

Inequality, Vulnerability, and the Relative Condition of Modern Poverty

Andrew M. Fischer

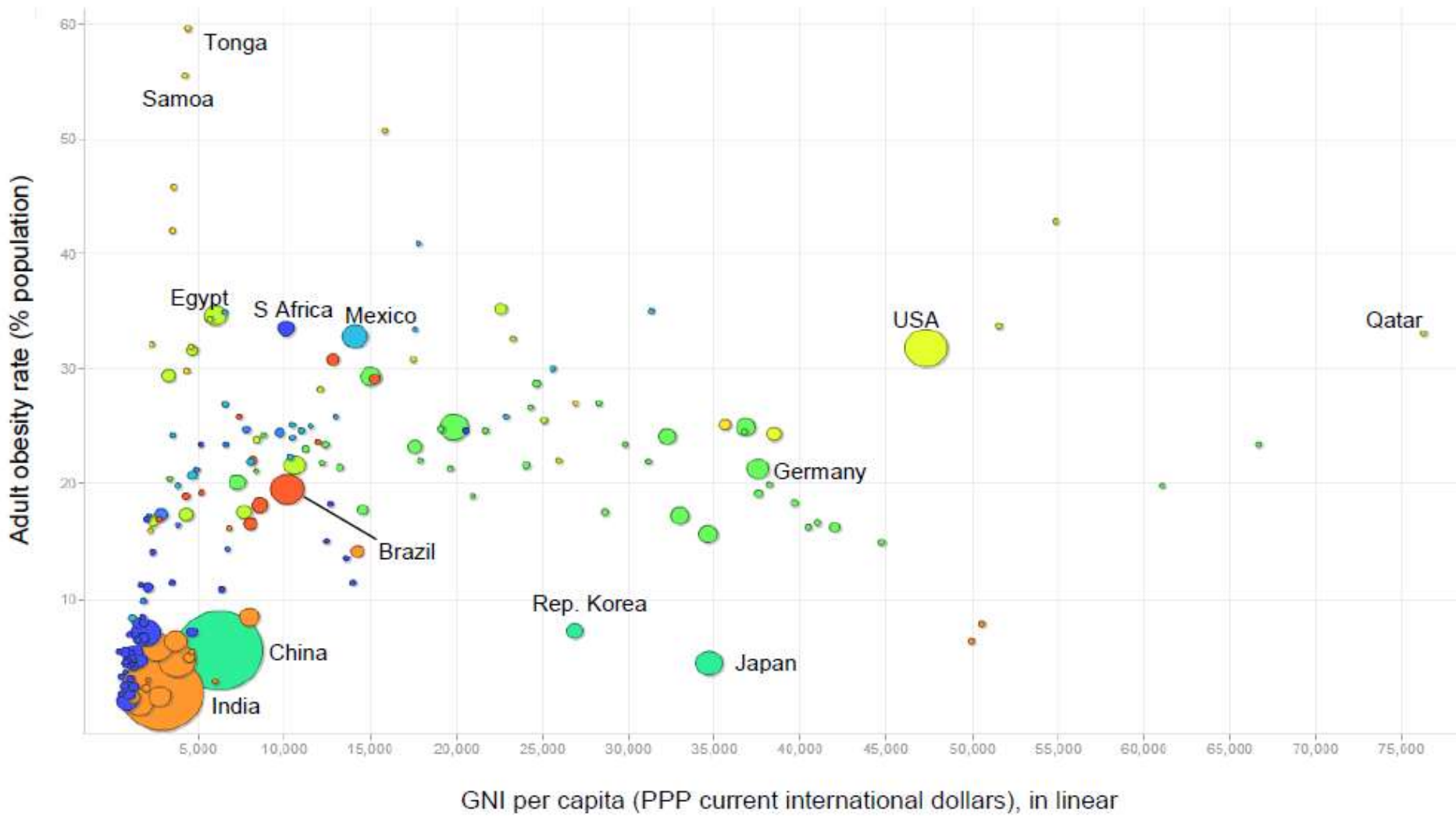
**Institute of Social Studies (ISS), The Hague
Erasmus University Rotterdam**

Falling absolute ppp poverty rates

- Reddy and Pogge (2002): no accurate or consistent assessment of basic needs.
- Problematic issues of measurement (e.g. Saith 2005 or Fischer 2010, 2013a)
- Issues of converting income to food (as per Sen), or else
- questions of consumer sovereignty (e.g. Banerjee and Duflo 2011).

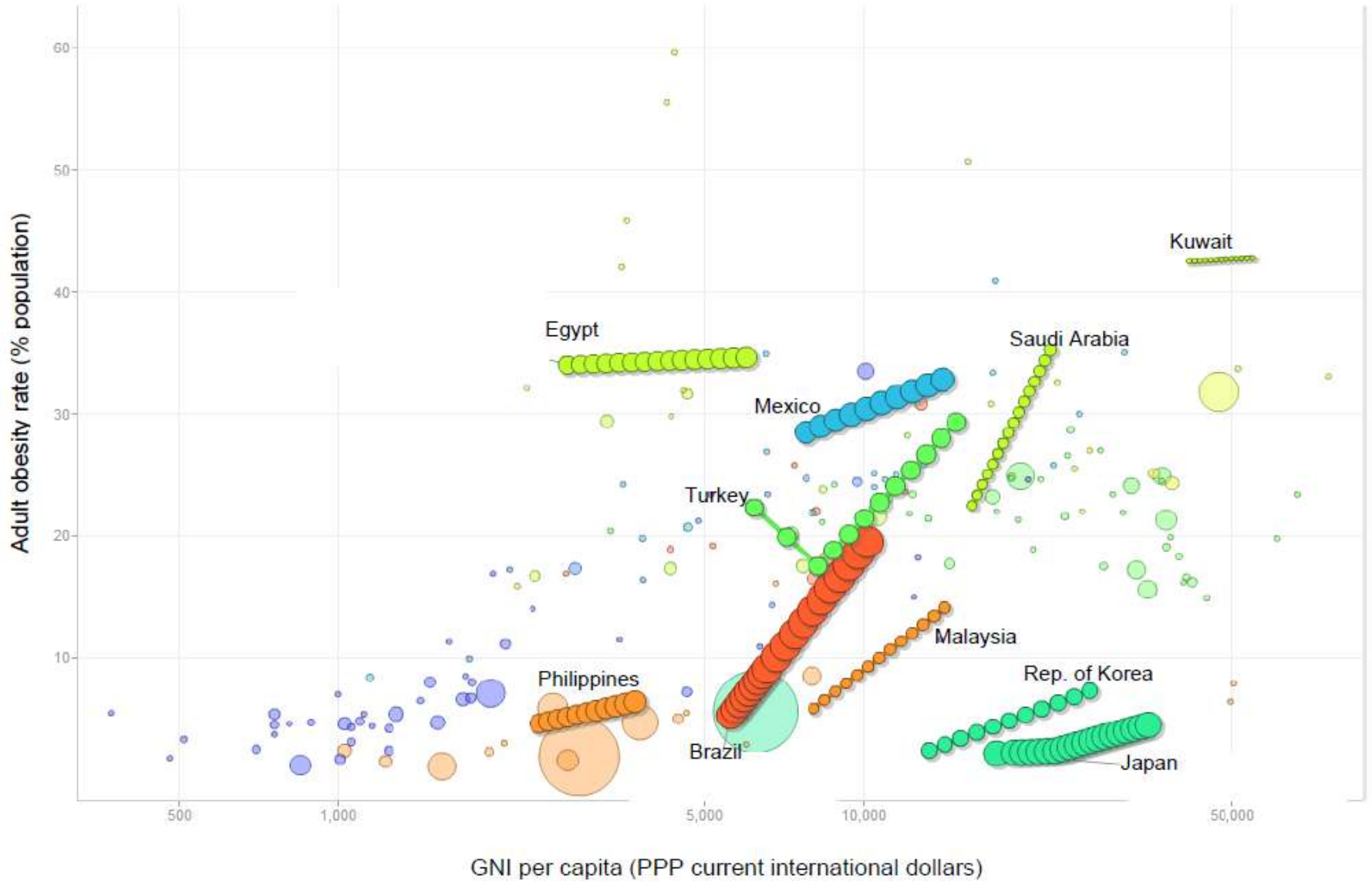
But if we accept the data, are there nonetheless underlying structural dimensions that explain shift?

Changing condition of modern poverty away from minimal ability to procure food (not necessarily from an ability or decision to procure food in light of other social needs or desires)



Kobiyama (2013)

Various periods between 1975 and 2008; horizontal axis in log



Kobiyama (2013)

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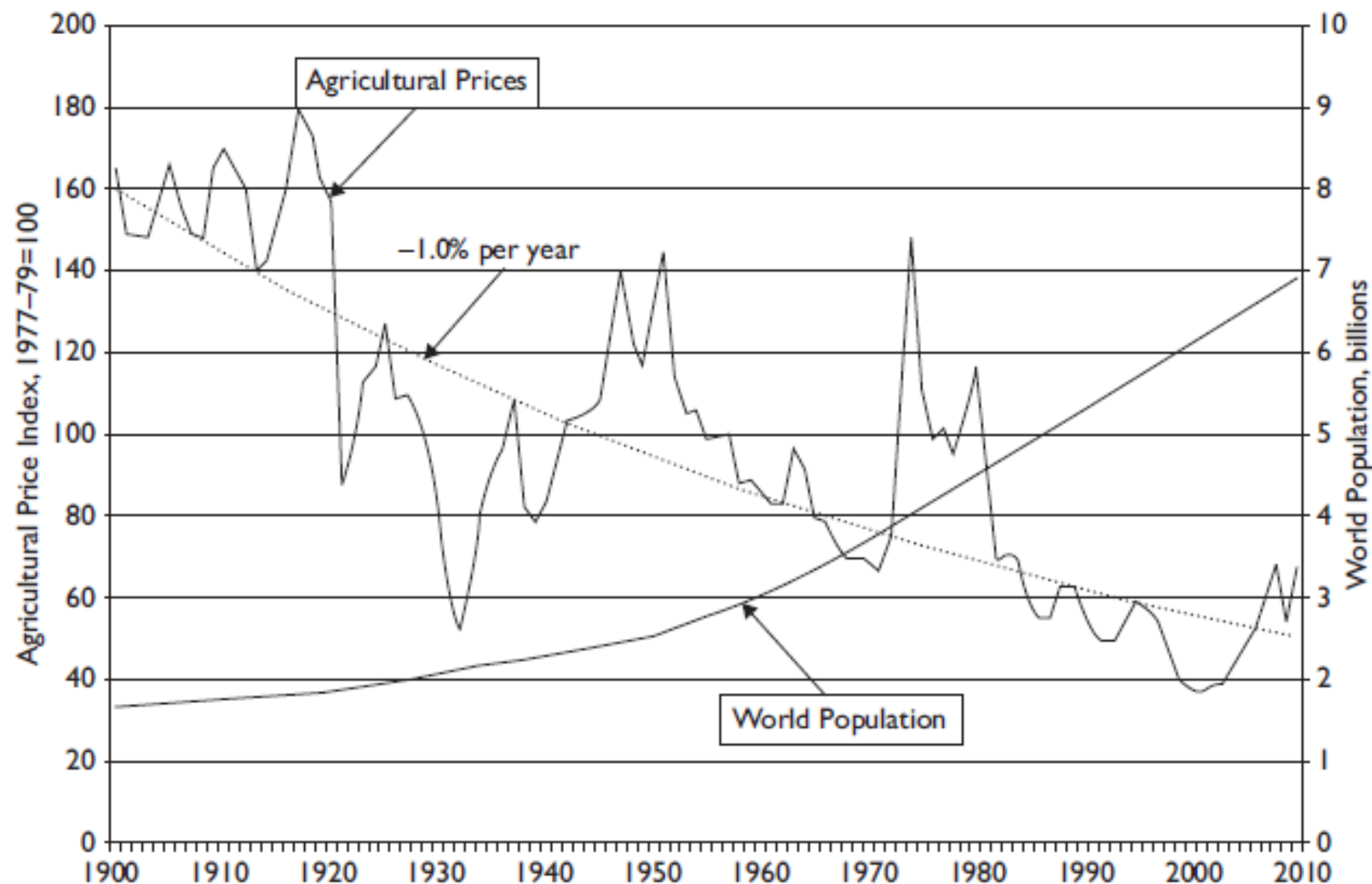


Figure 1. Real Agricultural Prices have Fallen Dramatically Since 1900, even as World Population Growth Accelerated

Social Needs

- Compulsions versus conditioning
- Not captured by multidimensional measures – between absolute/relative, objective/subjective (Sen/Townsend)
- Likely to diverge from absolute measures, especially in context of structural transformations (urbanisation)
- Compulsions and labour market dependence

Beyond Absolute Poverty

1. A more sophisticated understanding of evolving social needs, particularly in contexts where post-primary schooling is increasingly an essential minimum requirement for people moving into urban areas and into tertiary sector employment. Such social needs are intimately connected to inequality and in this sense are relative to evolving social norms within a society, although not necessarily captured by relative poverty measures.

- 2.** Movements out of absolute poverty (and urbanization, etc.) can in many cases exacerbate vulnerability rather than alleviate it
- raises the crucial issue of employment security in context of labour transitions + importance of matching labour transitions with the development of modern social security systems.
 - The dark side: when transitions occur through forced commodification of labour, the insecurity of employment might not be associated with improved incomes, all considered.

- 3.** Vulnerability as a vertically-occurring condition experienced throughout social hierarchies at all levels, not merely in the space of poverty or with reference to falling into poverty.
- nexuses of vulnerability further up in a social hierarchy, well above the spaces identified by absolute approaches to poverty, whether income or multidimensional. They might not even be detected by standard inequality measures insofar as they occur in the middle of a social hierarchy, e.g. university graduates (Fischer 2013)

Conclusion

The vital role of redistribution in past and present development as a key mediating factor in cultivating resilience and positive synergies between evolving social needs and human and economic development.