

POVERTY LINES: WHO REALLY IS POOR AND WHO ISN'T?

In 1973, the World Bank's president, Robert McNamara, set a goal to "eradicate absolute poverty by the end of this century" (2000). Back then, McNamara drew his line for measuring "absolute poverty" at 30 cents of a US dollar per day, which was thought to be enough to eliminate malnutrition and illiteracy, reduce infant mortality and raise life expectancies to match those in developed nations. Adjusted for inflation, those 30 cents would amount to \$1.60 in today's dollars. But when the new World Bank president, Jim Yong Kim, announced in April 2013 that his institution was going to get serious about poverty and "end extreme poverty by the year 2030", he put the World Bank's new poverty line at \$1.25 a day (up just a wee bit from the decades-old "dollar a day" poverty line we all know so well). That \$1.25 will definitely not be enough to provide education and health or decent housing or secure tenure or access to basic services, but it should be enough to just barely keep a person in most places from starving to death - which is the World Bank's new and disappointingly unambitious definition of "absolute poverty." By simply lowering the bar like this, the chances of actually achieving this noble-sounding goal to end poverty have been made magically more likely.



By such tricks of statistical smoke and mirrors, the titans adjust the game to serve different purposes, at global and local levels, and the true scale and extent of poverty remains as murky and misrepresented as ever. So who really *is* poor and who *isn't*? And who should be making that call and defining those lines? Sadly, it's almost never the poor themselves, who are the ones most intimately acquainted with all the multi-dimensional fine points of deprivation, and the first to laugh at the silly notion that \$1.25 a day could ever clearly separate the poor from the non-poor. Yet billions of poor people around the globe are being left out by development policies that are based on those wonky top-down poverty lines. As Sheela Patel, from the Indian NGO SPARC puts it, "*Today's development world is very lazy. They want only two bullet points to make a policy. They are too impatient and too busy to worry about the exponential growth of poverty. In development, there is an imagery of professionals being objective in their collection of data about poverty, and poor communities being subjective. We need to reformulate this relationship and buck those imageries.*"

In that spirit, ACHR and IIED are working together to challenge this nonsense with a little *bottom-up* research of our own into poverty in Asian cities. Instead of getting a few professors to gather the information and write up a paper in isolation, in the style of most conventional development research, this regional poverty study is being organized to create space for urban poor people around Asia - the ones who understand poverty best - to think, examine, discuss and sharpen their own understanding about what constitutes poverty in their own particular contexts. Some of the questions they will be asking themselves include :

- What is poverty? How to decide who is poor or not so poor, and what aspects of poverty determine those levels?
- What does a person need to live a sufficient life in these cities and countries, and how much income do those things require?
- What is the level of poverty in these cities and countries? How do people in these various categories of poverty survive?
- What problems will the World Bank's new \$1.25-a-day poverty line cause in these cities and countries?

A few responses to the study, from friends around the region:

- **From Lajana in NEPAL :** In every national and city-level meeting and workshop in Nepal over the last 20 years, we have always faced this question: How do you define who are the urban poor? If people living in slums own TVs, mobile phones and motorbikes, and make very articulate speeches, how can they be poor? Recently, UN-Habitat conducted a study and prepared policy guidelines for upgrading slums which divides people living in the settlements into at least seven categories of "poor" - we don't think these definitions can work in real life.
- **From Anh in VIETNAM :** It would be very striking to see how the poor define poverty themselves. I believe the outcome of such a study would be much more interesting if we could make it more comparative, including more than just one city per country, and several countries in the region.
- **From Arif in PAKISTAN :** The changes in Pakistan over the last decade have been enormous. Inflation and recession in the formal economy have taken place, and new forms of capital-intensive farming (the result of globalization) have created a new push out of the rural areas. People have reacted to overcome the negative aspects of all this. I feel their unmet aspirations are also a part of poverty. An understanding of these socio-economic changes and their micro-level repercussions are essential to an understanding of poverty.
- **From Kirtee in INDIA :** There is a very lively debate on how to define poverty in India right now, with the Nobel Laureate Amartya Sen on one side and Prof. Jagdish Bhagwati on the other sides. The new Food Security Bill, which covers almost 700 million people, has made this debate a live topic. But everything is formal - it's all government and big time economists. Nothing is ever done in a bottom-up way or from the angle of the poor themselves. Getting the poor to define poverty is a remarkably interesting idea, and if it's done well, it will be a game-changer.
- **From Hosaka in JAPAN :** The poverty line is an initial ballpark measurement institutions use to identify target beneficiaries and allocate entitlements. But for the people, the poverty line is a result of the process of actual deprivation. Many assume that globalization has deprived the poor, but few have documented that process empirically, through poor people's eyes. I believe that asking people to describe their survival strategies (including non-monetary exchanges and social relations) would be very empowering for them.