasp this phenomenon, it is essential to look at the economic and social context, along with establishments of the state, markets, communities, and households (families). Its variations cut across gender, ethnicity, age, residence (rural versus urban), and financial gain. In households, youngsters and girls typically suffer to a greater degree than men. Within a community, ethnic or religious minorities suffer more than the majority, whereas the poor in rural areas suffer more than the poor in cities; among the agricultural poor, landless wage workers suffer more than small landowners or occupants. These kinds of variations among the poor are extremely common. Many countries are struggling with poverty, rapid population growth and migration, replacement of subsistence by a market economy, and huge environmental influences. Many developing countries face a rapid decline of traditional systems of values. A major challenge is the need to enlarge, strengthen, and empower a stable civil society that will build the trust and public self-confidence which enables participatory governance. According to a survey conducted by Bloomberg, the world is pre-empted to increase GDP to 3.2 % in 2015 and 3.7 % in the following year, after extendible 3.3 % in each of the past two years. It is expected that China, the Philippines, Kenya, India and Indonesia, which accumulate 16%

of world gross domestic product, will produce more than 5% in 2015. The main focus of this paper includes such issues as the impoverishment level, sustainability and suitable mechanism for the sustainable development of those top five fast-developing countries.

1. Related work

Poverty is recognized as a threat for the developing countries; nevertheless, its assessment continues to be conducted completely in terms of financial gain (or expenditure). Poverty is a part of life. As a result, people born in a family in which parents have low-income become adults with a similarly low income. Low income is related to alternative indicators of deprivation, such as low levels of accomplishment and lifespan. Indeed, in recent decades, the increase of home income has been observed in several East Asian countries. Improvements in the financial condition are identical in these countries; however, there are variations in the improvement of welfare and human development, even though the countries are at a similar financial gain levels. Similarly, the development outcomes varied in the different areas and populations within a country (Alkire, Foster, Seth, Santos, Roche, Ballon, 2015).

Poverty reduction has been a major goal of development policy in the Republic of India. Therefore, the accomplishment of a minimum level of living for all Indians is the specific objective of all socio-economic endeavors initiated as part of numerous 5-year plans. The increase is hoped to be achieved by attaining improved buying power of the poor with an endowment of land and non-land assets and by generating employment opportunities, (Radhakrishna, Ray, 2004).

The incidence of poverty is governed by two factors, namely: average income and distribution. Reduction of poverty occurs rapidly when average income rises and inequality falls. While the poor have benefited from both growth and distribution effects in India over a period of last four decades, most of the poverty reduction has been driven by economic growth (Ravallion, 2001). Agricultural growth has strong linkages to other economic sectors, most obviously to agro-processing and food marketing as well as to the demand for intermediate inputs and services. However, agricultural growth also has much broader linkages or multipliers and allows poor countries to diversify their economies to sectors where growth may be faster and where labour productivity and wages are typically higher. Creating jobs and livelihoods outside agriculture is vital to both rural and urban areas and to poverty reduction in general. Policy methods have to be compelled to specialize in the acquisition variables that have an effect on market development, community wealth, infrastructure, house quality distribution, and also on the affordability and appropriateness of natural resources conservation technologies (Reardon, Vosti, 1995).

2. China

Poverty in China refers to the state of relative or absolute material deprivation that affects hundreds of millions of people, particularly those living in rural areas. Since the beginning of far-reaching economic reforms in the late 1970s, growth has fuelled a remarkable increase in income *per capita* and a decline in the poverty rate from 85% in 1981 to 33.1% in 2008 (poverty being measured as the number of people living on < \$1.25/day) (Shah, 2010). The poverty rate in China fell from 26% in 2007 to 7% by 2012, according to a different measure produced by government (Kravtsov, 2013).

Figure 1 illustrates the poverty trend in China. China population is 1357 million (World Bank, United States Census Bureau, 2013). Out of that total population, 11.38% (362 Million) people earn less than \$ 2 a day. 36.5 % (486 million) of the total population lives for less than \$2 a day. Likewise, half of the total population of China i.e. 772 million people (58%), earn less than \$4 a day. One third of the total population is lives for less than \$5 a day.

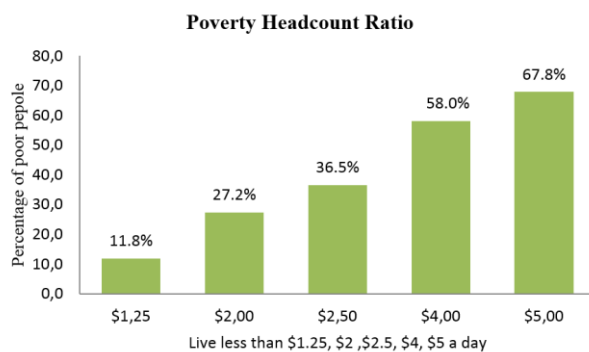


Figure 1. Poverty headcount Ratio, source: World Bank report, 2009

1.1. Hurdles to China's development

Most regions of China are still in mid- and even the early stage of industrialization and urbanization. A large share of Chinese population lives in poverty, according to the country's new rural poverty line established in 2011 (rural residents' per capita annual net income is 2,300 yuan). Most of these people live in the regions with harsh natural conditions, making the alleviation of poverty extremely difficult. Due to the huge population base and the force of inertia, China's total population will continue to grow over a fairly long period of time. Meantime, the structural contradictions of China's labour supply and demand remain very severe with huge pressures on reemployment, employment of youth, and job creation during rural labour force movements. Moreover, the proportion of aging population is rising rapidly, enabling China to be the only country with over 100 million senior citizens. China's social security system, with universal coverage, has just been established; however, at a low level compared with other major developing countries.

2.2. Strategies for China's sustainable development

- Efforts should be made in order to conduct a restructure of economic policies.
- The initiative should be taken to control the total population and improve its quality.
- Necessary efforts should be made to draw special attention to the policies which support the poor population and comprehensively promote poverty alleviation.
- Steps should be taken to construct a resource-saving and environmentally-friendly society.
- Sustainable development and possibilities of its implementation should be improved and guaranteed by promoting them continuously.

3. Philippines

Poverty remains a critical social problem that needs to be solved. Philippines' poverty line is marked by a *per capita* income of 16,841 pesos a year. (Dela-Cruz, 2009). According to the available data from the National Statistical Coordination Board, more than one-quarter (27.9%) of the population fell below the poverty line in the first semester of 2012, which constitutes approximately a 1 percent increase since 2009. This figure is slightly lower as compared to the 33.1% in 1991 (Virola, 2009).

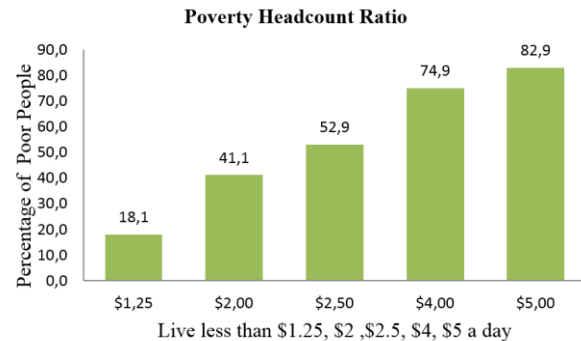


Figure 2. Poverty headcount Ratio, source: World Bank report, 2009

Many of the poor in the Philippines live in rural areas and work in agricultural fields; mostly they are farmers or fishermen. In recent years, the level of poverty in urban areas has increased. Migrants without employment or with low-paying jobs are unable to obtain enough money to build houses. The reason is following: Philippine cities have high proportions of informal settlers who are among the poorest people in the country. Furthermore, poverty is harsh in the parts of the country where conflicts occur at a frequent rate. The poor in the Philippines have a joint family system which comprises six or more members, with young age and old age dependents being the most numerous. In most of the poor families, heads of the families have only elementary education

or lower. These types of poor families hardly have any access to electricity, water and toilet facilities, and also have no assets for their families. They also have a limited access to health and education facilities. Among the citizens of Philippines, the poor people are the most affected by financial and natural disasters. Although they take much effort to solve these issues, their low income results in a further deterioration of their situation.

3.1. Hurdles to Philippines's development

In the Philippines, the key challenges to end extreme impoverishment pertain to country's development such as weak governance, scarcity of business enterprise, persistent corruption, elite capture and state capture, inadequate education and health services, the persistence of armed conflicts within the southern island of Mindanao, inadequate natural resources management and increased frequency, as well as intensity of natural disasters. The country's long history of policy distortions has led to patterns of growth that did not offer smart jobs to the bulk of Filipinos. Cities within the Philippines have not been prepared to keep up with the excessive growth of urban population, as proven in infrastructure and housing deficiencies, tied up with environmental pollution. The reluctance of non-public sector to speculate and build additional and higher quality jobs reflects the country's weak investment climate for companies of all sizes.

3.2. Strategies for Philippines's sustainable development

- The government of the Philippines must provide direct help to the poorest through social protection programs. The poorest families would benefit from a conditional money transfer program.
- The government should provide vaccinations for children and join them at school. In order to fund and implement this universal health program and improve the access to basic education, the government of the Philippines should go for fast revenue assortment, public expenditure management and effective native governance.
- The government of the Philippines must acknowledge that ending extreme impoverishment requires the ways and programs geared toward sustaining an inclusive, resilient growth.
- Philippines government must address the binding constraints in order to increase growth by: raising the standard of policies, rules and their implementation; strengthening the rule-of-law and anti-corruption measures; improving the performance of business enterprise; and promoting the human capability development.

- Efforts must be taken to assist the second-tier cities outside of Manila railway system to make them effective engines of growth in their localities and close areas.
- The government should develop peace and stability in conflict-affected areas of Mindanao, which is inhabited by many poor people.
- The government should enhance the environmental resilience through programs that mitigate the impact of natural disasters, therefore minimizing the impact on the poor.
- The government should implement programs that improve access to quality education and health services.
- Finally, through humanitarian help, add disaster- and conflict-affected areas, the government must take efforts to revive an immediate access to basic services for the poor.

4. Kenya

Kenya is a country of many differences, from its landscape to demographics, and, therefore, a lot of social and economic inequalities. Kenya is also one of the most unequal countries within the sub-region. 42% of its population, i.e. 38.3 million, live below the level of poverty. The access to basic quality services like healthcare, education, fresh water and hygiene, is usually a luxury for many individuals. Giant segments of the population, together with the growing number of poor people living in urban areas, are extremely prone to the environmental conditions, as well as economic and social shockwaves. As such, the progress on the *Millennium Development Goals*, particularly with reference to social insurance, is mixed. On another front, Kenya continues to face humanitarian challenges, in particular the presence of over 500,000 immigrants from Somalia and 30,000 new ones coming from South Sudan. In June 2011, Kenya faced formidable hurdles with the Horn of continent drought that left 3.75 million Kenyans and 150,000 refugees, principally from Somalia, in need of humanitarian help.

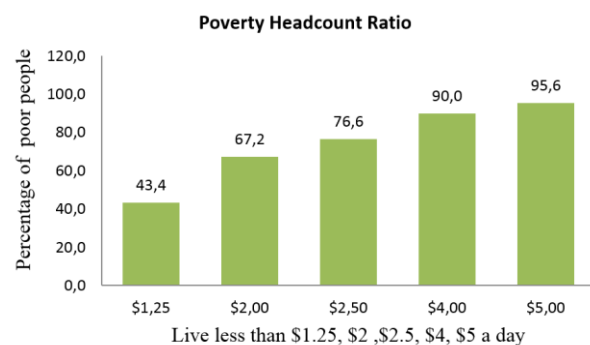


Figure 3. Poverty headcount Ratio, source: World Bank Poverty and Inequality Statistics, April 2015

Figure 3 shows the Poverty headcount ratio at the national poverty line (% of the population) in Kenya. The total population of Kenya is 38.3 Million. Among the total population, 43.4% Kenyans live for less than \$1.25 per day. 67.2 % of the Kenyan population lives for less than \$2.00 a day, at 2005 international prices. In comparison to the international rates, 95.6% of total Kenya population lives for less than \$5 a day.

4.1. Hurdles to Kenya's development

The reasons for Kenya's underdevelopment are normally identified as the lack of sufficient capital, technology and skilled manpower to allow for a sustained economic growth and development (Ochieng, Maxon, 1992). Since then, the Kenya's population expanded six-fold, thus turning the resource-rich country into a resource-poor one. The Kenyan political conflict is not concerned with alternative political programmes that could address the long-standing grievances of the bulk over landlessness, low wages, joblessness, lack of shelter, inadequate earnings, homelessness, etc. Because the country did not sustain its economic process over the past decades, it simultaneously did not complete its demographic transition from high birth and mortality rates to low ones.

Local primary industries, that entirely depend on the local resources and other people can take away most of their wealth and invest it outside the country, rather than reinvest it within the region. This is often the case with the mineral industries, where investors enjoy tax benefits and waivers and at the same time invest the wealth in other countries.

4.2. Strategies for Kenya's sustainable development

- The government should develop pro-poor policies that would aim to provide social assistance and other support to the poor and people living in rural areas; then, Kenya can fairly quickly enjoy a massive reduction of poverty by boosting its economy and reducing inequality.
- More recently, those holding to this view have pointed to the need to eliminate corruption and to stimulate the private sector of economy as additional factors that would facilitate and accelerate development.
- The government has to concentrate on increasing the amount of capital from agricultural expansion and foreign investment, starting with industrialization, importing technologies from developed world, and at the same time by drastically increasing the pool of manpower.
- The government should frame the policy to stimulate the wealth accumulation of people in the home country itself.

- Poverty and birth measures should be directly connected. A poor family has four to six children per household on average. The employing an awareness programme should be considered in order to control the population growth.
- The government should be at the forefront of plummeting poverty and encoding economic progress and development. Sadly, this is often not the case in Kenya. The government leads in the respect of having the highest wages, funded by the poor taxpayers, whereas the initiation of development projects is lagging behind.

5. India

The Economy of India is the seventh-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). Indian economy is a developing one, with approximately 7% average growth rate for the last two decades. The World Bank and institutions of the United Nations use a broader definition for the comparison of poverty amongst nations, including India, which is based on purchasing power parity, as well as nominal relative basis (Chandy, Gertz, 2011). Each state in India has its own poverty threshold to determine how many people are below its poverty line and to reflect the regional economic conditions.

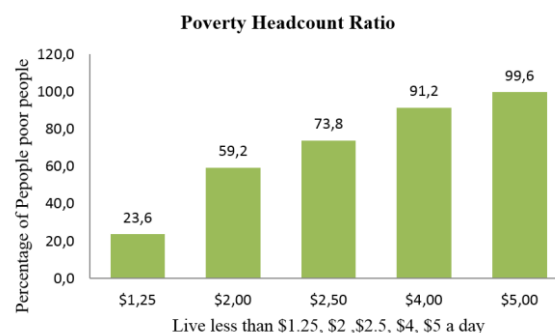


Figure 4. Poverty headcount Ratio, source: World Bank Poverty and Inequality Statistics, April 2015

Nearly 300 million people still live in extreme poverty in India and face deprivation in terms of the access to basic facilities, including education, medical, water, hygiene and electricity. The total population of India is 1252 million (World Bank, United States Census Bureau, 2013). Out of the total population, 23.6%, i.e. 288.41 million people, live under the poverty line with the income of \$1.25 a day. 59.2% of all people in India fall below the international poverty line of US\$ 2 per day. The number of poor is now estimated as 288 million, 200 million of which reside in rural India. Approximately 1158.13 out of 1252 million people, live under the income of

\$ 5 per day which shows the country's high poverty rate.

5.1. Hurdles to India's development

Unemployment and underemployment are major problems for India's sustainable development. Underemployment refers to a situation where the employment is insufficient in some important way for the worker, relative to a standard (Feldman, 1996). Unemployment Rate in India is reported by the Ministry of Labour and Employment and amounts to 4.9%. Citizens of India either own no land at all or lack the legal rights to own land and property. The lack of land ownership is a major limitation to the Indian economic growth and hinders the country's ability to develop and compete in the international sphere. A higher degree of population created a great demand for land and so agricultural land is used for the residential purpose which, in turn, affects the sustainable development of India. The caste prejudices still plague the society and even become influential factors at the time of elections. Politicians inspire and exploit these attitudes for their own benefits. Discernment of lower castes is widely prevalent and has kept a large percentage of our population backward. In this way, the development of India has been hampered.

5.2. Strategies for India's sustainable development

- The government should create the plan to ensure adequate nutrition and dietary improvement for the poor.
- The government should allocate minimum portion of budgetary expenditure for the pro-poor growth sectors as a share of GDP and of total government expenditure.
- Nominal percentage of poor covered by micro-credit and similar programmes should be introduced in order to reduce income/consumption inequality.
- New projects must be undertaken by the government to reduce the rate of growth of employment.
- The state and central government should take combined effort on social services, including education, public health care, family well-being, water supply and hygiene, welfare of scheduled castes, scheduled Tribes and different backward categories, labour and labour welfare, social security, nutrition, and relief for natural calamities, etc.

Conclusion

In developing countries like China, Philippines, Kenya and India, impoverishment is the main problem for sustainable development. It is caused by a huge population of these countries. In these

countries, children and adults are vulnerable to malnutrition because of poor diet, infectious diseases, lack of appropriate care and inequitable distribution of food within the household. Sustainable development is a vision, a way of thinking and acting; so that we can secure the resources and environment for our future generations. It will not be brought about by more policies. It must be taken up by society at large as a principle guiding the many choices each citizen makes on a daily basis, as well as the immense political and economic decisions that affect many people. Ultimately, the vision will become a reality only if everybody contributes to a nation where financial freedom, social justice and environmental protection go hand in hand, creating space for future generations and allowing them to live more contented than at present.

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