

Poverty

I -INTRODUCTION

Poverty, condition of having insufficient resources or income. In its most extreme form, poverty is a lack of basic human needs, such as adequate and nutritious food, clothing, housing, clean water, and health services. Extreme poverty can cause terrible suffering and death, and even modest levels of poverty can prevent people from realizing many of their desires. The world's poorest people—many of whom live in developing areas of Africa, Asia, Latin America, and Eastern Europe—struggle daily for food, shelter, and other necessities. They often suffer from severe malnutrition, epidemic disease outbreaks, famine, and war. In wealthier countries—such as the United States, Canada, Japan, and those in Western Europe—the effects of poverty may include poor nutrition, mental illness, drug dependence, crime, and high rates of disease.

Extreme poverty, which threatens people's health or lives, is also known as destitution or absolute poverty. In the United States, extreme poverty is traditionally defined as having an annual income that is less than half of the official poverty line (an income level determined by the Bureau of the Census). Extreme poverty in developing nations, as defined by international organizations, means having a household income of less than U.S.\$1 per day. Relative poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages. In developed countries, relative poverty often is measured as having a family income less than one-half of the median income for that country.

The reasons for poverty are not clear. Some people believe that poverty results from a lack of adequate resources on a global level—resources such as land, food, and building materials—that are necessary for the well-being or survival of the world's people. Others see poverty as an effect of the uneven distribution of resources around the world on an international or even regional scale. This second line of reasoning helps explain why many people have much more than they need to live in comfort, while many others do not have enough resources to live.

II -POVERTY THROUGHOUT HISTORY

Poverty has been a concern in societies since before the beginning of recorded history. According to sociologists and anthropologists, social stratification—the division of a society into a hierarchy of wealth, power, and status—was a defining characteristic of the earliest civilizations, including those of ancient Egypt, Sumer in the Middle East, and the Indus Valley of what is now India. The rulers and other powerful or wealthy members of these civilizations frequently mistreated the poor, sometimes subjecting them to hard labor or enslaving them.

Babylonian, Talmudic, and early Christian writings from later times entreat people with resources and good fortune to relate to the poor with compassion. As the powerful nations of Western civilization became established, they codified relationships between the poor and

nonpoor into law, as was done in Babylonia (see Code of Hammurabi). The present-day welfare systems of the United Kingdom, the United States, and Canada evolved from a 17th-century British legal act known commonly as the Poor Laws.

The rise of civilizations also led to stratification among nations and territories around the globe. Powerful and wealthy nations maintained and increased their power and wealth and built empires by using the labor and resources of less powerful regions. This dynamic took on a new form in the era of colonialism (see Colonialism and Colonies). Through two colonial periods—from the 15th century to the early 19th century and from the early 19th century to the mid-20th century—countries in western Europe, and later the United States and Japan, laid claim to territories and created colonies and new countries in Asia, Africa, and the Americas. These were areas where people still lived directly off the land and where natural resources were plentiful. Colonizers variously sought to acquire new resources and productive land, to spread religion, to find religious freedom, and to gain strategic positions against rival nations in political and military confrontations.

During the first period of colonialism, several western European countries—led by Portugal, The Netherlands, Spain, France, and Britain—used their colonial territories to provide them with goods for consumption and trade. In the late 18th century, the Industrial Revolution brought mechanized production to many nations and ushered in a second period of colonialism. Industrialization began in Britain and soon spread to North America, much of western Europe, and some Pacific nations, such as Japan. Industrialized countries could produce much larger quantities of goods and resources than had previously been possible. To achieve this level of production they relied on colonies to provide raw materials for building and powering machines and for supplying their factories. The industrialized countries, and many of the people living in them, experienced increases in wealth and ease of access to essential resources, including clothing, building materials, and staple foods.

The colonies in Africa, South and East Asia, and what is now Latin America did not share in these gains. Often, the resources of the colonies were exploited by the colonizing countries, especially geographically smaller ones such as Britain and The Netherlands, to supply raw materials such as metal ores for smelting or sugarcane for the production of rum. In the colonies, the production of food and raw materials for manufacturing diverted indigenous peoples from doing subsistence work, such as gardening or tending livestock. Others were simply displaced from their land. Native Africans, Asians, and Americans had been self-sufficient as farmers, herders, or hunter-gatherers; now they became dependent, for the first time, on outsiders for their basic needs, and many became poor. An exception to this pattern occurred in two of the world's largest countries, Russia and China. These countries used primarily their own hinterlands to obtain resources.

In other cases, colonies were centers of trade in slaves (see Slavery: Modern Period). Many European nations, including Portugal, Britain, Spain, France, The Netherlands, and Denmark, set up outposts in West Africa from which they shipped slaves to the colonies of the Americas and the Caribbean. These countries also used slaves for free labor in their own lands. Slaves suffered a total loss of home, land, and livelihood.

The economies of the former colonies in Africa, Asia, and Latin America began to change

only in the mid-20th century when they gained political independence. Most former colonies came to be known as developing countries or, collectively, as the Third World. The Third World is home to the world's poorest people. The countries of eastern Europe—which were formerly part of the Union of Soviet Socialist Republics (USSR) and the Communist bloc—and the People's Republic of China are sometimes referred to as the Second World. These countries have vast rural territories and a legacy of state-owned property, facilities, and equipment (as for farming) from the years of Communist rule. They have become industrialized but many still have high levels of poverty. The former colonizing countries, which have highly industrialized and postindustrial (service- and information-based) economies, have become known generally as developed countries.

The unequal distribution of wealth and resources generated in the colonial period has become even more pronounced in the postindustrial or information age. Members of societies with access to good educational opportunities and advanced technology profit far more from the emerging global economy than do members of less developed societies.

III -CAUSES OF POVERTY

Poverty has many causes, some of them very basic. Some experts suggest, for instance, that the world has too many people, too few jobs, and not enough food. But such basic causes are quite intractable and not easily eradicated. In most cases, the causes and effects of poverty interact, so that what makes people poor also creates conditions that keep them poor. Primary factors that may lead to poverty include (1) overpopulation, (2) the unequal distribution of resources in the world economy, (3) inability to meet high standards of living and costs of living, (4) inadequate education and employment opportunities, (5) environmental degradation, (6) certain economic and demographic trends, and (7) welfare incentives.

A -Overpopulation

Overpopulation, the situation of having large numbers of people with too few resources and too little space, is closely associated with poverty. It can result from high population density (the ratio of people to land area, usually expressed as numbers of persons per square kilometer or square mile) or from low amounts of resources, or from both. Excessively high population densities put stress on available resources. Only a certain number of people can be supported on a given area of land, and that number depends on how much food and other resources the land can provide. In countries where people live primarily by means of simple farming, gardening, herding, hunting, and gathering, even large areas of land can support only small numbers of people because these labor-intensive subsistence activities produce only small amounts of food.

In developed countries such as the United States, Japan, and the countries of western Europe, overpopulation generally is not considered a major cause of poverty. These countries produce large quantities of food through mechanized farming, which depends on commercial fertilizers, large-scale irrigation, and agricultural machinery. This form of production provides enough food to support the high densities of people in metropolitan areas.

A country's level of poverty can depend greatly on its mix of population density and agricultural productivity. Bangladesh, for example, has one of the world's highest population densities, with 938 persons per sq km (2,430 persons per sq mi). A large majority of the people of Bangladesh engage in low-productivity manual farming, which contributes to the country's extremely high level of poverty. Some of the smaller countries in western Europe, such as The Netherlands and Belgium, have high population densities as well. These countries practice mechanized farming and are involved in high-tech industries, however, and therefore have high standards of living.

At the other end of the spectrum, many countries in sub-Saharan Africa have population densities of less than 30 persons per sq km (80 persons per sq mi). Many people in these countries practice manual subsistence farming; these countries also have infertile land and lack the economic resources and technology to boost productivity. As a consequence, these nations are very poor. The United States has both relatively low population density and high agricultural productivity; it is one of the world's wealthiest nations.

High birth rates contribute to overpopulation in many developing countries. Children are assets to many poor families because they provide labor, usually for farming. Cultural norms in traditionally rural societies commonly sanction the value of large families. Also, the governments of developing countries often provide little or no support, financial or political, for family planning (see Birth Control); even people who wish to keep their families small have difficulty doing so. For all these reasons, developing countries tend to have high rates of population growth. Most developed countries provide considerable political and financial support for family planning. People tend to limit the number of children they have because of the availability of this support. Cultural norms in these countries also tend to affirm the ideal of small family size. Recently, however, some developed countries with declining population levels have begun experimenting with incentives to increase the birth rate. See also Population: World Population Growth and Distribution.

B -Global Distribution of Resources

Many experts agree that the legacy of colonialism accounts for much of the unequal distribution of resources in the world economy. In many developing countries, the problems of poverty are massive and pervasive. In recent decades most of these countries have tried to develop their economies with industry and technology with varying levels of success. Some nations have become fairly wealthy, including the Republic of Indonesia, Malaysia, Singapore, South Korea, and Thailand. Many developing countries, however, lack essential raw materials and the knowledge and skills gained through formal education and training. They also often lack the infrastructure provided by, for example, transportation systems and power-generating facilities. Because these things are necessary for the development of industry, developing countries generally must rely on trade with developed countries for manufactured goods, but they cannot afford much.

Some social scientists argue that wealthier developed countries continue to practice a form of colonialism, known as neocolonialism. The affluence of these countries is based to a large extent on favorable trade with the developing world. Developed countries have been able to get inexpensive natural resources from poorer countries in Asia, Africa, and Latin America,

including oil for power, ores and minerals for manufacturing durable goods, and manufactured goods made by low-wage workers in factories operated by multinational corporations. This practice contributes to the dependency of poorer countries while not raising their standards of living.

C -High Standards of Living and Costs of Living

Because people in developed nations may have more wealth and resources than those in developing countries, their standard of living is also generally higher. Thus, people who have what would be considered adequate wealth and resources in developing countries may be considered poor in developed countries. People in the United States, for example, may expect to make, on average, about \$30,000 each year. They also probably expect to rent an apartment or own a house with electricity and running water, to be able to afford to eat and dress well, and to receive quality health care. In addition, many people aspire to afford discretionary expenses—that is, purchases unessential to survival, such as cars, higher-priced foods, and entertainment.

In contrast, people in developing countries may consider themselves to be doing well if they have productive gardens, some livestock, and a house of thatch or mud-brick. In rural areas, people may be accustomed to not having plumbing, electricity, or formal health care. By the standards of developed countries, such living conditions are considered hallmarks of poverty.

Developed countries also tend to have a high cost of living. Even the most basic lifestyle in these countries, with few or no luxuries, can be relatively expensive. Most people in the United States, Canada, Japan, Australia, western European nations, and other developed countries cannot obtain adequate food, clothing, and shelter without ample amounts of money. In some areas, even people with jobs that pay the legal minimum wage may not be able to cover their basic expenses. People who cannot find or maintain well-paying jobs often have no spare income for discretionary or emergency expenses, and many rely on government welfare payments to survive.

D -Inadequate Education and Employment

Illiteracy and lack of education are common in poor countries. Governments of developing countries often cannot afford to provide for good public schools, especially in rural areas. Whereas virtually all children in industrialized countries have access to an education, only about 60 percent of children in sub-Saharan Africa even attend elementary school. Without education, most people cannot find income-generating work. Poor people also often forego schooling in order to concentrate on making a minimal living. In addition, developing countries tend to have few employment opportunities, especially for women. As a result, people may see little reason to go to school.

Even in developed countries, unemployment rates may be high. When people do not have work, they do not make any money; thus, high unemployment leads to high levels of poverty. Availability of employment also tends to fluctuate, creating periods of high joblessness (see Business Cycle). Countries such as Japan, South Korea, Singapore, Switzerland, and Luxembourg have managed at times to keep unemployment as low as 2 percent. Unemployment figures during the 1990s in the United States and most of Europe,

on the other hand, ranged from about 5 percent to more than 20 percent. In countries with high populations, unemployment levels of only a few percentage points mean that millions of working-age people cannot find work and earn an adequate income. Because unemployment figures indicate only the number of people eligible to work who have no job but are seeking employment, such figures are not necessarily an accurate indicator of the number of people living in poverty. Other people may not be able to find enough work or may earn wages too low to support themselves.

E -Environmental Degradation

In many parts of the world, environmental degradation—the deterioration of the natural environment, including the atmosphere, bodies of water, soil, and forests—is an important cause of poverty. Environmental problems have led to shortages of food, clean water, materials for shelter, and other essential resources. As forests, land, air, and water are degraded, people who live directly off these natural resources suffer most from the effects. People in developed countries, on the other hand, have technologies and conveniences such as air and water filters, refined fuels, and industrially produced and stored foods to buffer themselves from the effects of environmental degradation.

Global environmental degradation may result from a variety of factors, including overpopulation and the resulting overuse of land and other resources. Intensive farming, for instance, depletes soil fertility, thus decreasing crop yields. Environmental degradation also results from pollution. Polluting industries include mining, power generation, and chemical production. Other major sources of pollution include automobiles and agricultural fertilizers.

In developing countries, deforestation has had particularly devastating environmental effects. Many rural people, particularly in tropical regions, depend on forests as a source of food and other resources, and deforestation damages or eliminates these supplies. Forests also absorb many pollutants and water from extended rains; without forests, pollution increases and massive flooding further decreases the usability of the deforested areas.

F -Economic and Demographic Trends

Poverty in many developed countries can be linked to economic trends. In the 1950s and 1960s, for example, most people in the United States experienced strong income growth. Taking inflation into account, average family income almost doubled during this period. However, between the early 1970s and the early 1990s typical incomes, adjusted for inflation, grew little while the cost of living increased. Periods of economic recession tend to particularly affect young and less-educated people, who may have difficulty finding jobs that pay enough to support themselves.

Changes in labor markets in developed countries have also contributed to increased poverty levels. For instance, the number of relatively high-paying manufacturing jobs has declined, while the demand for workers in service- and technology-related industries has increased. Historically, people have learned the skills required for jobs that involve manual labor, such as those in manufacturing, either on the job or through easily accessible school vocational programs. As these jobs are replaced by service- and technology-related jobs—jobs that usually require skills taught at the college level—people who cannot afford a college

education find it increasingly difficult to obtain well-paying work.

In many developed nations the number of people living in poverty has increased due to rising disparities in the distribution of resources within these countries. Since the 1970s, for instance, the poorest 20 percent of all U.S. households have earned an increasingly smaller percentage of the total national income (generally less than 5 percent) while the wealthiest 5 percent of households have earned an increasingly greater percentage (about 45 percent of the total). During most of this period, those in the middle and the bottom of the income distribution have become progressively worse off as the cost of living has risen.

Some researchers also cite demographic shifts (changes in the makeup of populations) as contributing to increases in overall poverty. In particular, demographic shifts have led to increases in poverty among children. In the United States, for instance, typical family structures have changed significantly, leading to an increase in single-parent families, which tend to be poorer. Single-parent families with children have a much more difficult time escaping poverty than do two-parent families, in which adults can divide and share childcare and work duties. In 1970 about 87 percent of children lived with both of their parents, but by the turn of the century this figure had dropped to 69 percent. The divorce rate in the United States more than doubled between 1960 and 1980, although it stabilized in the 1980s and fell somewhat in the 1990s. More importantly, perhaps, the proportion of children born to unmarried parents grew from about 5 percent in the early 1960s to more than 33 percent by 2000.

G - Individual Responsibility and Welfare Dependency

There are differing beliefs about individual responsibility for poverty. Some people believe that poverty is a symptom of societal structure and that some proportion of any society inevitably will be poor. Others feel that poverty results from a failure of social institutions, such as the labor market and schools. These people feel that poverty is beyond the control of those who experience it, but might be remedied if appropriate policies were enacted. Other people feel that the poor intentionally behave in ways that cause or perpetuate their poverty. For instance, if people voluntarily choose to use drugs and this leads them to poverty, it can be argued that they are to blame for their situation. However, such an argument cannot completely explain cases in which poverty leads to drug dependence.

In addition, many people in developed countries blame cycles of poverty, or the tendency for the poor to remain poor, on overly generous welfare programs. Supporters of this position, including some politicians, argue against government spending and initiatives to help the poor. They believe that these programs provide incentives for people to stay poor in order to continue receiving payments and other support. This argument also suggests that welfare discourages work and marriage. In the United States and other developed countries, getting a job results in reduced welfare support; the same is true when a single parent gets married. However, cash welfare benefits for the typical poor U.S. family with children fell in value by half between the early 1970s and the mid-1990s, taking inflation into account. Such benefits may have been too meager to motivate people to stay on welfare or to avoid work or marriage.

In the United States, the belief that cash welfare assistance actually encouraged personal decisions leading to poverty dominated policy discussions of the 1990s. In response, in 1996 the U.S. Congress created a new welfare program called Temporary Assistance to Needy Families (TANF). This program ended the guarantee of cash benefits for poor families with children, shifted more control to the states, and established stricter work requirements for recipients. The numbers of poor families with children receiving cash welfare fell dramatically, from 4.6 million in 1996 to 2.1 million at the end of 2001. The poverty rate for children also fell during the 1990s, from more than 20 percent in the early part of the decade to about 16 percent by the end of the decade. Experts disagree, however, on what drove the reductions in both welfare caseloads and poverty: changes in welfare policy or the dynamic economy that prevailed during most of this period.

IV -EFFECTS OF POVERTY

Poverty has wide-ranging and often devastating effects. Many of its effects, such as poor nutrition and physical health problems, result directly from having too little income or too few resources. As a result of poor nutrition and health problems, infant mortality rates among the poor are higher than average, and life expectancies are lower than average. Other effects of poverty may include infectious disease, mental illness, and drug dependence. Some effects of poverty are not as easily understood. For example, studies link poverty to crime, but by no means are all poor people also criminals. In many cases, the primary effects of poverty lead to other problems. Extended hunger and lack of employment, for instance, may lead to depression, which may sometimes contribute to criminal behavior.

The relationship between poverty and personal or social problems is very complex. For example, studies of mothers on welfare reveal that those with multiple problems—such as depression, substance abuse, and being a victim of domestic violence—are much less likely to find work and escape poverty. What is less clear, however, is whether these problems result from the disadvantages of poverty.

A -Malnutrition and Starvation

Malnutrition is one of the most common effects of poverty. In developing countries, the poorest people cannot obtain adequate calories to develop or maintain their appropriate body weight. In Ethiopia, for example, it is estimated that almost half of all children under the age of 5 suffer from malnutrition. Poor children in developing countries often suffer the most, commonly from a deficiency known as protein-energy malnutrition. In these cases, children lack protein in their diets, especially from an insufficient amount of mother's milk. Protein-energy malnutrition leads to a variety of problems, including gastrointestinal disorders, stunted growth, poor mental development, and high rates of infection. Prolonged malnutrition can lead to starvation, a condition in which the body's tissues and organs deteriorate. Long-term starvation almost always results in death.

In addition to caloric malnutrition, most poor children and adults suffer from severe vitamin and mineral deficiencies. These deficiencies can lead to mental disorders; damage to vital organs; failure of the senses, such as poor vision; problems conceiving or delivering babies; and gastrointestinal distress.

Even in the major cities of developed nations, the poor often have unhealthful diets. Resulting in part from a lack of health care and nutritional education and in part from the lower availability and higher cost of better-quality foods, the urban poor tend to eat too much of the wrong kinds of foods. The urban poor commonly eat foods that are fatty or fried, high in sugar and salt, and made of mostly processed carbohydrates. Their diets are often high in low-grade fatty meats, chips, candies, and desserts and low in vegetables, fruits, whole grains, and high-quality lean meats and fish. Such diets commonly cause obesity and hypertension, both of which can contribute to heart disease and other ailments.

B -Infectious Disease and Exposure to the Elements

In addition to the effects of malnutrition, the poor experience high rates of infectious disease. Inadequate shelter or housing creates conditions that promote disease. Without decent protection, many of the poor are exposed to severe and dangerous weather as well as to bacteria and viruses carried by other people and animals. In the tropics, monsoons and hurricanes can destroy the flimsy shelters of the poor. Once exposed, people are vulnerable to fluctuations in temperature that lower their resistance to disease. They also are more likely to become infected with diseases carried by insects or rodents. For instance, mosquitoes carry malaria, a debilitating disease that is common in the tropics. In arid regions, drought leaves the poor without clean water for drinking or bathing. In temperate climates, including in the major cities of developed countries, homelessness is a growing problem. Many of the homeless poor are harmed by or die of exposure to extreme winter cold.

Inadequate sanitation and unhygienic practices among the poor also lead to illness. Inadequate sanitation almost always accompanies inadequate shelter. Because the poor in developing nations commonly have no running water or sewage facilities, human excrement and garbage accumulate, quickly becoming a breeding ground for disease. In cities, especially in ghettos and shantytowns that house only poor people, overcrowding can lead to high transmission rates of airborne diseases, such as tuberculosis. The poor are also often uneducated about the spread of diseases, notably sexually transmitted diseases (STDs). As a result—and because prophylactic devices such as condoms may be hard to obtain or afford, especially in developing countries—STD rates are high among the poor. In particular, the incidence of acquired immunodeficiency syndrome (AIDS) among poor people is higher than average.

Along with the problem of a high incidence of disease, developing countries also have shortages of doctors. Medicine and treatment are often both scarce and too expensive for the poor. For example, only 18 percent of children in Somalia had been immunized against diphtheria, pertussis, and tetanus in 1999; the comparable rate in the United States was 96 percent. In addition, many people who live in rural areas of developing countries cannot get to doctors located in urban areas. In developed countries, the poor may have no health insurance, making the costs of health care unaffordable.

C -Mental Illness and Drug Dependence

In most developed countries, rates of mental illness are highest among the poor. The most common disorders associated with poverty are depression and anxiety disorders. Without meaningful, well-paying work and the resources and social affirmation that come with it,

many poor people develop low self-esteem and feelings of worthlessness. People who are stressed by the uncertainty of where they will get their next meal or spend the night often develop high anxiety. Because the poor experience high rates of severe mental illness, they also have high rates of suicide.

Some poor people attempt to relieve feelings of anxiety and depression associated with poverty through the use of mind-altering drugs. A common drug among the poor is alcohol, which is legal and affordable. Many of those who drink develop alcoholism, becoming physically and emotionally dependent on drinking. Others use and often become addicted to more dangerous and often illegal drugs, including heroin, methamphetamines, and cocaine. Of these drug users, those who take drugs intravenously (by injection into a vein) and share needles with others also suffer from high rates of diseases transmitted through blood and other bodily fluids, including AIDS.

Mental illness and drug dependence demonstrate the difficulties of distinguishing between poverty's causes and its effects. Mentally ill and drug-dependent people tend to have trouble holding steady jobs and maintaining relationships, causing them to fall into poverty. They may also have difficulty lifting themselves out of poverty. At the same time, in some cases poverty itself appears to promote mental illness and drug dependence.

D -Crime and Violence

Some experts believe that poverty leads people to commit acts of violence and crime. Anger, desperation, and the need for money for food, shelter, and other necessities may all contribute to criminal behavior among the poor. Other experts caution that the link of cause and effect between poverty and crime is unclear. In some cases, poverty undoubtedly motivates people to commit crimes, although it may not be the only factor involved. Other problems associated with poverty are often linked to crime. For example, to obtain money some poor people commit the crime of selling illegal drugs; others may steal to obtain the money to buy drugs on which they are dependent.

E -Long-Term Effects

People who grow up in poverty may experience lifelong problems because of it. They are at a disadvantage in things such as education because they have limited income and resources. All children also need adequate nutrition and health care for good physical and mental development, and poor children are often malnourished and sick from a young age. Studies have shown that people who grow up in persistently poor households experience more difficulties throughout their lives than those raised in households that are above the poverty level. Overall, they do not do as well in school, have more difficulties in marriage, and more frequently become single parents. In addition, poverty tends to perpetuate itself. In many cases, those who had poor parents are poor themselves, earning lower-than-average incomes. They may also have learned a mindset that keeps them from getting out of poverty. All of these negative long-term effects are much more likely to occur if children experience prolonged poverty, an unfortunate circumstance much more likely to affect minority children.

V -POVERTY IN DEVELOPING COUNTRIES

Many developing nations experience severe and widespread poverty, which often leads to disease epidemics, starvation, and deaths. In the past few decades, millions of people have starved and died as a result of famine in such countries as Bangladesh, Ethiopia, North Korea, Somalia, and Sudan. As recently as 1998, almost one person in four (23 percent) residing in developing countries lived on less than \$1 a day.

Poverty disproportionately affects women, children, the elderly, and people with disabilities. In many developing nations, women have low social status and are restricted in their access to both education and income-generating work. Without adequate income, they commonly depend on men for support, but often get little. In some developing countries, including in Southeast Asia and eastern Europe, poor women seeking to work or immigrate to other countries are tricked and sold into prostitution or indentured servitude. They receive little or no pay, and are forced to stay to pay off debts incurred through their immigration. Many women end up in sweatshops—illegal factories, usually for making clothing, that have poor working conditions and long hours. Asian countries such as China, India, Korea, and Thailand have been widely accused of permitting or encouraging poor families to kill their female babies, a practice known as female infanticide. These countries are overpopulated, and their cultures promote the belief that men contribute more to economies and bring more wealth to their families than do women.

People who do not work—such as young children, the elderly, and many people with disabilities—depend on families and other support networks for basic necessities. However, neither poor families nor the governments of many developing countries can adequately support the nonworking. Poor children in particular suffer the consequences. Children have underdeveloped immune systems, and they easily acquire diseases in unsanitary living conditions. Thus the poorest countries have high rates of child morbidity (disease) and mortality. Children also have very low social status, and often suffer from parental neglect and abuse because they are not considered important. Like women in many developing countries, children may be exploited as prostitutes or as workers for little or no pay.

Throughout the developing world, ethnic and racial minorities experience prejudice from majority groups and have difficulty attaining an average standard of living. For example, under the system of apartheid, enforced in South Africa from 1948 to the early 1990s, the government systematically denied rights, fair treatment, and educational and employment opportunities to nonwhites, leaving them in massive poverty. Migrants and refugees, who have left their native land and settled elsewhere, also experience high degrees of poverty. Migrants commonly lose the immediate economic support of their families and enter into societies in which they may have difficulty finding good work, especially if they do not speak the language (see Migration).

A -Africa

Africa includes some of the poorest countries in the world. In much of Africa south of the Sahara, harsh environmental conditions exacerbate the conditions of poverty. Dry and barren land covers large expanses of this region. As the poor try to eke out livings through farming and other subsistence practices, they exhaust the land, using up the soil nutrients needed to grow crops. Over time this has led to desertification, a process in which once fertile land turns to desert. During the late 20th century, desertification contributed to

famines in a number of African nations, including Somalia, Ethiopia, and Mali. Political instability and wars in many sub-Saharan countries have also contributed to poverty. As a result of such factors, the number of people living in extreme poverty in sub-Saharan Africa grew from 217 million in 1987 to more than 300 million in 1998.

B -South and East Asia

In 1998 Asia (including South Asia, East Asia, and the Pacific region) accounted for about two-thirds of the world's 1.2 billion poorest people. These people all lived on less than \$1 per day. South Asia—that is, the Indian subcontinent, which includes India, Nepal, and Bangladesh—had about 522 million people living in extreme poverty in 1996. India had the greatest number of poor of any country in the world—more than 300 million people, more than one-third of its population. The caste system associated with Hinduism, the dominant religion in India, helps perpetuate some of this poverty. This system keeps many families poor from generation to generation by assigning certain groups of people to low status.

Approximately 267 million people in East and Southeast Asia lived on less than \$1 per day in 1998. China has very large numbers of poor due to the great size of its rural population. Such Southeast Asian countries as Vietnam, the Philippines, and Indonesia also rank among the world's poorest.

Several wars have contributed to poverty in South and East Asia. World War II (1939-1945) and the wars in Korea (1950-1953) and Vietnam (1959-1975) damaged land, crops, and forests; prevented many people from making a living; and killed and dislocated millions. In the late 20th century, governments and industries around these regions sponsored massive deforestation, mining, and damming projects that damaged or hindered access to forests, fields, and water resources. Such projects also forced many people to abandon their homes and fields, making them more susceptible to poverty.

C -Latin America

In Latin America (Central America, South America, and the Caribbean), the poorest people are commonly Native American, people of African ancestry, and mestizos (persons of mixed Native American and European ancestry). People of European descent who live in Latin America generally have higher standards of living. Political instability has contributed to poverty in many Latin American countries, including Chile, Cuba, Nicaragua, and Panama. These countries have gone through long periods of military rule or dictatorship in which leaders have hoarded land and natural resources and impaired people's ability to make an adequate living. For many years the Caribbean country of Haiti has suffered economically from the effects of both political upheaval and environmental degradation. Brazil has the greatest number of people living in poverty in all of Latin America. This is in part because of its size, but also because of encroachment by urban populations on the land and forest resources of its many native peoples. Large-scale urban poverty, marked by crowded and unsanitary slums, plagues cities such as Rio de Janeiro in Brazil and Mexico City. It is estimated that slightly more than 60 million people in this region of the world lived in extreme poverty in 1998.

D -Eastern Europe and Central Asia

Many countries formerly part of the Communist bloc (the Communist countries of eastern

Europe), including those of the former Soviet Union, have relatively high levels of poverty. Historians and economists blame the legacy of Communism for much of the poverty in these countries. Communist governments owned and distributed most of their countries' property and resources. Leaders of these governments proclaimed the benefits of this centralized system, but many people who lived under Communism experienced lower standards of living than people who lived in countries with democratic governments and free-market economies, such as the United States and the nations of western Europe.

Since the fall of Communism in 1989, poverty in much of eastern Europe and Central Asia has increased. The number of people living in extreme poverty in these areas grew from 1.1 million in 1987 to an estimated 17.6 million in 1998. The fall of Communism ended a political and economic system in which all people had been virtually guaranteed jobs and basic needs, such as food and housing. Sudden uncertainty about the future led to decreases in the value of currencies in all formerly Communist countries. Wars and instability ravaged many of these countries. In the most devastating conflict, the former Yugoslavia erupted in violent civil war in 1991 (see Yugoslav Succession, Wars of). In several formerly Communist countries, political and economic upheaval has led to a wide array of problems, including a dramatic increase in the number of orphaned children. The high number of orphans has stretched the capacity of orphanages, and many orphans live in extreme poverty and suffer from malnutrition, disease, and starvation.

VI -POVERTY IN DEVELOPED COUNTRIES

The nature of poverty in the developed world differs greatly from that in the developing world. In developed countries, the majority of people commonly earn over 200 times the per capita (per person) income of the poorest developing countries. For this reason, developed nations usually measure the income level of poverty as a portion of average income or as an amount below which a person or family cannot afford basic needs, including housing. For people with low or no income, poverty often takes the form of homelessness; those in less extreme poverty often live in substandard and sometimes dangerous housing. Many of the poor in developed countries are also exposed to high levels of violence associated with drug dealing, spouse or child abuse, and other crime.

For reasons that are only partly understood, the United States has higher rates of poverty than most other developed countries. A study of 16 developed nations conducted in the early 1990s used a single measure for comparison: Poverty was defined as earning below half the median (middle) of all incomes. The results showed that about 19 percent of the U.S. population lives in some degree of poverty. The rates were between 10 and 15 percent in Australia, Canada, Ireland, Japan, Spain, and the United Kingdom. Many of the other countries of western Europe—including Belgium, France, Germany, Italy, The Netherlands, and the Scandinavian countries (Finland, Norway, and Sweden)—all had poverty rates of between 5 and 8 percent.

Poverty rates in some developed countries, including the United States and the United Kingdom, are higher among racial minorities. Indigenous people in developed countries also tend to suffer from very high rates of poverty. In the United States, many Native Americans live and work on economically depressed Native American reservations and experience high

rates of joblessness and alcoholism. In Australia, many Aboriginal people live in similar conditions (see Aboriginal Australians).

A -The United States

In 2001 the Census Bureau reported about 33 million residents living in poverty in the United States, or about 12 percent of the total population. About 6.8 million families, or 9 percent of all U.S. families, lived in poverty in 2001. These poverty rates were similar to those of the 1970s, but were about half of the historically high rates of the early 1960s. While little seems to have changed in aggregate, or total, levels of U.S. poverty since the 1970s, the composition of the people living in poverty has changed significantly. That is, the probability of being poor has changed significantly across demographic groups, which are based on age, race, family status, and geographic location. Some groups of people are now much more likely to be poor than in the past while other groups are less likely to be poor. The census divides the total U.S. population into three basic age groups: children (up through 17 years of age), prime-aged adults (18 years to 64 years), and the elderly (65 years of age and over). About 16 percent of children were poor in 2001, more than in any other age group. Poverty among prime-aged adults, who generally work, has fluctuated with changes in the U.S. economy. In 1996, when the economy was performing well, about 10 percent of prime-aged adults lived in poverty. The numbers of elderly living in poverty dropped dramatically between 1959 and 2001, from over 30 percent to around 10 percent.

An estimated 8 percent of whites of all ages (not including those of Hispanic origin) were poor in 2001. By contrast, more than one in five blacks (23 percent) and about the same proportion of Hispanics (21 percent) lived in poverty. Blacks and Hispanics are the largest U.S. minority groups, and most smaller groups, including Asians, experience less poverty. However, because of the different sizes of these groups in the United States, whites make up the largest percentage of the poor overall. In 2001 about 6 percent of all married couples were poor. On the other hand, 35 percent of single-mother households lived in poverty at this time. Rates were even higher for Hispanic (43 percent) and black (42 percent) single-mother households.

Higher percentages of people are poor in the southern and western parts of the country than in the Northeast and Midwest. One reason for this difference may be that the South and West contain more, and more sparsely populated, rural areas, which have fewer higher wage jobs. Poverty is more prevalent in rural areas, and also in central cities, than it is in suburbs. Although pockets of high poverty exist, poor people live in all areas of the United States.

B -Other Developed Countries

There are many factors that might account for the differences in rates of poverty among developed countries. Some countries, such as the United Kingdom, have greatly imbalanced income distributions. In these countries, a relatively small proportion of the population has a large share of money, property, and other resources. This imbalance can make the overall median income fairly high, with the result that more people earn less than the median. In many developed countries, the wealthiest people have money and other resources that might otherwise be available to the rest of society. The great ethnic and racial diversity of countries such as Australia, Canada, and the United Kingdom may also contribute to high

poverty rates because minority groups tend to have low social and economic status. The Scandinavian countries, which have the lowest poverty rates of all developed countries, have fairly homogenous populations.

Differences in the history and scope of social welfare systems among developed countries also may contribute to differences in their poverty rates. For instance Spain and Japan have welfare systems that are not well established or expansive; the poverty rates in these countries are moderate. On the other hand, most of the countries of western Europe and, in particular, the Scandinavian countries, have mature, large social welfare systems that provide a great deal of support for people who have inadequate income. The Scandinavian countries, whose unemployment rates are generally far higher than their poverty rates, have both substantial social welfare systems and relatively equal distributions of income. For example, in the mid-1990s, the estimated child poverty rate in the United States was about seven times the rate measured in Sweden.

VII -MEASURING POVERTY

How people and institutions portray and try to cope with poverty depends to a considerable extent on how poverty is measured. The differences between relative poverty (having less than others) and absolute poverty (not having enough to survive) are great. However, there are a wide variety of options for measuring wealth and well-being and for establishing lines that separate the poor from the nonpoor. Economists have traditionally chosen income as the basis for measuring and defining poverty, but even that choice allows for a multitude of options. While no one measure is necessarily correct, experts argue that some are better than others.

A -International Measurements

In international economics, such as in statistics kept by the United Nations (UN), the measure of a country's wealth is generally based on its gross domestic product (GDP). GDP measures the aggregate yearly monetary income of all of a country's people and businesses. For the purposes of figuring poverty levels, GDP figures are usually calculated as GDP (sometimes referred to as income) per capita. If two countries have the same aggregate GDP, the one with a smaller population will have a higher GDP per capita. In other words, each person in the smaller country has a greater share of the total national income.

In the 1990s developed countries typically enjoyed average per capita yearly incomes in excess of \$15,000 and often \$20,000. At the other extreme, the poorest countries often had per capita yearly incomes substantially under \$1,000. For example, according to one figure, the per capita income in Mozambique, a country in southeastern Africa and one of the world's poorest countries, was about \$100 at the end of the 1990s. While people with such low incomes might be able to produce or obtain some food and other basic needs, they generally have difficulty providing for themselves.

Levels of poverty also depend on how income and resources are distributed. Countries with high GDPs can have low levels of poverty if people have relatively equal amounts of income and resources, such as in Scandinavia. On the other hand, countries with equally high GDPs will have higher poverty rates if a few people have far more income and resources than the

rest. The United States is such a country.

B -U.S. Poverty Measurements

Each year the Bureau of the Census publishes the official poverty figures of the United States. People are said to be poor if their incomes fall below a certain level called a threshold, also known as the poverty line. In this definition, the poor do not have enough income to purchase or have easy access to basic goods and services, such as food, clothing, housing, transportation, and education. The official U.S. poverty rate equals the number of people whose incomes fall below the poverty threshold divided by the number of people counted in the census. Rates are also determined for various groupings within the population, such as sex, age, and race.

A staff economist in the Social Security Administration (SSA), Mollie Orshansky, established the first U.S. poverty thresholds in the early 1960s. They were calculated as the cost of a minimum adequate diet (the least expensive of four nutritionally adequate food plans developed by the U.S. Department of Agriculture) multiplied by three to account for other expenses, such as clothing, housing, and medical costs. Since then, the thresholds have only been updated to account for inflation in the prices of basic goods and services (see Inflation and Deflation).

The poverty line does not, however, change in real dollars (value in terms of what the dollar can purchase). In principle, the 2001 threshold of \$17,960 for a family of four (two adults and two children) represents the same purchasing power as the 1963 threshold value of about \$3,100 for the same type of family. Also, in contrast with the governments of most developed countries, the U.S. government does not adjust poverty thresholds up or down with changes in overall average income.

The government determines poverty status by comparing an individual's or family's income to a threshold limit. This calculation defines income as money earned before taxes, plus transfers (grants to the poor) of cash from the government. Welfare payments, therefore, can put people above the poverty level. The thresholds vary according to family size, people's age, and family composition. They do not change, however, across geographic regions, even though the costs of living in different parts of the country can vary widely. The government uses Census Bureau figures to determine how many people qualify for public assistance programs for the poor. Different poverty thresholds apply to people in different living situations. For example, the U.S. poverty threshold in 2001 was \$8,494 for a single individual under the age of 65 with no dependents, rising to \$39,223 for a nine-person household. The official poverty threshold for a typical struggling family of a single mother with two children was \$14,269 in 2001.

In 1995 an expert panel organized by the National Academy of Sciences proposed many changes in the way the U.S. government measures poverty. Foremost among these changes was a plan to gauge poverty each year according to how much the average person or family spends on goods and services. The existing measurement relies on government definitions of basic goods and services developed in 1967. A new measurement would be a step toward defining U.S. poverty based on standards of living rather than only on costs of living. No changes have yet been implemented.

C -Other Concepts of Poverty

Several other options exist in addition to definitions of poverty based on GDP per capita or on threshold income. Some developed countries, such as most nations of the European Union, define poverty as having significantly fewer resources than average, generally less than half of typical earnings or income. This definition bases the poverty figure on mean (average) or median (the middle) income. These types of measurements contrast with the U.S. poverty line, which is derived from the value of basic consumption rather than from average incomes. For example, the U.S. poverty line for an individual amounted to only about 36 percent of typical earnings in 1996.

Another measure of poverty defines it in terms of human capital—that is, a person's earning potential (generally related to work skills). From this perspective, people with relatively high earning potentials are not poor because they should be able to easily find work. People can increase their skill levels and earning potentials in a variety of ways, such as by attending college, entering an apprenticeship program, or participating in an on-the-job or workplace-sponsored training program. If the job market changes, new skills may become valuable and old ones less in demand, as has happened with the introduction of computers to the workplace. Some governments have considered human capital problems in their attempts to reduce poverty. Changes in the U.S. welfare system in 1996, for example, included a mandate to take money that had previously been budgeted for welfare transfers and channel it to job-training programs.

While income and skills can be measured fairly easily, other definitions of poverty are based on more subjective concepts. A basic subjective definition of poverty is that people are poor if they believe they do not have enough resources. Studies have shown, for example, that when people say they are poor, they tend to spend more on basic goods, such as food, and less on discretionary items, such as televisions or cars. Other subjective definitions of poverty focus on people's quality of life. Quality-of-life measures might include the opportunity to freely choose professions and lifestyles, the right to receive a full and free education, and freedom from political oppression. The United Nations Development Program (UNDP) annually publishes The Human Development Report, which ranks the degree of poverty in different countries using quality-of-life measures such as these.