



newsletter

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Population and Poverty

editorial

The study of poverty is becoming increasingly popular with demographers. The International Union for the Scientific Study of Population (IUSSP) organised a Seminar in Florence in 1995, in cooperation with UNICEF's Child Development Center and with the Department of Statistics of the University of Florence on "Population and Poverty". The focus was on developing countries, and main topics were population change, resources and environment; demographic behaviour (nuptiality, fertility, family dynamics) and poverty; demographic events (disease, death in the family, orphanhood, widowhood, divorce) and poverty; demographic escapes from poverty. IUSSP is considering further activities in the field following the good outcome of the seminar.

There are several ways, nowadays, to approach the population-poverty link. The first approach is merely descriptive, answering questions about the number and the characteristics of the poor - family structure, fertility, mortality, age distribution, mobility and patterns of settlement. It is a classic and sensible approach; it is preliminary to the understanding of poverty and to the formulation of policies or planning interventions. Since the very beginning of population studies, scholars have been interested in understanding how segments of the population with different endowments and characteristics - possession of material goods; access to common resources; educational and learning achievements; type of residence and settlement; exercise of profession and trade - fare in relation to survival, fertility and mortality. The wealth of the analysis is enormous and of great potential interest for poverty studies.

The second approach is at the macro level;

it is, perhaps, the one most intuitively understood by the general public and it attempts to answer the following question: Is there a relation between the rate of population growth and poverty? It is understood, however, the real question is: Does rapid population growth produce poverty or make it more difficult to move out of poverty? The question is closely related to the general and unsolved problem of the interrelation between population growth and development, or could be seen as an aspect of it. It is evident that the explicit expected answer is yes, rapid population growth generates poverty through the obvious effect of capital dilution and the obstacles it poses to investment and accumulation. The evidence is much more complex and often contradictory.

The third and last approach operates at the micro level, and tries to understand how demographic phenomena and behaviours affect the ability of individuals, families or groups to escape poverty - or, to the opposite end - determines the decline into poverty. The typical example of "escape" from poverty is emigration, while orphanhood or sickness, may, on the other hand, determine the descent of an individual into destitution. This approach may be slightly modified, since demographic behaviours may be seen as constituents of the "capabilities" of people to "function". In Amartya Sen's words, for an individual "the relevant functionings can vary from such elementary things as being adequately (continued on page 4)

CROP Secretariat, Fosswinkelsgate 7, N-5007 Bergen, Norway

CROP Secretariat

Ph.: +47-55-58 97 39

Fax: +47-55-58 97 45

e-mail: crop@uib.no

<http://www.uib.no/svf/helsos/cro>

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RESEARCH AND TRAINING PROGRAM ON POVERTY, THE UNDERCLASS, AND PUBLIC POLICY

The most recent publication of the Research and Training Program is Sheldon Danziger and Peter Gottschalk, *America Unequal*, published by Harvard University Press in 1995. The book utilizes data from the U.S. Censuses of 1950 through 1990 and other sources to document that for two decades the American economy has experienced an era of "uneven tides," characterized by slow economic growth and increasing inequality. This period differs dramatically from the quarter century following World War II, when a "rising tide lifted all boats" and earnings gains and income gains were rapid and widely shared by the poor, the middle class and the rich.

Earlier generations took the American dream for granted: each assumed that it would have a higher standard of living than its parents. Today's young adults, in contrast, face diminished prospects and many may never achieve their parents' level of economic security.

During the post-World War II boom, men's earnings were the primary engine of economic growth, more than doubling in real terms in two decades. After 1973, however, the absolute level of earnings of men stagnated. Wives' earnings grew so much faster than those of their husbands (primarily because they increased their hours of work) that their earnings replaced men's as the principle source of family income growth.

Average earnings of men are lower today than they were a generation ago. Among men at the bottom of the earnings distribution (the 10th percentile), real weekly earnings in 1989 were 13 percent lower than they were in 1969. In contrast, the real earnings of those at the top of the distribution (the 90th percentile) increased by 13 percent over these two decades.

Economic hardship is now remarkably widespread. Wage growth has been slow and inequality has increased even among college graduates. For example, in 1991, 16 percent of male and 26 percent of female college graduates (those without post-college degrees) between the ages of 25 and 34 worked at some time during the year but earned less than the poverty line for a family of four (about \$16,000 today); 30 percent of male and 57 percent of female high school graduates earned this little. In the early 1970s, the number of high school

and college degree holders with earnings this low was much smaller.

Inequality in the U.S. has always been higher than in most other advanced economies. But, in recent years, inequality has increased more in the U.S. than in Canada, Australia, France, Sweden, the Netherlands and others. The same economic forces--the globalization of world markets and technological changes that have shifted employer demand toward more-skilled and away from less-skilled workers--have affected all of the industrialized economies. Inequality increased in these countries less than in the U.S., however, because they have either more centralized labor markets with greater unionization and government regulations and/or because they spent more on programs to offset the effects of rising inequality (i.e. greater spending on worker retraining, public employment, etc.)

While we know what has happened, we do not know what will happen in the future. We do know that the extent of inequality in the mid-1990s is much greater than it was in the 1970s. Even if the economy were to suddenly begin to grow rapidly and if a rising tide were once again to lift all boats, it would take quite a long time to reduce earnings and family income inequalities to the levels achieved by the early 1970s. Thus, America needs strong government policies to offset the negative effects of rising inequality.

The economic forces that have increased inequality and economic insecurity have made the economy more efficient, by introducing new products, lowering the prices of others, and by creating millions of new jobs. It makes little sense, however, to think the technological genie or the globalization genie can be put back into the bottle. Thoughtful government policies can preserve the positive efficiency gains and offset the negative distributional losses caused by these economic changes. Closing America's borders to imports and immigrants and raising protectionist barriers will not deliver higher efficiency and more equality. Rather, government can design policies to offset inequality without penalizing innovations.

Government must intervene to provide employment opportunities for those rejected by the market and to supplement the wages of low earners. We need macroeconomic policies to promote economic growth and restrain inflation, but we need labor market and antipoverty policies even more. Unfortunately, after two decades in which the poor have gotten poorer and the rich have gotten richer,

Congress is still pursuing policies that would reduce social protection and further reduce taxes on the rich.

Our policy proposals are addressed to workers adversely affected by economic changes and emphasize changes in the demand side of the labor market. They would ensure that a family with at least one full-time worker earning the minimum wage would have an income above the poverty line, after taxes and child care expenses. Our policies would benefit about 15 million poor persons who live in families where the head is already working at least part of the time and where the head is seeking work without finding it.

We do not have a "magic bullet" which can restore the robust and equally-shared growth of "the good old days." But we could reduce hardship and insecurity. We would (i) supplement wages by expanding the earned income tax credit for workers without children, (ii) reduce the cost of day care for working families by making the Dependent Care Credit in the federal income tax refundable, (iii) reform the child support system for single-parent families, and (iv) provide jobs of last resort for those who seek work, but cannot find an employer to hire them. While these policies would be expensive, almost all of the additional funding would be targeted on working families. We would also support an increase in the minimum wage, which has not been increased for 5 years. In contrast, Congress has proposed social welfare reforms that would even terminate the safety net for many who seek work, but cannot find an employer to hire them.

Our proposals do not intervene unnecessarily with the operation of the labor market. Rather, they cushion the most negative effects of economic change without stifling the processes that might generate additional economic growth.

*Professor Sheldon Danziger, Director
Institute of Public Policy Studies
University of Michigan
440 Lorch Hall
Ann Arbor, MI 48109-1220, USA
ph: +1-313-7646158/0302
fax: +1-313-998 8516
e-mail: sheldond@psc.lsa.umich.edu*

CHANGE IN CROP SECRETARIAT

It is with mixed feelings I am announcing that the CROP Coordinator during the last two years, Einar Gilberg, will be leaving CROP to join UNFPA.

On the one hand, we are proud of his new assignment as Junior Professional Officer (JPO), which will take him to Peru for the next two years. On the other hand, we are going to miss Einar very much. He has done an excellent job, as those of you who have been in contact with him, will know. The smooth running of CROP workshops are mainly due to his organisational skills, as is the smooth functioning of the complex ad hoc economy upon which CROP is still based. But Einar will continue to be in contact with CROP, and he assures us that members of the Latin American part of the CROP network will be particularly welcome to make contact or to visit him in Lima.

The new CROP Coordinator will be Hans Egil Offerdal, a Norwegian who has his degree from the Faculty of Humanities at University of Bergen, with a dissertation on Archbishop Romero - defender of the poor in El Salvador. So Hans Egil knows Latin America well, having been also a visiting student at Universidad Centroamericano in El Salvador. Hans Egil has his organisational skills from NGO's such as Redd Barna (Save the Children). During the last weeks he has been at the CROP Secretariat, learning from Einar all the insides of the ever growing CROP activities. I feel certain that Hans Egil will be a fine addition to the staff.

Else Øyen
Chair of CROP

UNESCO LAUNCHING OF THE CROP HANDBOOK ON POVERTY

As part of UNESCO's contribution to the United Nations International Year for the Eradication of Poverty, UNESCO Director-General Federico Mayor presided at the release ceremony of the joint CROP/UNESCO publication "Poverty: A Global Review, Handbook in International Poverty Research". The ceremony was well covered by the media, including both CNN and Le Monde

"This book is an important contribution to our understanding of poverty. Poverty is the result of injustice, a matter of international ethics, and so the global ethical situation must be changed to combat it" Mr. Mayor said. "Sometimes we consider that once we have created democracy in a country, we can rest because we have solved the problem, but that is wrong. Democracy, development and peace must be constructed on the pillars of justice."

Also at the ceremony, on 6th of March, were the Chair of CROP, Else Øyen, and Secretary-General of ISSC, Leszek Kosinski, who expressed the hope that "this publication would help both the research community and political decision makers to combine their efforts to combat poverty." UNESCO has bought the first 1000 copies of the book, to be distributed throughout the UNESCO and UN system. The book is now available from:

*Scandinavian University Press
P.O. Box 2959 Tøyen
N-0608 Oslo, NORWAY*

or

*Scandinavian Univ. Press North America
875 Massachusetts Ave., Ste. 84,
Cambridge, MA 02139 USA*

CROP IN BRIEF

CROP is a world-wide network of researchers and experts on poverty. The aim of CROP is to establish an arena for interdisciplinary and comparative research on poverty in developed and developing countries. CROP organises regional workshops, symposia and international conferences, promotes joint research projects and publications, links poverty researchers and disseminates information about poverty research. CROP is developing an international database on poverty researchers, and documentation of ongoing research. CROP is chaired by professor Else Øyen, University of Bergen, Norway.

If you wish to have your name listed in CROPnet, you are welcome to write the CROP Secretariat and request a copy of the **CROP Questionnaire**. For further information please contact the CROP Secretariat

WEB PAGE FOR CROP

Those who have an Internet connection and a WWW browser programme installed, find the CROP web page at <http://www.uib.no/svf/helsos/crop/>. The page holds general information about CROP, news about past and ongoing activities, as well as the latest CROP newsletter.

Please note: We can no longer answer the increased demand for copies of single papers presented at CROP conferences and workshops. However, if you have the patience, most of the papers become available through the publications that follow the conferences and will be duly announced. We still supply the authors addresses, phone & fax numbers.

Population and Poverty

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nourished, being in good health, avoiding escapable morbidity and mortality etc., to more complex achievements such as being happy, having self respect, taking part in the life of the community and so on". We should add that functionings, from a demographic perspective, are also the ability to reproduce, or to control reproduction or to move about, - all important valuable human assets.

The analytical power of demography and the wealth of the existing sources (censuses, surveys) has not been yet fully exploited in poverty studies. However a new sensibility for the topic is emerging.



*Member of CROP Standing Committee
Prof. Massimo Livi Bacci
Dipartimento Statistico*

*Universita degli Studi di Firenze
1 Via Curtaton
50123 Firenze
ITALY
ph: +39 55 576 041
fax: +39 55 57 62 65
e-mail: livi@stat.ds.unifi.it*