

While poverty is a global problem resulting from global issues, its definition and solution can only be found locally

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Abstract

There is a debate on whether there should be a global definition of poverty that applies to all countries. Many people ask questions why we not have a more universal approach to address poverty. Is it too pragmatic to think that a universal approach is needed to address global poverty? However, my working experiences in different countries show external agencies universal definition of poverty and poverty prescriptions for social and economic development are not effective to local living socio-economic development rather contextually designed good governance programs suite for local development and to address the issue of poverty. For example, Grameen Bank micro-finance, Grameen America USA, Desjadin Credit Union Canada, Mondragon Spain, Natural Agriculture Thailand, Participatory Budget Brazil, BRAC non-formal education in Bangladesh and BIKASH in Bangladesh, Nijera Kori, and SWEA of Indian women cooperatives are well known local initiatives to address the issue of local poverty and unemployment. Therefore, the article emphasis that while poverty is a global problem resulting from global issues, its solution can only be found locally and therefore the nature of poverty must be defined locally.

Keywords: capitalism; human development index; human poverty index; globalization; multinational corporations; poverty; structural adjustment policy; participatory poverty assessment

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1. Introduction

Poverty is a threat to human survival and development. Allen (2002) says, “It is a part of global crisis” (p. 16). It is not an isolated social catastrophe rather, it is socially constructed (Rouf, 2015). It is a process of social exclusion of the poor, and is a product of uneven development across and within the state. Capitalism and globalization of the free market economy make poverty global and the third world is more impoverished. Polani says (1957), “This big transformation is self-destruction” (p. 4). According to O’Neil (2007) of York University, capitalism is the production of wealth and poverty. It is advantageous to wealthy nations, but developing countries have less wealth and significant social problems that are not encouraging to resource creation. As a result, the world has become an increasingly unequal place—the gap between the haves and have-nots has widened. For example, over fifty five countries are now poorer than they were ten years ago. Life expectancy has fallen in over thirty countries (Bibby & Shaw, 2005). Wolf (2004) says, “It is the net result of massive growth in inequality” (p. 139). There is no turning point from this process unless there is an alternative development strategy for the world. Hence, this paper argues that while poverty is a global problem resulting from global issues, its solution can only be found locally and therefore the nature of poverty must be defined locally.

The paper attempts to demonstrate that the way we define poverty has a direct relationship with how we propose to eliminate it. For the author, poverty is depriving poor people of access to local public resources to achieve anything beyond fulfilling their basic needs in both developing countries and developed countries. This leads to suffering from malnutrition, ill health, lower life expectancy, infant mortality, unemployment and injustice to poor people in society. One of the major problems among the poorer communities is increased violence because of poverty. Therefore, poverty is one of the most important issues to be examined in development studies.

1.1 Objectives of the paper

Poverty eradication is targeted as the number one Millennium Development Goal (MDG) by United Nations (UN) in the 21st Century. However, one of the first questions is: who is included in the definition of poverty and who is excluded? If we define one person as living in poverty and in need of assistance based on an absolute definition (poor people suffer from basic necessities of life like food, shelter, clothing, education and health) then are we excluding their neighbors because they have an extra change of clothing? Therefore, the objective of paper is to discern roots of causes of poverty and find alternative local tools that can assist local people to get out of sufferings of poverty misery.

1.2 Definitions of poverty

Poverty means the state of being extreme poor. Poverty is the condition of having little or no money, goods, or means of support; condition of being poor (<http://www.dictionary.com>). Poverty is general scarcity of one who lacks a certain amount of material possessions or money. It is a multifaceted concept, which includes social, economic, and political elements. There are two types of poverty: Absolute or acute poverty or restitution and relative poverty. Absolute poverty or destitution refers to the lack of means necessary to meet basic needs such as food, clothing and shelter. Absolute poverty is considered to be about the same independent of location. Relative poverty occurs when people in a country do not enjoy a certain minimum level of living standards as compared to the rest of the population and so would vary from country to country, sometimes within the same country.

Most international social agencies spend considerable effort creating rules and deciding who qualifies for

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support and who does not. This is a complex process, and no matter how sophisticated the rules, the rules cannot account for each unique situation (Hick, 2004). Families have different numbers of family members, some face chronic illness, some are limited in their ability to work, some live in remote depressed areas of the country, some have little or no education, some have the spirit to escape poverty, and other are just worn out. Features of poverty problem are different. Therefore, poverty solution needs to be addressed by identifying the particular elements of poverty for particular segment of the local people in a particular geographic area as well as finding out what local resources available for them and what process can engage them that can enhanced them their participations in the community to be social actors and economic actors, politically active and accelerate their socio-economic benefits to fulfill their basic needs.

Poverty usually measured in terms on income and therefore, fiscal economists decide how could provide assistance and select who gets assistance from the state based on specific data (e.g., income, money in the bank, assets). However, maximum marginalized people do not have such statistics in the developing countries. Therefore maximum poor people are excluded from the state acute poverty accounting, but usually state fiscal policy and poverty measures are based on relative poverty. This relative poverty is measured against standards that make sense within each country. However, this sometimes presents a challenge when evaluating the situation of remotest marginalized poor, tribes, immigrants and refugees (Hick, 2004, p. 123).

The World Bank is using an updated international poverty line of \$1.90 a day, which incorporates new information on differences in the cost of living across countries. The new poverty line preserves the real purchasing power of the previous line (of \$1.25 a day in 2005 prices) in developing countries. Using this new line (as well as new country-level poverty data on living standards), the World Bank projects that extreme poverty in South Asia would fall to 13.5 percent in 2015, compared to 18.8 percent in 2012.

1.3 Sequence of the paper discussion

Therefore, in this paper, I am first going to discuss what it means to examine poverty from a universal and local perspective. Secondly, I discuss poverty measures suggested by different institutions and scholars, and the effects of globalization on poverty. Lastly, the paper looks at the poverty definition and discusses how poverty could be addressed in the local context.

1.4 Poverty as seen by Scholars

Poverty has a long history and it is present everywhere in the world. Poverty is often directly related to exploitation of one group of people by a more aggressive or wealthier group of people. For instance, for 200 years, India's wealth has been transferred to the UK by British colonization. The plantation economy and slavery systems have been introduced in Central and Latin America by the Europeans (Korten, 1995a). That the economic process put the colonized Central Americans and Latinos into the state of poverty. Although there are huge resources available in these regions, they are suffering from local resource utilization. Because the resources are in the hands colonizers and they control local resources. Currently the plantation economy is in the few multinational corporations' hands.

In early Britain, *English Poor Laws* were promoted as a way to address widespread poverty in England and to stop the commoners from begging. The laws classified the poor as being either worthy or unworthy of relief. The worthy ones are children, along with the aged, sick or disabled (Hick, 2004, pp. 34-35). Less than 1% economic growth was in Indo-Pak subcontinent during and before British period rule. British had stolen and exploited Indian resources during their ruling period in India. There were no development projects like education, healthcare, land development, food security, flood protection, infrastructure development, peasants' wellbeing services etc. during British period. Rather they introduced and imposed land tax to peasants and collect land tax from Indian peasants and sent this money to London. There were several famines occurred during the British period. Many people died from starvation and disease. Although Indo-Pak-Bengal subcontinent free from British

rule in 1947 and initiated many development projects, maximum of these projects' ideas are from West. Very few initiatives can be found that are appropriate and locally suited. However, in the Twenty First century these countries government and NGOs are active to reduce the poverty. According to World Bank, South East Asia remains the world's fastest-growing region although capital inflows declined, inflation has been on the rise, and remittances from oil-exporting countries started to weaken. Economic growth in Bangladesh rose to 6.9 percent in 2015, up from 6.7 percent in 2014, and is projected to slightly lower at 6.7 percent in 2016. However, it will accelerate to 6.8 percent in 2017 and 7.1 percent in 2018.

2. Poverty Debate

There is a debate on whether there should be a global definition of poverty that applies to all countries. Why do we not have a more universal approach to address poverty? Is it too pragmatic to think that a universal approach is needed to address global poverty? Although the depth of poverty (poverty gap measurement of how much additional income would be required to raise an individual or household out of poverty) varies from region to region, country to country, geography to geography within a country, poverty exists all over the world.

Poverty is the direct result of global forces and actions by the various global actors (Sen, 1981). The rich and poor can be found between countries and within a country because the world is connected through globalization. Globalization is closely associated with poverty because it creates great inequality between rich and poor, as well as international conflicts and environmental degradation (Ibid, 1981). Companies now operate globally, so it is becoming more difficult to limit their activities as they move from country looking for cheap resources and exploiting cheap labor. Poverty is not just a local problem; it has global connections. So how can a 'one-world view' ever justify the gross social differences that exist in our integrated global system? However, many experts believe poverty solutions should be global.

In a capitalist society, poverty relates to those who live 'outside' the consumer society. They are blamed for not fitting in, but really they are victims of unemployment, poverty, falling wages, downsizing, and a growing sense of insecurity. Poverty victims are suffering from environmental degradation, powerlessness due to a lack of formal and informal representations from them. Therefore they have no freedom from 'elite' dominations and deprivations. So it is a societal problem, not a matter of individual failures. It is an outcome of the value system of global international capitalism. It is made worse through baldly reputed poverty brokers: IMF, World Bank, World Trade Organization (WTO) and multinational corporations (MNCs). Although these organizations talk a lot about poverty, they are not reducing absolute poverty. Rather, they are the institutions which help induce misery and famine all over the world (Dickson, 1997). They prescribe poverty solutions as external actors of the impoverished society. Therefore Sacks (2005) finds that the rich world dominates third world countries by employing PhD economists in international institutions like the International Monetary Fund (IMF) and the World Bank.

However, it is a wrong strategy of the World Bank and IMF because rich countries' economic development policies, strategies and paths are different from those of developing countries. Hence it is appropriate to let the developing countries themselves identify their own resource strengths, resource gaps, and resource needs, and possible solutions for their own socioeconomic development. The international organizations (IMF, World Bank and World Trade Organization) exist to regulate the global economy under the sponsorship and direction of the U.S. (Thomas & Allen, 2002, p. 204). Their efforts often result in damage to the local economy, and to other local social and environmental institutions. Their mandate and ideology may be to support countries' economies, but through lack of understanding of the local culture and short-term as opposed to long-term projects, they usually hinder marginalized people's development rather than help.

The economic theory of western world "aid" can be traced to assist develop the UDCs and to assist poor to eradicate their poverty situation. Rostow (1960) renowned 'theory of five stages of development' emphasis on the 'aid' from DCs to UDCs for UDCs ('take-off to self-sustaining growth) development. In the view DCs 'aid

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has an important role to play for UDCs to attain a self-sustaining process of economic development. Aid donors use three general approaches to help promote democracy; direct support; indirect support, by, for instance, encouraging economic 'development'; and pressure to encourage policy reform, including the threat of use of sanctions (Ahmad, 2001).

Many international agencies and many DCs provided huge 'aid' to many UDCs; however, the result is not so promising that dependency theory asserts. Rather aid has resulted opposite to self-sustaining and made them 'aid dependency' to DCs. Maximum 'aid' money has gone to elites pockets instead to assist poor to overcome their poverty. Gunner Middle studied 'aid' results to UDCs and comments 'aid has no paid'. Opponents of 'aid' conclude that 'aid' actually increases poverty, and causes widespread environmental degradation and increase socio-economic divide in society. Although 'aid' has undoubtedly helped improve living standard among recipients, its contribution to poverty alleviation has fallen short of expectations (Ahmad, 2001). The impact of 'aid' on poverty reduction raises even more serious questions. Because maximum money has gone to elites' pockets instead run projects for the poor. According to UNDP (2007) data, only 10 percent of 'aid' is channeled towards the basic needs of the UCDs. 'Aid remain biased in favor the unban middle classes to the detriment of the poorest of the poor. Hence many scholars suggest for reviewing all 'aid' to UDCs, with a view to reallocating unless a special case can be made based on the 'aid's poverty-reducing effects. Yunus (2013) thinks instead of providing handouts to poor, it effective gives them micro-credit for running small business.

Recently, the pressures of debt payments, debt crisis, and structural adjustment policies have made less developed countries (LDCs) vulnerable to these institutions. As a result, poor people tend to experience more poverty, malnutrition, and health problems, and they are at a higher risk for substance abuse and violence. This is because developed countries impose their own policies on LDCs in the name of democracy, aid, technical support and development. Moreover, capitalism and globalization processes focus entirely on economic growth at the cost of human dignity. Although neo-liberalism and capitalism are two global forces where some scholars argue in their works towards solving poverty, capitalism widens the wealth gap and leaves a large group marginalized in severe poverty with no effective means of improving their situation. The capitalist system dominates and controls the local market and continually threatens the local economy.

Trade liberalization, export oriented markets, globalization and the structural adjustment policy (SAP) of IMF all have some negative effects on poverty. Although all of them are working under liberal democracy, they create inequality and unemployment in societies. Since the 1980s, the market forces have gained headway (Thomas, 2000, p. 40). SAP through IMF intervention has led to rapid increases in prices which contributed to a recession in the Latin American countries in the 1980s and in Bangladesh in 1990s. Although the SAP of IMF attempts to solve poverty and improve economies, in practice, it is opposite. Every country has its own 'Economic Master Plan' and 'Five Year Plan' following Western orthodox economics. These plans are political and serve as eye wash to the public. In addition to this, geopolitics, globalization, misrule of the rich countries (particularly US and Britain) leads the poor countries to poverty and to be dependent on them. Hence Rouf (2014) believes poor countries should challenge the prescriptions of Western donors and develop UDCs own economics in considering local context and situation.

From the above discussion, we see that poverty is a global systemic issue that is a by-product of the global capitalist system. Therefore, poverty should be defined internationally because it is a global problem caused by global systems. How can local governments hope to deal with poverty which results from global forces well beyond their control? In practice, global capitalism is an example of a failed universalistic attempt at solving poverty. In almost every case, capitalist institutions fail to take into account the local contextual conditions, preferring to impose a set of conditions which are seen as suitable to every situation. This has largely failed, and has only resulted in increases in poverty, particularly in countries already subjected to SAPs. Therefore, an anti-SAP movement is needed against globalization's hegemonic policies.

If we define poverty without defining it at a local level and conceptualize it as a global problem, we are then

denying that poverty is in fact a local issue. Are global solutions not simply a continuation of the oppressor pushing their ideas on the oppressed? Therefore, for the sake of practicality, “poverty must be defined in relation to its local conditions which can promote *people centered development* and contribute to human wellbeing” (Korten 1995b, pp. 178-179). The face of poverty is extremely different in each country. In Canada, for example, poverty counts those whose annual income is below \$19,256 annually (National Council of Welfare 2002), while in Bangladesh it means living off less than \$1 a day. So each country defines its own low-income cut-off (LICO) in relation to its individual situation. Some people think welfare and free health care will address poverty. Canada has social assistance program for the needy for a certain period. However, Yunus (2013), founder of the Grameen Bank, does not believe in handouts. Rather, he prefers self-reliant strategies like micro-credit program and social businesses for poor people where they utilize their credit and own skills to meet their needs.

3. Grameen Bank; a local initiative to address poverty in Bangladesh

Political heritage, various religious and cultural beliefs have an effect on how a country addresses poverty issues. Therefore, local definitions are more meaningful since they take into account the local conditions. Universal definitions fail to capture local conditions and local reference points. In Bangladesh, the hardcore poor are defined as those who are landless and ‘wealth less’. The Grameen Bank defines the poor as those who have household total assets amounting to less than \$250. The urban poor are those who live in slums and are fully dependent on temporary manual daily labor. In Canada, the poor are those who spend 56.2% or more of their household income (either paid income or government assistance) on basic necessities and therefore, they are ‘in need’ (National Council of Welfare, 1999; Chappell, 2001, p. 182). Here in Canada, the social safety net is fairly well developed for dealing with poverty. However, in Bangladesh the poor live by on their own resources and must survive on their own efforts. There is no state supported safety net there. Thus, both the poverty definition and its solutions are different in these two countries. Hence Penz (1998) criticizes ‘income poverty’ and suggests poverty should be seen from people’s capacity to purchase/afford their basic needs.

Multinational corporations (MNCs) are expanding their socio-economic power over the state through trade agreements, but there are no international bodies which can make and enforce laws. Thus, it is up to the local governments to create and enforce laws which limit global companies and the actions of the local economy and ensure a reduction in poverty. Although NGO initiatives are incapable of dealing with the root of the problem and they are only Band-Aid solutions, they work locally for poverty because the solutions can only be found and implemented locally. Gramen Bank and other MFIs in Bangladesh are providing micro-credit and other services that assist poor people to engage in small business and run social businesses within their community and earn income and develop their social space in their neighborhoods.

4. Poverty different measures

United Nations Development Program (UNDP) explains poverty in more relative terms, but it also has different criteria for explaining poverty depending on whether we’re talking about developing countries or more industrialized nations. UNDP uses the Human Development Index (HDI) and Human Poverty Index (HPI) for poverty management (Thomas, 2000, p. 16). This is a composite measure which includes different indicators from local perspectives. A lack of health care, education, and social involvement, along with inadequate environmental quality, can also be referred to as poverty. Thus, it is multi-dimensional. Although human development index (HDI) developed by UN is widely used now, there is no separate UN agency solely dedicated to poverty eradication. World Bank thinks vibrant urbanization and private sector development can support faster job creation. Investments in quality education, healthcare, and social protection can lead to better jobs.

Now development has both positive and negative effects on society. It could either decrease or increase human wellbeing because dominant business elites are greedy for profit, and they exercise control over people through the market economy. Development ethics really don’t exist (Gasper, 2004, p. 1). They decide what areas of wealth increase and in what ways.

The designs of wealth creation and distribution affect the whole world. Power decides what resources go to which third world country with what conditions. It is even determined in UN voting, IMF voting and G-8 meetings, and G-20 meetings. These voting decisions affect the third world because the first world has forced their ideas onto the third world countries. However, those ideas do not fit appropriately into the third world poverty reduction strategies. For example, first world ideas of GNP calculation ignore female/domestic labor. Their work is not included in the GNP calculation, rather devaluing their efforts. Therefore, a universal poverty definition and universal solution policy cannot cover all the different pockets of poverty within a different society. Moreover, multinational corporations (MNCs), the source of a lot of 'working poverty' do not generally focus on local conditions. Their owners and operators are located in far away rich countries. MNCs are care only about profits and their business. Local poverty and the environment is not one of their concerns. To address the issue of poverty, there are different opinions/ approaches developed by different institutions and experts discuss below.

5. Approaches to Poverty Analysis

A number of ideas have been proposed for measuring the rate of poverty. Here are three approaches to poverty analysis: (1) the Poverty Line Approach focuses on economic measures for meeting basic needs, but it says less about the depth of poverty (poverty gap); (2) The Capabilities Approach explores endowments and entitlements of functioning achievements; and (3) Participatory Poverty Assessment (PPA) approach explores the cause and effect of poverty in a specific context. The PPA looks at the experience of poverty from the poor people's perspective. It is a bottom-up evaluation where the poor give input, and it encourages active participation in finding comprehensive policies to address poverty. Participatory budget of town house meeting in Argentina and Brazil are an example of PPA approach to prepare and to develop budgets and projects for the public especially for the disadvantaged people in Argentina and Brazil. In Bangladesh, some municipalities already started public town house meeting; many local citizens' male and female (young, adults and seniors) are participating in these town house public meetings and provide their voices and opinions in the meetings. Citizens' participation in the town house meetings assists municipalities tailoring their plan and budgets to the local needs. Toronto Community Housing (TCH) has introduced the participatory budget analysis meetings for the tenants of the TCH in Toronto. The TCH participatory budget analysis meeting provides opportunity to talents of TCH to be involved in budget analysis that enhanced marginalized TCH tenants benefits in Canada.

Now the paper is going to discuss how poverty is viewed by economists as the lack of money, income or capital resources to provide for oneself and one's family. The poverty line, the GNP and LICO are a few of the major elements used to measure poverty from an economic perspective. The poverty line identifies poverty as the limitation in earnings and purchasing power. LICO is used in Canada to measure absolute poverty (acute poverty) and relative poverty.

The *poverty line approach* separates the poor from the rich (cut-off point) and focuses on (a) the national per capita income at the micro level, and (b) the per capita household income. It defines daily income to be the minimum level necessary for survival of household members. About one-quarter of the world's population lives on less than \$1 per day and over half lives on \$1 per day and are suffering from absolute poverty (Daley-Harris, 2002). The highest poverty region in the world is South Asia (44%). 841 million people worldwide are malnourished and 885 million adults worldwide are illiterate (World Bank Report 2000). Within these huge numbers of poor, women are the most affected (67%) and children are the worst victims (Hick, 2004, p. 147). Poverty also exists in developed countries (11%) for people that have less than \$14.40 per day of income. In Canada, 3.3 million people (14.4%) live below the poverty line (Chappell, 2001).

Although GNP per capita and GDP are used as tools to measure poverty at the macro level, they are not appropriate to measure poverty because they are based on the average GNP income of a state. The advantages of the poverty line approach are that it provides empirical data which enables the planners to map the extent of poverty. However, macro level economics and statistics cannot measure local conditions especially when it

comes to health and quality of life.

Free trade and global investments do not decrease the gap between rich countries and the poor. In 1960, the gap between developed countries (DCs) and under developed countries (UDCs) average income was only 20 times, while in 1990 the ratio had increased to 55 times (Hick, 2000. P. 147). Therefore, Sacks (2005) and Penz (1997) say that neo-liberal democratic capitalism is increasing income poverty unequally. Hence global inequality among individuals has increased the poverty gap. Conversely, the poor world is suffering not only from income shortages, but other concerns such as unequal access to assets, opportunities and universal education. Moreover, economic growth does not always benefit poor people and reduce poverty (Jackson, 2011). Kabeer (1994) says, "Human needs go far beyond the ability to afford daily nutritional needs, but can be extended to living a healthy and active life and participating in community activities" (p. 139).

The *capabilities approach*, *participatory poverty assessment*, and the '*hierarchy of needs*' approach all go beyond human economic needs and promote social aspects of human life. For example, the capabilities approach developed by Sen (1984) explores endowments and entitlements (means) of functioning achievements (ends) for the poor. This approach talks about means and ends (social inclusion) and it appears to respond to economic growth which fails to benefit (trickle down to) the poor. Economic growth fails to meet all people's essential needs: water, sanitation, shelter, clothing, public health, and transportation. The advantages of this human capabilities approach are the focus on monitoring basic achievements across country borders, gender relations, and gender inequalities. Although the capability approach is inclusive of social aspects, intangible social conditions are not quantifiable.

The capability approach tailored to the Human Development Index (HDI) of UNDP includes income, life expectancy and educational attainment as human development measurement. The benefits of HDI are the measurement of basic achievements across the country and the focus on gender inequality. UNDP also monitors the gender inequality index (GDI) which uses three indices of HDI, but GDI focuses on gender inequality. GDI helps to identify gender inequality and low status of women, and promotes change. This gender-based approach helps to identify the human rights approach to social welfare. It further defines social entitlements as a right of citizenship.

Another multidimensional poverty assessment is the *Participatory Poverty Assessment (PPA)* that explores the cause and effects of poverty in a specific context. It looks at the experience of poverty from the poor people's perspective. It is a bottom-up approach to measure poverty. The advantages of PPA are: it looks not only at the basic needs but also the security, accumulation, social standing, and self-respect. It also includes unskilled labor and social networks. Hence the capability approach, HDI, and participatory poverty assessment are more important in addressing poverty at the local level; much more so, than the poverty line approach.

Feminization of poverty is the phenomenon that women represent disproportionate percentages of the world's poor. UNIFEM describes it as "the burden of poverty borne by women, especially in developing countries". Feminization of poverty is a terrible ordeal both in LDCs and DCs. International poverty can be thought of as a mosaic of social elements. Any comprehensive analysis must stress, as a core concern, gender inequalities: the unequal access to assets, opportunities, and status that women experience, compared to men, in most of the world, and particularly in many Southern countries (Langdon, 1999). Crucial antipoverty element is gender equity and equality; this priority is not just to counter the discrimination that prevents contributions from women and men from being fairly recognized in society; but the effort against poverty, especially women and child poverty, requires a major focus on the inequality that women experience. Bangladesh has been leader with its emphasis on micro credit for rural women economic and social development through Grameen Bank, BRAC, ASA, Proshika, Nijera Kori, and other NGOs.

In Bangladesh more than 70% of rural women live below the poverty line. In Canada, 37% of single mothers live below the income poverty line. The women's nurturing activities and household responsibilities devalue them and leave them vulnerable to exploitation. The growing poverty rates give them no choice, voice,

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value, power, or status in society. Rather, they are exploited by upper class people and employers. For example, industrialized jobs are currently filled by females and thus, increasingly more exploitative” (Kabeer, 2003, p. 69). The global feminization of poverty represents a profound moral crisis for new generations. Many scholars see global poverty as a fundamental threat to human existence. The injustices of mass poverty especially feminization of poverty will effect to future political and social instability in the world. In order to challenge the global poverty and develop local poverty eradication programs, people should be able to participate vibrantly in shaping what is happening to their communities and neighborhoods. At the same state should develop macro-economic and social policies leverage to local economy and local development.

Patriarchal societies favor and give power via customary laws to men. This has a negative effect on women. All these factors are responsible for rural female poverty. However, the Dollar and Gatti study (1999) finds gender inequalities had a significantly negative impact on economic growth. Gender equality has positive effects on per capita income in society (Kabeer, 2003, p. 40). Hence gender equality would be one of the approaches to address the issue of the feminization of poverty.

There are many other poverty relief strategies developed by different scholars and institutions including: *Poverty Reduction Strategy Papers (PRSP)*, *Gender Responsive Budgets (GRB)*, and *Sectoral Strategy for Poverty Policy (SSPP)* and *Gender Management System (GMS)*. All of these programs are useful in macroeconomic policy. For example, PRSP deals with a country’s macro-economic structural and social policies to promote economic growth and reduce poverty. Although PRSP explores opportunity for poverty reduction, it has rapidly become an integral component of aid-cooperation agencies. It is heavily influenced by the World Bank/IMF. Furthermore, it is heavily reliant on external technical advice. It expands global rules of trade and global market expansion that is regulated by bi-lateral and multilateral trading agreements (Kabeer, 2003, p. 211).

The *Hierarchy of Needs approach* developed by the Fraser Institute uses an absolute approach. This hierarchy of basic needs pyramid theory suggests that “for poor people, the notion of self-esteem itself might be more closely tied to the ability to feed their children than to middle class, which would hamper their survival strategies” (Kabeer, 1994, p. 140). Although this is not a direct measurement tool for poverty, this ideology provides just another social theoretical framework from which sociologists examine the issue of poverty.

From the above definitions and approaches to poverty, it is clear that the economic and social theoretical viewpoints directly affect how policies are developed in recognition of these pressing issues. Therefore, poverty analysis and solutions should be considered both at the universal and local levels to define and to solve the poverty different components.

Now the paper is going to discuss the Grameen Bank (GB) micro-financing program that deals with poverty that is based on a combination of economic and social dimensions at the local level. Grameen Bank pioneered ‘micro credit’, giving funds to poor women once considered unbankable, and allowing them to engage in agriculture, commerce and food processing businesses. Through Grameen Bank, BRAC, ASA, NIjera Kori and many other micro-financings institutions (MFIs) , many of the women engaging in microcredit etc. have less children and want less children; fewer children will also help get out of the cycle of poverty. The *Grameen Bank group based micro-credit approach* is a local solution to address poverty in Bangladesh.

Although Bangladesh is not out of the grip of extreme poverty, young women are working in garment factories in inhumane working conditions and are low-paid, these young women are trying to earn income and contribute to their families and to the Bangladesh economy. Although the author finds the garment workers are suffering in exploitive sweatshop job environments where these women are working, at the same time they (garment workers) talked about their greatest opportunity for their empowerment in Bangladesh. For example, they could imagine being able to save surpluses from their pay, manage their own income, have their own rooms, and choose when and whom to date and marry, choose when to have children, and use their savings to go back to school. According to Sacks (2005) this is the first step on the ladder out of poverty for Bangladesh.

Neither economic nor social viewpoints alone are enough to address poverty. Rather a combination of the two is needed. Most meaningful solutions to poverty work are at the local level. Even international aid, which is delivered globally, must eventually be administered locally. Grameen Bank is a very good example of an integrative approach. GB extends its collateral free banking service, which caters primarily to rural women in Bangladesh, and mobilizes the poor. It is a 'self-sustaining process' and makes its members work both individually and collectively to move up the social and economic tiers. Grameen Bank provides \$16.7 billion in credit to 8.6 million rural landless in Bangladesh (Grameen Dialogue-93, 2014). GB narrows down its poverty measurement to the borrower level. It uses ten indicators to measure poverty for its members. Here a combination of social and economic holistic development drives the Bangladeshi rural poor towards self-employment, independence. They are encouraged to make decisions on behalf of families, plan and save for the future, and alleviate the burden of poverty from their lives and their children's. Grameen Bank Statistics (2006) state that 58% of its borrowers have successfully graduated from poverty through the use of Grameen loans.

Microfinance is not designed to support large companies at the national or international levels. Rather, its success is entirely local, through improving local conditions for residents, teaching them to manage money, and plan for their lives beyond a day-to-day subsistence. Grameen Bank is an example which demonstrates that the concept of microfinance is rooted in local conditions. Grameen social business equity financing program supports local small social and green businesses in Bangladesh. The loans are small and given to individuals who are rooted in local villages. They then use the loans to create small businesses which serve the local population.

Microfinance is part of the framework of *interventionism* as it is defined as the "need for intentional development alongside capitalism in order to *ameliorate the disordered faults of progress*" (Thomas, 2002, p. 28). Interventionism looks to combine state and market forces. Microfinance is an intentional attempt at development using the capitalist methodology. Through borrowing small amounts of money, GB borrowers become entrepreneurs and owner-operators of small enterprises that conduct business independently in their communities. In this way, they increase their family income and savings, educate their children and plan for their future. GB helps to mentor businesses within their local market by providing a supportive community and teaching basic business management skills.

A key part of Grameen Bank is the strategy of bringing women together on a weekly basis not only to pay their loans, but also to share experiences, support one another's business, and to hear from bank staff about how to keep their family healthy and prepare for natural disasters. Microfinance schemes are targeted at those people who are normally excluded from mainstream banking services, training programs, and business development advice. Their goal for each person is that they help the poor for their self-sufficiency and self-confidence. Only when an individual gains these important qualities they can pull themselves out of the depths of poverty for good. Microfinance institutions aimed at the poor require some kind of a *means-test* to identify the extremely poor (Gibbons, 1994, pp. 116-117). Means-tests are also used in Canada to evaluate the assets and income of welfare recipients. Credit unions in Canada are local solutions to mobilize the poor and facilitate networking among them. They are local solutions that promote local small businesses and work to meet their banking needs.

Although the World Development Report (1990) says "Reducing poverty is the fundamental objective of economic development" (p. 24), safe and sustainable environmental policy, programs and projects are also vital for poverty eradication and human development. Several NGOs and many international organizations are attempting to address poverty, but they are working piecemeal and often cancel out each other's efforts. An inclusive poverty definition and an integrated program for income development, education, health, and legal services for poor women at the village level are urgently needed. For poor women, their poverty is not just an issue of nutrition and basic needs, but of justice, voice, choice and fundamental human rights.

A globally-unified poverty definition and a uniform global poverty reduction strategy may not be appropriate for all poverty pockets in the world because the depth of poverty and causes of poverty differ from

Poverty is a global problem resulting from global issues, its definition and solution can only be found locally society to society. Therefore, we need to identify the *poverty headcount* of both absolute and relative poverty (Slayter, 2003, p. 297). At the same time the public policy should be reviewed and updated, and poverty-related trends and conditions must be monitored. This plays a crucial role in giving people the ability to develop their potential as well as to convert available resources into an economically and socially advantageous small business.

6. Policy implications of this paper

This research attempts to debate and to explore poverty eradication different concepts, theories, policies and strategies of different local and international development initiatives in the world. The paper also identifies problems/challenges that local and international initiatives are facing as well as discovers the local community needs for eradicating their poverty. The study explores status of different concepts, theories and thoughts that are effective/fit to solve local poverty and other issues like gender discrimination, unemployment and social injustice etc. in society. Moreover, the paper discerns whether local initiatives are enough to face these challenges or both national and international joint efforts are necessary to solve local poverty in society. The paper brings several examples of local initiatives like Grameen Bank micro credit, BRAC and other NGOs in Bangladesh that address the issue of poverty in Bangladesh. Moreover, the paper illustrates international NGOs contribution to address the issue of poverty in society.

This work can help the academicians' future research in locally defined vs international defined global poverty problem, but look for local solutions for eradicating local poverty. The research findings would help social leaders to improve their local initiatives for to address the issue of local poverty and other social issues. The research paper also generates a new knowledge of global poverty problem and local poverty different initiatives for local poverty solutions that could be used by different local and international organizations elsewhere in the world.

This policy brief research suggests local initiatives are very important to address the issue of local poverty. The paper also identifies socio-economic and political obstacles that are facing by outsiders or international agencies to conceptualize poverty internationally and solve poverty universally. The results of studying such a process could provide a basis for overcoming these obstacles and facilitating the inclusion of local people participation to solve local poverty. I worked in Grameen Bank and its other sister organizations in Bangladesh for three decades and I found that the different programs of Grameen Bank contributed to reducing Bangladesh poverty that admitted by Bornstein and Davis (2010). Moreover, Grameen America USA, Desjadin Credit Union Canada, Mondragon Spain, Natural Agriculture Thailand, World Bank, UNDP, ILO, Global Economic Forum, Clinton Global Initiatives, and many other national and international bodies. Participatory Budget Brazil are local agencies working for reducing poverty in the respective country context.

Moreover, different studies show that although many international agencies have been working in Bangladesh for addressing the issue of poverty of Bangladesh since 1972, maximum of them are less effective to address local poverty in Bangladesh.

The literature review and my personal working experience assist me to write this paper. The paper might help the Government of Bangladesh, MFIs and NGOs of Bangladesh, and many other countries get ideas about the thoughts, policies and strategies of the poverty eradication that are mentioned in the paper. This research can be a learning lesson for both developed and developing countries, and for NGOs on the issue of local poverty and eradication of poverty in different places and grow interest in initiating local social programs, localized geographic project and services for the marginalized people in their own country.

This advanced-level post-doctoral social research study can directly beneficial to local NGOs, local MFIs, academicians, researchers and community leaders to rethink local solutions for local poverty eradication. This study gives researchers a space to discuss and debate advantages and disadvantages of partnership experience connect with to universal concepts of solving social problems particularly eradicating local poverty.

7. Conclusion

From the above discussions/arguments, the paper draws conclusion poverty is depriving poor people of access to resources to achieve anything beyond fulfilling their basic needs. It is one of the most important issues to be examined in development studies because the world has become an increasingly unequal place, as the gap between the haves and the have-nots has widened. Poverty, injustice and inequality are worst in capitalism. Because capitalism and globalization of the free market economy makes poverty global and the third world more impoverished. It is advantageous to wealthy nations, but developing countries have less wealth and significant social problems that are not encouraging to resource creation. Over fifty countries are now poorer than they were ten years ago (Bibby & Shaw, 2005). The world is increasingly becoming globalised. However, people living in poverty are citizens who have rights to the benefits of development. Currently many thinkers are questioning is there no turning back from the social impoverishing process.

Many development thinkers are suggesting for traditional cooperatives management by marginalized people could be an alternatives for their poverty eradication because cooperatives are based on social and ethical values and on the principles of democracy and self-help; however, many developmental practitioners consider *traditional cooperatives are like an 'old furniture model for development'* because this alternative developmental model unable to function properly in many countries including Bangladesh in the present. Therefore, Slyter (2003) suggests for an approach to address poverty, which should be considered that closely analyzes its causes and implications to address issue of poverty (p. 286).

To reduce poverty and to promote the Brundtland Commission's *human need-centered nine conditions could be considered- justice, sustainability, inclusiveness, gender equity, good literacy, human security and reduce poverty* (in Thomas, 1996, p. 99), the state should deregulate free-trade within their country to protect its local products and businesses from imported competition. Moreover, UDCs need to work on a sustainable development agenda that "meets the needs of the present without compromising the ability of future generations to meet local people's own need" (Allen & Thomas, 2000, p. 158). UDCs should be solely dependent on overseas 'aid and assistance'; the government policy for poor should not be provide relief to them for their livelihoods rather provide them assist them to run business for their income.

In Bangladesh, Pally Karma Shauk Foundation (PKSF) and its affiliated local MFIs/NGOs have been providing micro credit and offering business training for supporting the bottom people to run their business in Bangladesh. The Government of Bangladesh also develops strategies and makes separate budget and projects for the poor for eradicating poverty and for their development. Currently the Government of Bangladesh is not dependent on 'foreign aid' for assisting the poor. Rather the government beliefs it is effective mobilize local resources for the poor and allocate local resources to them. The result is promising. Therefore, it is important to identify poverty issues locally; find resources/alternative paths that are suitable to marginalized people in their local context as well that are adaptable to marginalized people to uplift them from their sufferings of poverty, injustice and misery.

The paper suggests initiate community economic development (CED) activities for the youth; develop social businesses education programs/services for them so that they could involve in income generating activities in their communities and use their potentiality engaging in social businesses for eradicating their poverty. This research can be useful to micro-finance institutions (MFIs), NGOs, private and public sectors and other social national and international agencies in Bangladesh, North American, Asian, African and Latin American countries. This report can be learning lesson to people and agencies those are involving in solving community issues particularly eradicating local poverty in different places in the world. By reading this article, different local and international organizations would know about their strengths, weaknesses, opportunities of their legal structures, funding models, products and services, operational policies and strategies to address the issue of local poverty. The paper ends with conclusion that the benefits of local initiative to address the local social problems are an anti-globalization, anti-MNCs, and anti-colonial localization process that empowers marginalized poor people in

Poverty is a global problem resulting from global issues, its definition and solution can only be found locally society. This approach is a sustainable development model to address the issue of local poverty and its solution.

Notes: The findings of the research have shared with at different international seminars and local NGOs both in Bangladesh and Canada. For example, this research paper has accepted for presentation at the Comparative International Educational Society (CIES) Conference held in Vancouver in 2016.

8. References

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