CAIE Geography Pre-U

3B: Spatial Inequality and Poverty Issues

Detailed Notes

Definitions, classification and distribution

Definitions

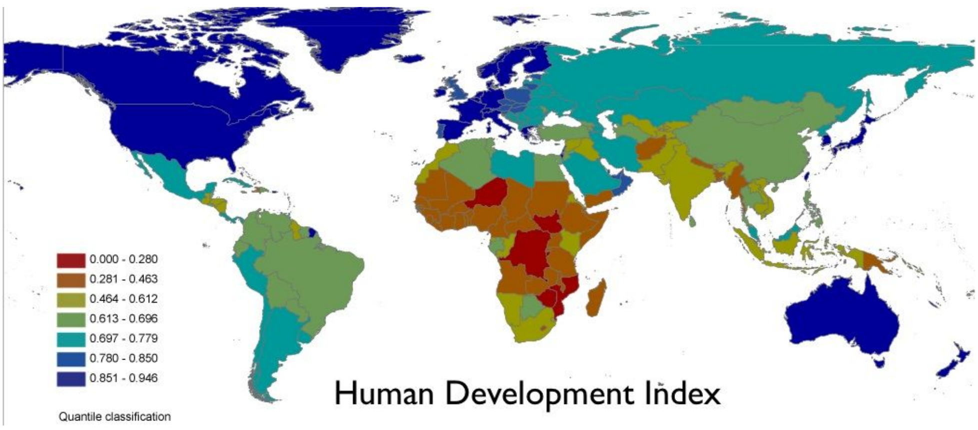
- **Inequality:** The unevenness of resources, power and access to opportunity.
- **Absolute poverty:** The severe deprivation of basic human needs.
- **Relative poverty:** Suffering poverty in terms of minimally acceptable standards of living within that society.
- **Deprivation:** A state of not having something you need.
- **Social exclusion:** Exclusion from the prevailing social system and its rights and privileges.

Composite indices

These are indices which measure more than one factor and are becoming more widely used to measure development:

Human Development Index

Takes into account life expectancy, education (literacy rates and years spent in education) and per capita income.



Source: www.geocurrents.info

Reasons for trends in top 5:

Of course, global development patterns depend on how you measure development. Using the **Human Development Index**, the most developed countries (dark blue) include: Northern America, Europe, Ireland, Japan, South Korea, Australia & New Zealand. This may be because:

- These nations have **large economies** and advancing technology (**quaternary**) industries, resulting in a high GDP per capita.
- Cities and towns are **well structured**, with strong infrastructure and transport links, excellent supplies of clean water, electricity and food to households.
- Most of these nations have **free education systems**, with opportunities to progress onto further education (universities) or into employment & apprenticeships.

Top 5 Countries on HDI	HDI Score	Bottom 5 Countries on HDI	HDI Score
Norway	0.953	Niger	0.354
Switzerland	0.944	Central African Republic	0.367
Australia	0.939	South Sudan	0.388
Ireland	0.938	Chad	0.404
Germany	0.936	Burundi	0.417

Human poverty index

Takes into account longevity, knowledge and a decent standard of living.HPI is divided into two categories:

- HPI-1 is used for developing countries and captures a long and healthy life, knowledge and a decent standard of living.
- HPI-2 is used for selected high-income countries and captures a long and healthy life, knowledge, a decent standard of living and also levels of social exclusion.

Multidimensional poverty index

Is a measure of acute poverty that uses ten indicators covering education, health, and standard of living. The ten indicators are:

- Nutrition
- Child mortality
- Years of schooling
- School attendance
- Cooking fuel
- Sanitation
- Drinking water
- Electricity
- Housing
- Assets

Each of these categories are weighted and if people experience deprivation in at least one-third of these weighted indicators then they are considered multidimensionally poor.

Single criterion indices

- **Gross domestic product:** Is a monetary measure of the market value of all final goods and services produced in a period of time. A high GDP per capita could represent a high-earning population and productive workforce, but GDP per capita could be skewed by very rich minorities, even if the majority of the population earn very little.
- **Gender inequality index:** A measure of gender disparity within a country or region.
- **Adult literacy rates:** The percentage of adults within a population that can read and write. This indicates the quality of education available in a country which in turn correlates to economic output. A well-educated workforce tend to earn higher wages. Literacy rates can also impact their personal lives.

- **Infant mortality rate:** The number of deaths per 1,000 live births of children under one year of age. Quality of healthcare and attitudes towards children. Infant mortality is important since infants are some of the most vulnerable people of society, so are more likely to catch disease and infection or suffer from malnutrition.

Patterns of inequality and poverty at different scales

Global patterns: The north/south divide, also known as the **Brandt line**, splits the globe in half with the north being more developed than the south. This model is too simplistic and not relevant today as countries such as Argentina and Botswana have higher than average GDP per capita yet still appear in the global south. The development continuum perceives development as a continual process and recognising that it can occur in a different number of ways.

Regional patterns: The core tends to contain the major ports, major industries and businesses as well as investment. The periphery has fewer jobs and services, less investment and less development. The core keeps getting richer and the periphery poorer as resources and capital flow from the periphery to the core.

Intra-urban patterns: This is mainly prominent in LICs which have lots of movement from rural to urban areas. This creates **slums** on the outskirts of cities which have poorly built homes and little access to clean water and sanitation. Social exclusion usually happens to people that have disabilities, immigrants and racial minorities, people with little or no economic resources, women and the unemployed. This is because it is difficult for them to integrate into society and so exclusion from opportunities and poverty is high.

Explanation and causes of poverty and inequality

Global scale

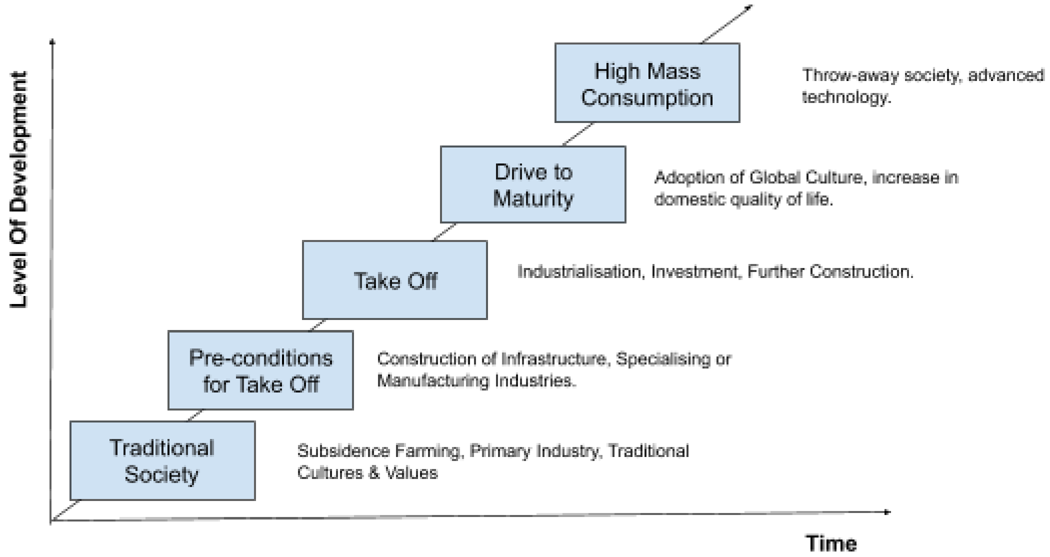
Rostow's Modernisation Theory

Rostow believed that countries pass through **five stages** as they grow economically and become developed. This development can be shown as **stages of growth** over time:

- **Traditional Society** - The country's economy is based predominantly on primary industry - agriculture, small-scale mining, foraging and fishing. There is minimal technology or scientific knowledge which protects the country's traditional culture, religion and values.
- **Pre-conditions for Take Off** - There is a demand for raw materials and trade by external countries. A rise in construction of infrastructure will lead to an increase in businesses and FDI. Gradually, the industry centres around manufacturing rather than agriculture as individual families can earn more money from a reliable job (unlike agriculture which is seasonal and can be affected by extreme weather) .
- **Take Off** - Here there is rapid Industrialisation, creating a large surge of employment opportunities and productivity. Take-off can also be a period of environmental degradation, as the nation lacks laws to protect its natural surroundings and people from exploitation.
- This is often fuelled by relaxed laws and regulations protecting the natural son accelerates, **Drive to Maturity** - Over a period of time, the growing economy will encourage new

industries and investment, creating further jobs, improving services through increased tax. This is a positive feedback mechanism of gradually improving living conditions.

- **High Mass Consumption** - Developed countries, in Rostow's opinion, are countries who are capitalistic and consumers hold the most valuable opinion. Often goods are catered towards these markets, as families have disposable income to spend.



Criticisms of the Theory

There are limitations to Rostow's model. It is based largely on American and European development (**mass consumption** and **capitalism** to create profit) and therefore ignores the stages of growth other nations who do not fit this mould may go through (e.g. Bolivia's recent sustainable development). Also, some nations may have large reserves of natural resources which allow them to skip some of the stages of development e.g. Saudi Arabia.

Rostow's Model only considers the advancement of development, so doesn't describe a nation that is declining. Some examples of declining states include:

- The USSR (post-cold war) - following 'loss' in the Cold War, the USSR became bankrupt and disbanded into the nations of today - Ukraine, Belarus, etc. The new Russia faced economic recession and social deprivation.
- Zimbabwe - For a large period of time, the government has been corrupt, limiting the country's development regardless of its level of industrial capacity.

Rostow's model only considers a country in isolation from the world, where the development is the sole responsibility of the country itself. However, this is not true; in an increasingly connected globalised world, the development of a country may be limited by international politics or competition for trade by other states.

Neo-Marxist Theories

Neo-Marxist theories are an approach to development economics that is connected with dependency and world-systems theory. The **dependency theory** sees globalisation in terms of the spread of market capitalism, and the exploitation of cheap resources and labour in return for the obsolete technologies of the west. It relies on the division of labour between the rich core countries and the poor peripheral countries. The **world-systems** theory is a division of labour inter-regionally or transnationally. This divides the world into core, semi-periphery and periphery.

Colonialism

Colonialism is a policy or practice of acquiring partial or full political control over another country whilst exploiting it economically and occupying it with settlers.

<u>The British Empire</u>

Britain ruled a **quarter of the world's land** and a **third of the world's population** during its peak. The Royal Navy dominated the world's oceans and was double the size of Germany's (the next largest). The British Empire's expansion was based on hard power; it invaded other countries and colonised them to maintain its control. During this time, the world was considered **uni-polar**.

Colonialism had many impacts on the countries involved. In the British Empire:

- **Railway lines** were built throughout the country and were used to **transport goods** and the **army** quickly between places.
- The **English language** spread throughout the Empire, which has allowed Commonwealth countries to become outsourcing services and participate in business.
- **Education** for all colonial states was improved - schools were set up & curriculum established. This has led to increased international migration to fill skills shortages in other countries after WWII.

However, there were many negative impacts of Colonial Power:

- The majority of crops grown in colonial states were bought by the British at very low prices and then sold off by Britain for large amounts (**Neo-colonial Theory** - see below). This means that farmers and primary manufacturers were left with little profit to invest in their own futures.
- Many colonial states did not have their own **governments**, which caused severe protests for independence and unstable countries when made independant.
- **Discriminating policies** were established to segregate the British migrants from natives. These policies have remained in some countries until recent years.

In the 20th Century, many **empires collapsed**:
- After the war, many colonial powers were **bankrupt** as they had to spend a lot during the war and so they couldn't afford to control and maintain their colonies.
- After the wars, colonial powers focused mainly on rebuilding their home countries and so they focused less on the colonies.
- **Anti-colonial movements** gained popularity, and increasing demand for independence forced colonial armies out.

Neo-Colonialism

Neo-colonialism was first used to describe the continued dependence of former colonies on other countries after their independence. However, it has now become used to describe the exploitative relationship between more powerful developed countries who are using their relationship with less developed countries for their own benefit.

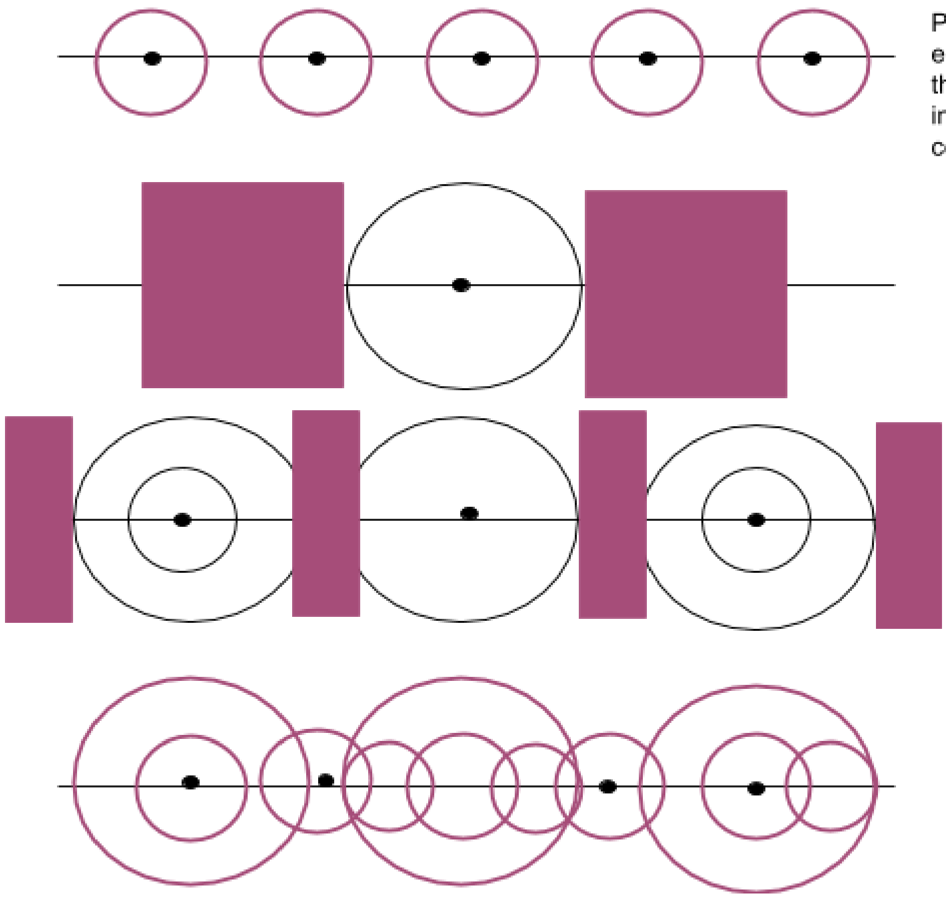
Past - Colonialism
- During the **colonial era**, Empires exploited their colonies or a variety of commodities: sugar, cotton, tea. For example, the development of Lancashire was based from the **cheap import** of cotton from plantations in America; cotton would be manufactured in large mills, through a largely **mechanised** process (faster rate of production and cheaper to run) so Lancashire companies made large profits.

Now - Neo-colonialism
- Mozambique has given **fishing rights** to China, in return for infrastructure (hospitals, airports, roads). China actually has 1 million of its people living in Africa and has invested over $40 billion into African nations. This may sound quite fair, but local fishermen are now **out-competed**, losing their source of income and instead having to work for Chinese fishing boats for less money.
- The **IMF and World Bank** have both been accused of being 'neo-colonial'. They provide **loans** to developing nations, but with high rates of repayment and conditions if the developing nation is unable to repay. Therefore, developing nations become 'trapped' in a cycle of debt and have to open their economies to private companies (governments lose assets and income, making them even less likely to repay their debts).

Political influences such as the World trade system and trade blocs can make it difficult for LICs to trade. Colonial influences can also either help a country by building infrastructure and developing services or hold it back by taking resources and exploiting labour. Corruption within a country can also mean that any money made from investments or money received by aid is not spent on development.

Regional-scale

Below is **Friedman's core-periphery** model that shows development through the changes in the core/periphery patterns within a country.



Pre-industrial economy where there are independent local centres.

Transitional economy where there is a single centre.

Industrial economy where there is a single national centre with strong sub centres.

Post-industrial economy where the periphery is eliminated.

Cumulative causation is where multiple changes are set in motion by a single event. This is created by the multiplier effect. For example, new businesses will create more jobs which will stimulate more investment which will then give greater opportunities for the population and a greater tax base will be able to be created for investment and support for the community.

Economic growth will reduce poverty and inequality if wages of the lowest-paid rise faster than the average wage, if jobs are created and if taxes redistribute the income. However economic growth often creates the best opportunities for those who are highly skilled and educated and also the rich who have many assets which then gain interest to make them even richer.

The **environment** also plays a big role in the regional differences in wealth within a country. Mountainous regions or dense jungles can cut off areas leading to exclusion and lack of resources in certain areas. Some regions have more natural resources than others which will provide jobs and benefit the area around. Droughts and flooding in some areas can also increase poverty and natural hazards often affect poor people more due to inadequate infrastructure and little surplus capacity.

Political influences can increase regional inequalities within a country. Corruption can lead to more money being spent on core areas rather than on improving areas in the periphery. The rich also tend to hold more power in politics and this power can be used to promote certain policies that further cement the economic power of the rich.

Local-scale

As a result of inadequate resources due to poverty, many people may be **excluded and marginalised** from participating in activities which are considered the norm. Social exclusion is being unable to participate in society because of the lack of resources that are normally available to the general population.

Consequences and impacts

Global scale

The **development gap** is the divide between the rich and the poor whereas the **development continuum** is a linear scale showing the path to development running from LICs to HICs. As countries develop they make their way through this scale.

In countries of lower economic development, the consequences of poverty are much more severe. There is a **low life expectancy** and **mortality rates are high** due to poor sanitation, less access to healthcare and high incidences of disease. **Crime rates are normally higher** due to unemployment and a need for an income. There is often a **lack of education** as children don't go to school or leave school early to start earning an income for their family. Extreme poverty and low nutrition levels can also lead to **low levels of cognitive development and speech** which can further hinder a child's education. A lack of education will make it more difficult for people to get good jobs and earn a decent wage so they will likely remain in the same situation as their parents. There are also **high levels of social exclusion**.

National scale

Regions of economic disadvantage will emerge due to areas growing poorer due to underinvestment or inaccessibility. These areas will have fewer resources, poorer education and poorer health care and so will be at an economic disadvantage. These areas will also tend to attract less investment and fewer workers and so will continue to decline.

Many people will end up **migrating** out of the region or country in order to find better work, better education or better access to services. This causes a further decline of the area due to lower levels of the working population and it can also lead to slums being created in the recipient location.

Some areas will have **poor access to basic services and amenities**. This means that there will be fewer or poorer schools, hospitals, employment opportunities or sanitation. This again will lead to a cycle of deprivation and people will either migrate or will not receive the best education and so will not get the best jobs. They will also be more likely to fall ill and if they are the main income generator for the family this could lead to further poverty and deprivation.

Local-scale

Some areas may emerge which are **deprived in multiple ways**. For example, they will have a poor education system, insufficient sanitation, inadequate health care, poor housing and other missing or poor infrastructure. These areas will require more resources to be improved as they will have varying issues that need to be fixed. Most of these areas have an underlying issue such as underinvestment or poor environmental conditions that lead to them being deprived in multiple ways.

The **poverty trap** is common in many deprived and poor areas and can lead to the area not being able to develop or certain people within the community being trapped in a cycle of poverty. Not having sufficient money or access to decent schools will lead to **no or poor education levels**. This will make it more difficult for them to get a good job which has a decent wage and so they will likely not have enough money to get out of their current situation and so the **poverty cycl**e will continue. **Violence** is often also higher in poorer areas which can **inhibit education, industry and the ability of the individual to excel**. Inability to access **health care** can also increase the number of working days lost further increasing poverty.

Poor quality housing and a lack of basic amenities can reduce life expectancy, cause illness which will reduce the number of working days, make them more vulnerable to natural hazards and also increase child mortality.

Management and mitigation

UN Millenium Goals

A declaration that committed nations to a new global partnership to reduce extreme poverty.

Goal	Successes	Failures
Reduce poverty and social exclusion	Extreme poverty rates have been cut in half since 1990. The proportion of undernourished people has declined by almost half since 1990.	1 in 9 people are still hungry.
Achieve universal primary education	Reached 91% in developing countries. Since 1990 the 15-24 literacy rate has increased from 83% to 91%.	Universal primary education was not achieved.
Promote gender equality and empower women	Equality in primary education rates. Women now make up 41% of paid workers outside the agricultural sectors compared with 35% in 1990.	In many countries women still face discrimination. Still, only 1 in 5 people in parliament are women.

	The average proportion of women in parliament has nearly doubled in 20 years.	
Reduce child mortality	17,000 fewer die each day compared with 1990. Between 2000 and 2013 measles vaccines helped to prevent 15.6 million deaths.	6 million still die before their 5th birthday each year. Failed to meet the target drop of two-thirds.
Improve maternal health	Maternal mortality rate has declined by 45% worldwide.	Still divided along the rural-urban line with deaths in rural areas higher.
Combat HIV/AIDS and TB	9.7 million receiving treatment for HIV/Aids in 2012. 37 billion lives were saved between 2000 and 2013 due to TB intervention and treatment.	Every hour 50 young people are newly infected with HIV.
Ensure environmental sustainability	More than 2.5 billion people since 1990 have gained access to clean drinking water. Ozone-depleting substances have been virtually eradicated since 1990.	CO2 emissions have risen by more than 50% in the past 25 years.
Partnership for development	Debt service has declined for developing countries. Official development assistance increased by 66%.	Aid money hit a record high in 2013 but has shifted away from the poorest countries.

More information on the UN MDGs can be found here. The MDGs have now been replaced by the **sustainable development goals**. Ths SDGs aim to end poverty, protect the planet and ensure that all people enjoy prosperity and peace. The goals are all interconnected and are more specific. However, no country is on track to achieve all goals by 2030.

Approaches to reducing poverty and inequality

Top-down and bottom-up: Top-down schemes are big projects usually in the form of bilateral aid that can **reduce mortality rates**, **implement vaccination programmes** and **combat diseases**. Bottom-up schemes are smaller-scale projects that focus on the people in need and include **microfinance schemes** and NGO based development initiatives and have an emphasis on **community participation**.

International aid: Bilateral aid has the least impact on improving poverty and inequality. This is because it does **not directly help the poor** instead they can often just make the rich richer and lead to government corruption or slow their economic growth. Multilateral, NGO aid is much better at reaching the poor. Helping to **finance businesses, building wells or providing uniforms so that girls can go to school** have all been successful. The supplying of medical assistance, qualified people, money, equipment and intermediate technology can also help tackle poverty and inequality.

Intermediate/appropriate technology: Aim to use **simpler technologies** that are suitable for the people, right for the environment and right for the donor. These technologies need to be **labour intensive** to provide jobs, use **sustainable** technology, have a low cost, can be managed by the local people and control and in harmony with the local environment.

Development strategies at different scales

Promotion of economic development: Industrialisation plays a vital role in the economic development of developing nations. It can increase national income as it makes optimal use of natural resources and so it can **increase the standard of living**. It also provides economic stability as the country is **not relying on the export of primary products** which can fluctuate in prices and are influenced by weather conditions and natural hazards. Industrialisation also stimulates progress in other sectors of the economy. **Tourism** is another great way to promote economic development. It creates **employment**, generates important **foreign exchange earnings** and also **improves infrastructure**.

Major international events: Events such as sporting world cups and the Olympics can have big benefits but also some drawbacks for the host nation. They can raise the profile of the country or city which can lead to **future economic benefits**, improves infrastructure, **creates jobs** and there is a short term surge in visitors which causes an **injection of money** into the local economy, and it **stimulates investment**. However, the **cost of buildings** and stadiums is very great and can lead to huge amounts of **debt**, some facilities will never be used again, there is potential for **negative publicity**, security costs are high and international events often need higher taxes to pay the cost.

Cities of culture/heritage: The safeguarding of cultural heritage and the revitalisation of historic areas can increase tourism and provide important economic benefits to the local area.

Infrastructural investment: The expansion of infrastructure facilities such as irrigation, rural electrification, transport and improved roads will promote growth in the agricultural sector and will enable the setting up of **agro-processing industries** which will increase the number of jobs and increase agricultural output. Providing **infrastructure to small-scale businesses** is more effective than providing it to large-scale businesses. This is because it is more likely to lead to an increase in the number of jobs and also allows them to compete in the local and global markets. The **improvement of transport** allows greater access to services such as health facilities, schools and hospitals. **Improving infrastructure in rural areas** will help to dissuade people from moving to urban areas and so hopefully prevent the creation of slums and even out the wealth distribution of a country which tends to be greater in urban hubs.