

# Ngo Li Ning Jeanette\_Take-home Essay 1.docx

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## IS LACK OF INCOME THE BEST WAY TO CONCEPTUALIZE POVERTY?

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## **Is lack of income the best way to conceptualize poverty?**

### **1. INTRODUCTION**

Poverty encompasses a range of deprivations that result in living conditions falling below a certain standard, materially or otherwise. Discourses on poverty have often interpreted it in one of three fundamental ways: (i) as a material condition, (ii) as a multi-dimensional condition, and (iii) as a relationally-shaped condition. Conceptualizing poverty as a lack of income seeks to explain poverty as a material condition, where people live in impoverishment due to income and consumption levels that are too limited to meet basic living standards. While lack of income is certainly one dimension to consider, it is insufficient to analyse poverty via the material lens alone. More recent discourses on poverty have highlighted the need to consider “physical and emotional well-being”, which offers a more nuanced and multi-dimensional take on poverty, drawing from elements that contribute to not only our quantitative standard of living, but also qualitative welfare. Predominantly focussing on lack of income to conceptualize poverty would thus not be the most ideal approach, as it overlooks other conditions that contribute to poverty and cannot comprehensively capture its multifaceted nature.

### **2. WAYS OF CONCEPTUALIZING POVERTY**

A better understanding of how poverty “came about” can be attained by tracing the conceptualization of poverty to its historical roots, starting from the moment the global North “discovered” widespread poverty in the global South shortly after the second world war. According to Escobar, the conceptualization of poverty as a lack of income is a socially constructed one. The idea of poverty was concretized by adopting annual per capita income as

the yardstick of measurement to compare the living conditions in developing countries against the standards of wealthier nations in the global North (Escobar, 1995: 23). Against the backdrop of the Cold War, this convenient definition of poverty, immediately classifying “two-thirds of the world as poor after 1945”, allowed the global North to justify their intervention and encroachment upon the global South (Escobar, 1995:23-24). The construction of poverty as a lack of income is then at the time, simply an easy means for the global North to claim economic development as the solution to “solve” the problem at hand.

This social construction of poverty is not only grossly oversimplified, but also highlights the problematic way in which poverty has been historically conceptualized – through Eurocentric lenses that demonstrates the Western cultural hegemony over the idea of what development is (Lecture #2, Slide #4). Poverty being attributed to simply a lack of income also makes it easier to shift the blame on being poor to the poor themselves, by insinuating that their inferior ways, bad choices, and problematic cultures are the reasons they fall behind (Teo, 2018). In the process, the exploitation of the poor by the rich as a factor in facilitating poverty is often overlooked.

It is thus crucial to not only consider the material aspects of poverty, but also its multiple other dimensions for a more comprehensive understanding of the myriad factors that interplay with each other when it comes to poverty. This includes taking into account implicit and explicit structures that create or maintain the conditions for poverty to thrive and spread, the changing landscapes of poverty, and the relational aspects of it.

### **3. STRUCTURAL CONDITIONS**

Structural poverty refers to poverty that manifest either directly or indirectly as a result of the economic, political, and social structures that shape our daily lives. This can stem from

structural conditions that create and perpetuate inequalities and systematic deprivations. Reconciling Amartya Sen's idea of "substantive freedoms" with the problem of inequality, any deprivation that prevents individuals from having equal access to opportunities to pursue their desired way of life should be acknowledged as part of a multidimensional analysis of poverty (McMichael, 2016: 282). While structural conditions are not deterministic, they serve as systems of rule and regulation to dictate what individuals can and cannot do (Teo, 2018), which can affect mobility between social stratas and keep one trapped in the poverty cycle.

Focusing on economic, political and social structures allows us to view poverty in context. These structures should not be viewed in isolation – rather, they are often interlinked and can all concurrently contribute to deprivations that are characteristic of poverty.

### **3.1 Economic Structures**

The development project has structured the global economy to operate on a free-market basis, and encouraged the rise of capitalist economies all over the world to the detriment of many low wage workers. In a free market economy, workers are often at the mercy of their capitalist employers, treated in a dispensable manner, and easily subject to exploitation. Institutions such as the International Monetary Fund (IMF) encouraged the global spread of privatization, resulting in governments implementing a host of economic policies favouring the interests of private companies over that of their people. If workers demand for better conditions, multinational corporations can simply shut down and move to other regions that will better serve their capital interests, making it a choice between unemployment or exploitation for these low-wage workers. This has culminated in several worker's uprisings across Latin America, such as in Argentina. When an economic crisis struck Argentina following free market reforms in the 1990s, many factories simply closed, resulting in a mass of factory workers who suddenly found themselves unemployed without a source of income. Public anger and unrest culminated

in a series of occupied factory movements as workers protested the blatant disregard for labour welfare by factory owners, who only sought to protect their own profits and interests.

As Escobar argues, with the consolidation of capitalism, systemic pauperization is inevitable (Escobar, 1995:22). Those in poverty are forced to produce goods and services for the benefit of others rather than themselves. When the rich benefit from the extraction of labour power, land and other resources from the poor, it creates a vicious cycle where the rich becomes richer while the poor becomes poorer, widening the inequality gap between the two parties. This situation also highlights the development paradox where poverty accompanies economic growth (McMichael, 2016: 14).

The manner in which markets are structured is thus demonstrated to create fitting conditions for the exploitation of the working class, especially that of low wage workers in the global South. In the process of economic development, a disproportionate emphasis has been placed on industrialization, on increasing income and consumption, while disregarding the various accompanying costs such as environmental degradation. These costs are often unfairly borne by the poor, which in the long run can add up on top of the list of deprivations they already experience.

### **3.2 Political Structures**

Political structures can similarly create or reinforce conditions that inadvertently keep those who are poor, poor. Oppressive regimes and non-democratic governments have the power to implement policies that disregard the welfare of the people for economic gains, and quash any popular dissent that arise. Ineffective governance can likewise result in unstable political, economic and social environments, which negatively impacts one's qualitative standard of living.

Many governments have been compelled to implement austerity measures and welfare cuts at the behest of the International Monetary Fund (IMF) in order to receive loans. The impacts of these public spending cuts and austerity measures have further worsened living conditions for the poor, who are most in need of support from the state. For instance, austerity policies imposed by the IMF have aggravated Greece's depression – Greece's GDP has declined by 26 percent, the unemployment rate stands at 26 percent, and 40.5 percent of minors are impoverished following the explosion of the Greek Debt Crisis (McMichael, 2016: 219). Greece's situation reflects the importance of political structures in relation to poverty – when developing countries rack up huge national debts due to bad policies, citizens often fall victim to poverty through no direct fault of their own.

Unstable political climates also make for a less-than-ideal environment for businesses to operate in and bring about insecurity and unease to the lives of the people there. When political instability is accompanied by frequent war, conflict and riots, the poor are often the most adversely affected. In many cases, they face food and housing insecurity, and even imminent danger to their lives. In such environments, poverty is experienced on a scale that an increase in income alone cannot address – besides possessing little capital, the poor have to contend with multiple other forms of deprivation in their lives, such as a lack of security.

### **3.3 Social Structures**

When thinking about the social in relation to poverty, it is crucial to examine the role of institutionalized inequality. Social policies may discriminate against certain groups based on race, gender, and age, among others, causing disparities in education and employment opportunities for these marginalized groups. Often, privileges accorded to the majority are not equally accorded for the minority, leaving them susceptible to life-long disadvantages and a higher likelihood of falling into the poverty cycle. The feeling of vulnerability, isolation, and

powerlessness often experienced by those in poverty can help explain why risk minimization is the dominant strategy for many of them (Engberg-Pedersen & Ravnborg, 2010: 12). This acts as a barrier to mobility by rendering those who are impoverished hesitant to take drastic measures to escape the poverty cycle.

For those born into poverty, the unequal access to opportunities can compound over time and serve to severely deprive them of achievements they could have enjoyed, had they been born into a position of privilege. For instance, children born into low-income households may lack the means to pursue quality education, which can go on to stunt their future career pathways and progression. Those with limited academic credentials may find themselves only “qualified” to work low-paying, dead-end jobs, making it harder for them to break out of the poverty cycle. Many are also deprived of the chance to build quality social networks due to the vastly different environments they have to grow up in.

Marginalized, vulnerable groups such as refugees and asylum seekers are also not accorded the same protection and rights as normal citizens – they have little choice but to live in terrible, unsanitary conditions and are extremely vulnerable to food insecurity. They face isolation and alienation from both local communities and their own communities back home from where they fled. They are often dependent on whatever little refugee protection is offered by the host state. Even if their living conditions leave much to be desired, these vulnerable communities are powerless to do anything about it, because the alternative is to face the violent and dangerous conditions back home.

In these cases, having a lack of income is often not simply because these people are lazy, backward or deviant. Sometimes, they are born into unfortunate circumstances where danger and instability are rife, where they are discriminated for factors out of their control, and



deprived of equal opportunities as others. These factors highlight that lack of income is not the only factor at play, when there are fundamental issues in our environments that make attaining a quality standard of living much harder for some people than others.

#### **4. DYNAMIC CONDITIONS**

Poverty is dynamic in nature – geographies of poverty are fluid, temporal, and can change over space and time. Where poverty is thought to manifest, and where it actually manifests over time can be very different. The initial discovery of poverty and its attribution to the lack of development in the global South has perpetuated the idea that poor people reside in poor, backward, undeveloped countries, while discounting the existence of the poor in developed, advanced economies. Another drawback in conceptualizing poverty as a lack of income is that it considers poverty via absolute metrics rather than relative terms. The poor in wealthy countries may be able to earn more in a month than those in developing countries earn in a year, and they may not necessarily be facing starvation on a daily basis. However, they can still experience relative poverty especially when accounting for rising costs of living and factoring in structural conditions that contribute to deprivations as discussed above, such as systematic racism and sexism. While the development project aimed to bridge the north-south divide between countries, it appears to have overlooked inequalities developing within countries themselves.

Given that poverty is experienced in specific, local contexts, and conditions through which poverty manifest changes over time, it is important to not fixate on simply one interpretation of poverty – in this case, that of lack of income. Along with ever-shifting environments, perceptions of poverty should also change with time to accommodate new conditions that come into play.

## **5. POVERTY THROUGH THE LENS OF THE POOR**

In recognizing that past conceptualizations of poverty is Eurocentric and one-dimensional in nature, it is also time to reassess the effectiveness of current development efforts to combat poverty. Without rethinking poverty through the lens of the poor themselves, it is hard to imagine that what they actually need might be different from what we think they need. For instance, more affordable healthcare services for the poor may not actually be perceived as an urgent need, when what is more pressing in their minds is the issue of food insecurity.

### **5.1 Relational aspects of poverty: Exploitation**

Examining the relational aspects of poverty is crucial to better understand the ways in which actors, social relations, and structural conditions can inhibit the poor from escaping poverty. In the face of exploitation by more powerful and influential actors, those in poverty – often marginalized, vulnerable groups – may feel powerless to defend themselves. Apart from direct exploitation due to capitalist working conditions, indirect exploitation can occur when particular actors are able to disproportionately enjoy limited goods and resources due to their better endowment of social, political or economic capital, at the expense of those without. These limited resources then get depleted, preventing the latter from improving their conditions down the line. While industrialization and urbanization have always been framed as beneficial for the people living in developing countries, reality suggests otherwise. In the face of development, poor rural households are often forcibly relocated to marginal land with little potential for agricultural production, with little say on their part. Above all, the relationship cultivated between the local people and their environments is often disregarded. Heavy industrial activity leading to externalities such as health issues arising from air pollution and environment degradation are often dismissed by companies, leaving the costs of environmental degradation to be borne disproportionately by the poor (McMichael, 2016: 10).

## **5.2 Interplay of conditions giving rise to poverty**

Given that feelings of vulnerability, isolation and powerlessness manifest as the composite result of different dimensions of poverty (Engberg-Pedersen & Ravnborg, 2010: 14), it is unlikely that improvements along one dimension of poverty (such as by attempting to increase per capita income) can fundamentally resolve the issue. Any improvement to conditions in one field of life can be “offset” by the deterioration of another field – if on the one hand, a person in poverty enjoys an increase in income and consumption levels, but is then deprived of a stable environment to live in, and has to face constant threats to their safety, then it is hard to claim that their state of welfare is now better off than before.

## **6. CONCLUSION**

This paper has discussed the multidimensional nature of poverty, thus highlighting the inadequacy and reductionist approach of attributing poverty solely or predominantly to lack of income. Poverty should not only be quantified through absolute metrics, but also account for relative dimensions. I have considered the alternative ways in which we can conceptualize poverty: by examining conditions that allow for the manifestation and perpetuation of poverty via existing economic, political, and social structures. I have also expounded on the dynamics of poverty, in which geographies of poverty are not fixed in time – they are fluid, temporal and shift over space and time in tandem with global developments, which necessitates fluid interpretations of poverty as well. The Eurocentric take on poverty is as discussed, limited and hypocritical in nature for attributing poverty to “backward practices” in developing countries while discounting the role of the global North in facilitating the exploitation of vulnerable communities in the global South. Conceptualizations of poverty should go beyond the Eurocentric take on development and consider from the perspectives of the poor. At the same

time, we should acknowledge that feelings of vulnerability, isolation and powerlessness often arise from complex conditions and is unlikely to be caused by one dimension of poverty alone.

In light of this, I reiterate my stand that a construction of poverty based solely on material conditions such as the lack of income is incomprehensive and should not be considered the “best” way to conceptualize poverty. Poverty should not be viewed in isolated dimensions, but rather, be understood flexibly as the product of many different processes and social actions.

**Word Count: 2783**

## **7. REFERENCES**

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FINAL GRADE

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GENERAL COMMENTS

### Instructor

Excellent. You a clear thesis that was supported. Your support did not summarize but rather relied on original analysis, using module materials to support your own original argumentation. I also appreciate the emphasis on organization. Yet with that said herein lies my only critique: there were too many sections for such a short essay. Some of your sections were a bit underdeveloped. Perhaps narrow a bit next time so that you fully support all your points.

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### Comment 1

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