

RETHINKING POVERTY

# Why redefining the 'poverty line' is necessary



ABDULLAH SHIBLI

**A**S the new government in Bangladesh seeks to implement some of the promises it made during the last election campaign, this is an opportune moment for us to review some of our collective aspirations. The most important and urgent priority for the country is poverty elimination. Commendably, past administrations have always kept poverty alleviation as one of their primary goals. And we have succeeded somewhat in this difficult and uphill task. A few years ago, we embarked on an even more ambitious programme to eliminate extreme poverty by 2030. Our political leaders, not to mention every stakeholder engaged in this monumental undertaking, would definitely like to declare soon that "there is no poverty in our country." At this point, let us take a pause and ask, what would we mean when we say in the near future that we have no poor people in this country? The UN Sustainable Development Goals (SDG) programme has developed certain measures to monitor the progress in reaching Goal One (SDG 1), which is poverty elimination. The UN has defined seven "Targets" and 14 "Indicators" for SDG 1. The targets specify the goals and the indicators represent the metrics by which the world aims to track whether these targets are achieved. Indicator 1.1.1 measures the proportion of population below the poverty level by sex, age, employment status and geographical location (urban/rural), and the aim is to lift the world's population above this level. Progress on all the other 16 goals is somewhat conditional upon the first one, elimination of poverty.

In Bangladesh, like many other countries, the poverty threshold is defined as USD 1.9 a day. Statistically, the number or percentage of people living below this level of income is counted and we evaluate our progress in

terms of gradual reduction in these numbers. Currently, 16.2 million people, or roughly 10 percent of the population of the country, have a daily income of less than USD 1.90! The prime minister vowed to eradicate extreme poverty by 2021 when the country celebrates 50 years of independence. The PM must be commended for making this promise, which drastically curtails the timeline for poverty eradication for Bangladesh by 9 years compared with the SDG timeframe. And to be honest, even if we miss the deadline by a year or two, it would be a remarkable achievement measured by any standards.

This accelerated programme for poverty elimination raises three critical questions for the nation: 1) Will the government prioritise or "fast-track" poverty alleviation and marshal all our development resources to ensure a minimum income and employment for the poor? 2) What are some of the new initiatives that will lift the poor from the "sinkhole" of poverty? 3) If the government fast-tracks poverty elimination, how will it affect the existing five-year plans and investment? For example, will the government allocate more funding for healthcare? Will it guarantee

housing for those who live in shanties or have recently become homeless?

A question that has gained currency in academic circles as well as in public discussions around the globe is: "Can we ever eliminate poverty?" Former World Bank President Jim Yong Kim made an interesting observation in a recent post on the bank's blog entitled, "We need to step up our efforts to end poverty in all of its dimensions." He observed that the poverty level is a relative term. Our basic needs change with time. For Bangladesh, the more fundamental issue is, can we ever reach such a point where everyone, including even those situated at the lowest rung of the income ladder, can have a square meal every day, send their children to school, and receive medical care when they are sick? As many op-eds published in this newspaper have rightly pointed out, ending poverty goes beyond ensuring a minimum income, and we need to "acknowledge the fact that we have a long way to go before we can effectively tackle multidimensional poverty." (*The Daily Star*, February 21, 2019)

In development economics, one of the latest problems facing policymakers and

statisticians is how to measure the level of poverty in a country when the definition of poverty is not rigid. In other words, policymakers are grappling with a paradigm shift forcing them to design a programme to erase poverty, a moving target. For a very long time, a per capita income of USD 1.90 per day defined the international poverty line (IPL). It has been so since 2015. The idea of a specific IPL has its strengths. The concept of providing a certain minimum income to ensure basic human needs is powerful, and provides each government and development agencies with a singular objective, i.e. reducing the "poverty headcount". How many times have we seen the following statistics—"The proportion of the world's workers living with their families on less than USD 1.9 per person a day declined significantly over the past two decades, falling from 26.9 percent in 2000 to 9.2 percent in 2017?"

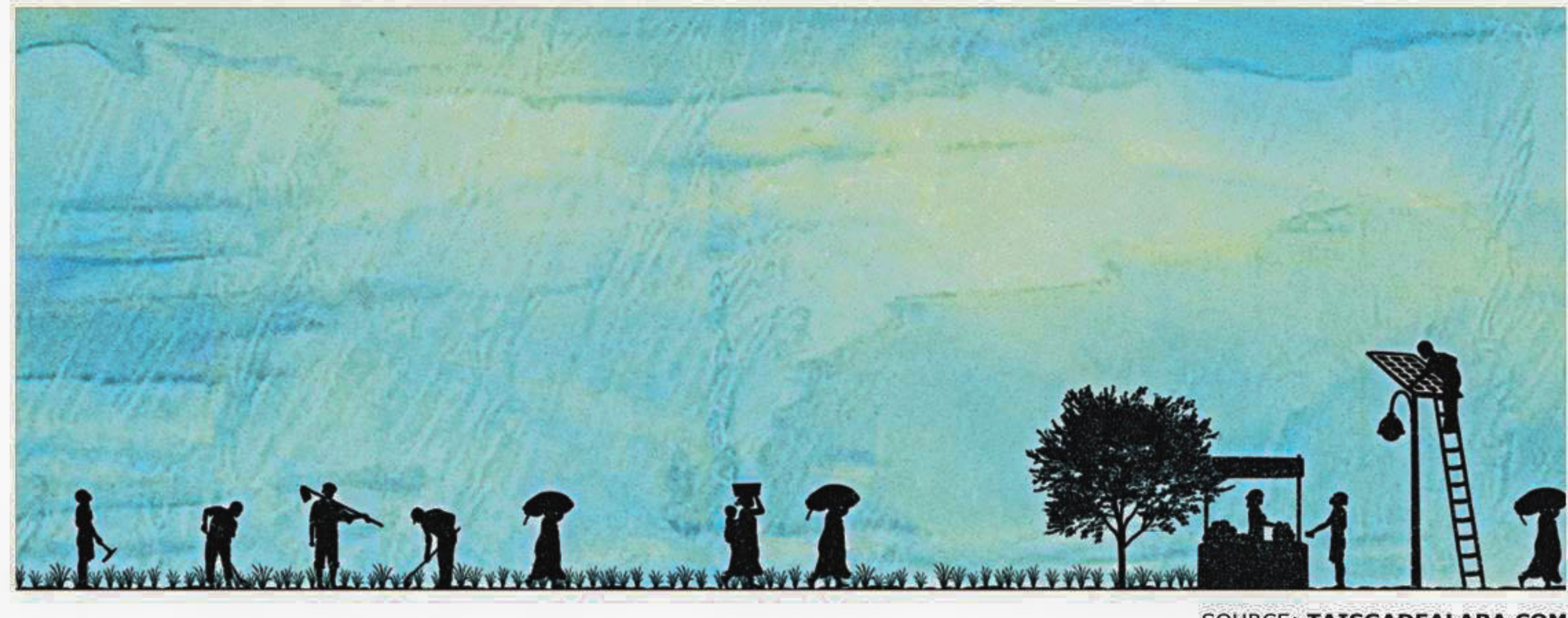
What Kim and others are now suggesting is that we should not sit complacently and relax knowing that the number of poor people who earn less than USD 1.9 per day will soon approach zero. International agencies have indicated that development practitioners also

need to report poverty comparisons at two higher thresholds—USD 3.2 per day and USD 5.5 per day—which are typical standards in lower- and upper-middle-income countries. As Bangladesh approaches the middle-income status, we may now need to raise our minimum income to USD 3.2.

In other words, to really claim victory in our war against poverty, the government needs to raise the bar. Why so? "Measuring poverty also means measuring people's well-being. Our new multidimensional poverty measure takes into account deprivations in education, electricity, water, and sanitation. Often household resources are not distributed equally, leading to greater inequality—especially for women and children—so we need to look at how resources are distributed within households," to quote Kim.

Obviously, that presents a challenge. Imagine that you are playing a game of soccer. As we all know, each team in this game attempts to take the soccer ball between the goal posts and the crossbar of the opposing side. The goal post is permanent and each player knows exactly where it is located. Now think of a hypothetical situation, or a game, where the goal post is not fixed. After the game starts, the goal post suddenly shifts, and in an extreme case, it keeps on shifting.

However outlandish the above scenario might appear at first reading, it turns out that moving targets are not so exceptional after all. In war and sports, having a moving target is very well-known. One of the first lessons in rifle shooting practice or in military training is to aim at a "moving target". A moving target is, however, also a common phenomenon in other recreational sports, finance, and medicine. For example, last year, at the height of the flu season in the USA, a major newspaper in the Midwest ran a story with the headline, "Fighting flu is chasing a moving target."



SOURCE: TAISGADEALARA.COM

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# Agribusiness is the problem, not the solution



JOMO KWAME SUNDARAM

**F**OR two centuries, all too many discussions about hunger and resource scarcity have been haunted by the ghost of the parson Thomas Robert Malthus. Malthus warned that rising populations would exhaust resources, especially those needed for food production. Exponential population growth would out-strip food output.

Humanity now faces a major challenge as global warming is expected to frustrate the production of enough food as the world population rises to 9.7 billion by 2050.

Timothy Wise's new book "Eating Tomorrow: Agribusiness, Family Farmers, and the Battle for the Future of Food" argues that most solutions currently put forward by government, philanthropic and private sector luminaries are misleading.

**Malthus' ghost returns**

The early 2008 food price crisis has often been wrongly associated with the 2008-2009 global financial crisis. The number of hungry in the world was said to have risen to over a billion, feeding a resurgence of neo-Malthusianism.

Agribusiness advocates fed such fears, insisting that food production must double by 2050, and high-yielding industrial agriculture, under the auspices of agribusiness, is the only solution. In fact, the world is mainly fed by hundreds of millions of small-scale "family" farmers who produce over two-thirds of

developing countries' food.

Contrary to conventional wisdom, neither food scarcity nor poor physical access are the main causes of food insecurity and hunger. Instead, Reuters has observed a "global grain glut", with surplus cereal stocks piling up.

Meanwhile, poor production, processing and storage facilities cause food losses of an average of about a third of developing countries' output. A similar share is believed lost in rich countries due to wasteful food storage, marketing and consumption behaviour.

Nevertheless, despite grain abundance, the 2018 State of Food Insecurity report, by the Rome-based United Nations food agencies led by the Food and Agriculture Organization (FAO), reported rising chronic and severe hunger or undernourishment involving more than 800 million.

Political, philanthropic and corporate leaders have promised to help struggling African and other countries grow more food, by offering to improve farming practices. New seed and other technologies would modernise those left behind.

But producing more food, by itself, does not enable the hungry to eat. Thus, agribusiness and its philanthropic promoters are often the problem, not the solution, in feeding the world.

"Eating Tomorrow" addresses related questions such as: Why doesn't rising global food production feed the hungry? How can we "feed the world" of rising populations and unsustainable pressure on land, water and other natural resources that farmers need to grow food?

**Family farmers lack power**

Drawing on five years of extensive fieldwork in

Southern Africa, Mexico, India and the US Midwest, Wise concludes that the problem is essentially one of power. He shows how powerful business interests influence government food and agricultural policies to favour large farms.

This is typically at the expense of "family" farmers, who grow most of the world's food, but also involves putting consumers and others at risk, e.g., due to agrochemical use. His many examples not only detail and explain the many problems small-scale farmers face, but also their typically constructive responses despite lack of support, if not worse, from most governments.

In Mexico, trade liberalisation following the 1993 North American Free Trade Area (NAFTA) agreement swamped the country with cheap, subsidised US maize and pork, accelerating migration from the countryside. Apparently, this was actively encouraged by transnational pork producers employing "undocumented" and un-unionised Mexican workers willing to accept low wages and poor working conditions.

In Malawi, large government subsidies encouraged farmers to buy commercial fertilisers and seeds from US agribusinesses such as now Bayer-owned Monsanto, but to little effect, as their productivity and food security stagnated or even deteriorated. Meanwhile, Monsanto took over the government seed company, favouring its own patented seeds at the expense of productive local varieties, while a former senior Monsanto official co-authored the national seed policy that threatens to criminalise farmers who save, exchange and sell seeds instead!

In Zambia, greater use of seeds and fertilisers from agribusiness tripled maize production without reducing the country's very high

rates of poverty and malnutrition. Meanwhile, as the government provides 250,000-acre "farm blocks" to foreign investors, family farmers struggle for title to farm land.

In Mozambique too, the government gives away vast tracts of farm land to foreign investors. Meanwhile, women-led cooperatives successfully run their own native maize seed banks.

Meanwhile, Iowa promotes vast monocultures of maize and soybean to feed hogs and bioethanol rather than "feed the world".

A large Mexican farmer cooperative launched an "agro-ecological revolution", while the old government kept trying to legalise Monsanto's controversial genetically modified maize. Farmers have thus far halted the Monsanto plan, arguing that GM corn threatens the rich diversity of native Mexican varieties.

Much of the research for the book was done in 2014-15, when Obama was US president, although the narrative begins with developments and policies following the 2008 food price crisis, during Bush's last year in the White House. The book tells a story of US big business' influence on policies enabling more aggressive transnational expansion.

Yet, Wise remains optimistic, emphasising that the world can feed the hungry, many of whom are family farmers. Despite the challenges they face, many family farmers are finding innovative and effective ways to grow more and better food. He advocates support for farmers' efforts to improve their soil, output and wellbeing.

**Eating better**

Hungry farmers are nourishing their life-

giving soils using more ecologically sound practices to plant a diversity of native crops, instead of using costly chemicals for export-oriented monocultures. According to Wise, they are growing more and better food, and are capable of feeding the hungry.

Unfortunately, most national governments and international institutions still favour large-scale, high-input, industrial agriculture, neglecting more sustainable solutions offered by family farmers, and the need to improve the wellbeing of poor farmers.

Undoubtedly, many new agricultural techniques offer the prospect of improving the welfare of farmers, not only by increasing productivity and output, but also by limiting costs, using scarce resources more effectively, and reducing the drudgery of farm work.

But the world must recognise that farming may no longer be viable for many who face land, water and other resource constraints, unless they get better access to such resources. Meanwhile, malnutrition of various types affects well over two billion people in the world, and industrial agriculture contributes about 30 percent of greenhouse gas emissions.

Going forward, it will be important to ensure affordable, healthy and nutritious food supplies for all, mindful not only of food and water safety, but also of various pollution threats. A related challenge will be to enhance dietary diversity affordably to overcome micronutrient deficiencies and diet-related non-communicable diseases for all.

Jomo Kwame Sundaram, a former economics professor, was United Nations Assistant Secretary-General for Economic Development, and received the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought.

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**QUOTABLE Quote**

**KIRAN DESAI**  
Indian author

*The present changes the past. Looking back you do not find what you left behind.*

**CROSSWORD BY THOMAS JOSEPH**

**ACROSS**

- 1 Wear roughly
- 7 Whirl
- 11 Music's Hampton
- 12 Folded food
- 13 You can bet on them
- 14 Not new
- 15 Vagrants
- 17 Letter before Bravo
- 20 Got by
- 23 Arthur of "Maude"
- 24 Germ
- 26 Parisian pal
- 27 Bustle
- 28 Hold up
- 29 "War and Peace" writer
- 31 Young one
- 32 Follow as a result

**DOWN**

- 1 European peak
- 2 Life story, for short
- 3 Congressman Paul
- 4 "West Side Story" role
- 5 Woodland grazer
- 6 "Frozen" queen
- 7 Dazed state
- 8 Travel needs
- 9 Bar need

**33 Inquires**

- 34 Car safety feature
- 37 Float on the breeze
- 39 Tolerates
- 43 Fencing sword
- 44 Let up
- 45 Porgy's love
- 46 Unwavering

**10 Silent assent**

- 16 Enterprise doc
- 17 Let up
- 18 Sherbet flavor
- 19 Emergency defenses
- 21 Downloadable read
- 22 Owed amounts
- 24 Alma --
- 25 Marrying words
- 30 Orchestra pieces
- 33 Slightly
- 35 Cell features
- 36 Aid in crime
- 37 Fly catcher
- 38 Gorilla, for one
- 40 Narc's org.
- 41 Stip
- 42 Pig's place

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**BEETLE BAILEY** by Mort Walker

I'M SORRY I'M LATE

I FORGOT ABOUT THE MEETING

GREAT! NOT BEETLE WALKER

8-9

**BABY BLUES** by Kirkman & Scott

MOM, DO I LOOK EIGHTEEN?

YOU LOOK EIGHT, HAMMIE.

YEAH, THAT'S WHAT I THOUGHT

BUT THE WEBSITE LET ME IN ANYWAY!

THE INTERNET'S CLOSED FOR THE DAY!

**YESTERDAY'S ANSWER**

A	S	H	E	S	T	O	K	E	N
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