

## **ABSOLUTE POVERTY AND RELATIVE POVERTY. THEORIES ON POVERTY**

**Assoc.Prof.PhD. Cornelia Tomescu-Dumitrescu**  
*“Constantin Brâncuși” University of Târgu Jiu*  
*elitomescu@gmail.com*

### **ABSTRACT:**

*POVERTY IS A MAJOR GLOBAL PROBLEM AND WITH ALL EFFORTS TO REDUCE IT, IT CONTINUES TO AFFECT A CONSIDERABLE NUMBER OF PEOPLE IN THE WORLD. ALTHOUGH POVERTY IS PROBABLY ONE OF THE MOST WELL-KNOWN PROBLEMS OF HUMANITY, IT REMAINS A CONCEPT WITH MANY UNKNOWNNS, AND THROUGH ITS NEGATIVE EFFECTS, POVERTY CONTRIBUTES TO THE DEGRADATION OF HUMAN POTENTIAL, DIMINISHING THE CHANCES OF GLOBAL DEVELOPMENT. THE IMPORTANCE OF THE ISSUE IS HIGHLIGHTED BY THE FACT THAT OCTOBER 17 WAS PROCLAIMED BY THE UN GENERAL ASSEMBLY AS "THE INTERNATIONAL DAY FOR THE ERADICATION OF POVERTY" AND THE 1997- 2006 "FIRST UN DECADE FOR THE ERADICATION OF POVERTY". IN 2007, THE UN GENERAL ASSEMBLY PROCLAIMED THE 2008-2017 PERIOD AS "THE SECOND UNITED NATIONS DECADE TO ERADICATE POVERTY".*

### **1. Introduction**

The problem of poverty has long been analyzed in its various aspects, ranging from ancient philosophers to original modern approaches in the view of notorious scholars such as A. Sen, J. Sachs and others. This area has enjoyed a great deal of attention over the last decades and in the multi-faceted studies of international organizations - the World Bank, the United Nations Development Program (UNDP), etc. But although research into the causes of poverty has evolved over the history of mankind, from the divine decision approach to the situation approach caused by the structural problems of the state economy, some aspects of poverty became more pronounced (such as the monetary aspect), and Others (for example, the comfort of the poor) remain in the shadows. All this reiterates that poverty is a complex phenomenon, requiring a multilateral approach, interacting with different spheres of human life: economic, social, cultural, and so on. Poverty is one of the greatest problems of mankind today. This statement can be made from a simple global statistic: one in seven people suffers from chronic hunger. Although 28 years have passed since the events of December 1989, the social protection system in Romania does not offer social policies geared to all population segments. Social groups for which in developed countries there are specific protection programs are ignored by the social policies in our country.

The state, amid the general decline in living standards, partly or completely ignored certain categories of population that were severely affected by the transition. These social segments are marginalized, disadvantaged and excluded from rights and social participation. These categories include:

- single-parent families;

- families with many children;
- institutionalized children, especially those leaving the institution at 18 years of age;
- part of the Roma population;
- people without papers (especially children who do not attend school).

The state has focused on maintaining the macroeconomic balance and less on the correct allocation of resources and on the fair redistribution of revenues.

The emergence and expansion of strongly marginalized social groups, of a subclass, is not due to the complete lack of programs for these groups, but rather to the inefficiency of certain programs or to the insufficiency of funds for them.

## **2. Absolute poverty and relative poverty**

From a consumption perspective, poverty is defined as the inability to meet those needs that are considered to be minimal. From the point of view of social functioning, poverty is defined in terms of the minimum conditions that are necessary for a normal functioning of the individual within that community. Not simply individual survival, but the existence of those means that ensure the person a complete participation in social life, to fulfill his roles, to participate in the minimal formative activities that give him the chance to develop himself through his own effort is a characteristic of the second perspective. For example, school becomes a prerequisite for individual freedom. A low level of education narrows the potential movement space and becomes an essential handicap. Poverty thus has the effect of social exclusion of children from poor families from participation in community activities. Determining poverty is a poverty line. The poverty line refers to the level of economic resources (expressed in money) needed to ensure the lifestyle considered acceptable. In relation to the poverty line, the poverty rate of a community, the extent of poverty or the degree of poverty are determined. Absolute poverty seeks to establish a universal poverty standard, an absolute poverty threshold based on the concept of subsistence. Absolute poverty can be defined as the lack of means to maintain human life. The International Labor Organization established in 1977 a list of fundamental human needs:

- lack of meat or fresh fish;
- less than 6 pairs of new socks,
- lack of a car.

It has been noticed that fundamental needs are very difficult to standardize. People are different and have different needs.

Human needs are defined as involving two elements:

- requirements of private family consumption: adequate food, clothing, housing and furniture;
- essential services provided by the community: running water, sewage, public transport, health services and education.

Relative poverty refers to the relative level of people's needs and aspirations that depend on the general development degree of a particular society. Establishing the poverty line is a problem, with the poverty line being the level of money earnings under which a person can be considered poor. Each country has its method of setting the poverty threshold.

In the US, there is a sample of about 10,000 families completing a family budget sheet, averaging monthly expenses. They consider that monthly spending on food accounts for one-third of family spending, which means that the poverty line is equal to food expenditure.

In England, the poverty line is set as the percentage of minus revenue for the economy and ranges between 55 and 75%.

In Romania, the poverty line is 60% of the guaranteed minimum income.

### 3. Poverty Theories

Some theories of poverty are known in the literature, namely:

1. *Poverty as an individual moral characteristic* The theory emerged in England in the nineteenth century, with Herbert Spencer giving a very net formulation of this theory: "the poor are lazy, criminal, vagabond, engaged in a self-destructive life." From the point of view of poverty, the poor belong to the poor and society must not help the poor willingly.

2. *Poverty as a cultural feature* The theory emerged in 1959 in Oscar Lewis's work, which was based on his allegations on his studies of urban poor in Mexico and Puerto Rico. Poverty is not just a lack of sufficient means for a normal life, but also a lifestyle based on specific values and norms. In other words, poverty forms a culture: values, norms, ways of thinking and feeling that shape the behavior of individuals. Lewis says there is a culture of poverty that is taught by children and is transmitted from generation to generation.

The culture of poverty is characterized by:

- temporal presentational orientation (impossibility of postponing consumption);
- resignation;
- fatalism;
- faith in fate, in luck;
- at the family level, the poor have a tendency towards concubinage;
- the high incidence of family abandonment by the man;
- male violent attitude;
- at community level, the poverty culture is manifested by the lack of participation in associations, organizations, parties, the lack of use of banks, art galleries, big stores.

3. *The theory of poverty as a welfare state effect* Teroia says that in order to support those in need, the state increases taxes and taxes, which leads to the reduction of the activity of some companies, enterprises and the increase of the number of the unemployed. There is a culture of addiction, namely the welfare state, through generous social benefits (social aid, unemployment), demolishing individual efforts.

### 2. Conclusions

Today, one in five people live in the world with less than one dollar a day, and one in seven suffers from chronic hunger. Living on the edge of the economy, the poor struggle for a regular income and can lose everything when a change occurs. Women and children are the most vulnerable. According to UN statistics of the 6 billion inhabitants of the planet, 1.5 are poor. Of these, around 1 billion are in developing countries, and around 500 million are in industrialized countries. There are about 40 million poor people in the US, and about 200 million poor people in Eastern Europe and the former USSR. Poor poverty is not just about income. Poverty also means lack of education, medical care and political influence, lack of security of the person, adequate shelter and sufficient food. More than 800 million people face hunger, over 200 million children do not go to school, and the spread of HIV / AIDS threatens social and medical systems all over the world. If poverty continues to be an uncontrolled phenomenon, the world can expect more humanity crises, more domestic violent conflicts and a deterioration in living conditions for the poorest. Can poverty be reduced? Yes, if countries develop policies that invest in education, improve access to health care and environmental protection. Too often poor people are left out, even when a country makes economic progress. Specific policies and opportunities for creating new revenue must also include the poor.

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