Discussing Poverty...

Is it better to be poor in a high-income or a low-income country?
Counter-intuitive reflections, measuring well-being and the impact of inequality

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Introduction

Common-sense suggests that the poor in rich countries will live better lives than the poor in poor countries. After all, the amenities of modern living are at their disposal and, in most cases, the state provides their basic needs. On one level, this assertion is difficult to refute – with a few rare exceptions, the poor in wealthy countries do not experience the famine or extreme starvation we associate with ‘third world poverty’ (Dziedzic, 2007).

However, in the last few decades we have begun to acknowledge that poverty is not just about material needs. There has been a growing understanding that happiness and well-being are central to human existence (Heeks, 2012), and a growing awareness that poverty is actually a multi-dimensional phenomenon that also includes such life characteristics as lack of control over resources, lack of education, poor health and many other non-economic factors (Murali & Oyebode, 2004). Poverty is also ultimately experienced subjectively (Copestake & Camfield, 2010) and the relationship between this subjective experience and objective life circumstances can at times be quite loose (Camfield & Skevington, 2008). Given this subjectivity, it is far less clear whether the subjective experience of being poor in a rich country can really be said to be in any way ‘better’ than that of being poor in a poor country.

This essay explores approaches to defining what is meant by ‘better’. It considers the impact of ideas such as Subjective Wellbeing, Happiness and Quality of Life, which focus as much on what people ‘internally’ think and feel about their lives as on the ‘external’ things they have or can do (Copestake & Camfield, 2010) and defines a set of proxies by which this multi-dimensional idea of ‘better’ can be understood.

It goes on to explore one of these dimensions in depth (Mental Health) and argues that – while average income may have a minor influence, inequality is a far greater influence; and that this is true across most of the dimensions and proxies identified.

Given this knowledge, we may find more useful answers and policies by seeking to tackle inequality, and exploring the other contributory factors, rather than continuing with the search for yet more economic growth – which seems not to play a significant part in making the lives of the poor ‘better’, in either rich or poor countries.
What is meant by a ‘better’ life? Three approaches.

While it is, of course, impossible to objectively examine a concept as subjective as what ‘feels better’, there are three relatively recent concepts that have emerged from the fields of Psychology and Health that are useful, as they provide multi-dimensional rather than traditional economic/basic-needs approaches to answering this question – Subjective Well Being (SWB), Quality of Life (QoL) and Happiness (there are other approaches that could have been included - including a recent ‘Humankind Index’ from Oxfam (Oxfam, 2012) that cover a similar set of factors – but all paint a similar picture).

While their concepts remain somewhat elusive, all these approaches usefully include subjective as well as objective dimensions (White, 2009). Subjective Well Being includes people’s sense of themselves, their social relationships and their material standard of living (White, 2009); Quality of Life examines a person’s physical and psychological health, level of independence, social relationships and their relationship to their environment, their own perception of their position in life and their achievement of their goals (Camfield & Skevington, 2008; Skevington, 2008); and Happiness includes additional more measurable areas such as employment, relationships, poor health, as well as a person’s own perception of social exclusion (Heeks, 2012) and in particular goes beyond human needs to look at the subjective impact of ineffective need-gratification (Ouweneel & Veenhoven, 1991). While these approaches all differ in their perspective, the similarities and overlaps of their multiple dimensions are clear.

The most critical observation from these approaches is that ‘better’ is at least partially relative to an individual’s environment – people can, of course, be happy in miserable conditions or unhappy in good ones - a perennial observation dating back to the early Greek philosophers (Veenhoven, 1989). This of course makes it far more difficult to assess someone’s genuine well-being, especially in the context of modern capitalism which is adept at turning luxuries into necessities. This process conditions people so that what was previously a ‘frill’ is now something they cannot live without (Economist, 2006) – for example 12.6% of Americans live below the poverty line, yet 80% of them pay for the societally-expected luxury of air-conditioning (Wilkinson & Pickett, 2010) – presumably at the expense of something they need far more.
Clearly an ‘objective’ improvement in someone’s physical condition does not necessarily produce a related improvement in their subjective state of mind, quality of life, well-being or happiness and we need some kind of a framework through which we can understand what constitutes a ‘better life’.

**A guiding framework for assessing a ‘better life’**

To help compare people in different countries and situations and to begin to discuss what is ‘better’, it is helpful to use measurable or observable characteristics, whether these are objective or subjective. The table below combines and summarises (with some obvious overlap and repetition) some of the key characteristics identified in the three different approaches above, grouped by the seven domains identified in the most recent updates to concepts of Well Being (White, 2009):

<table>
<thead>
<tr>
<th>Domain</th>
<th>Factor / Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Access to valued physical, material and intellectual resources, food, housing, basic services, finance, work opportunity and environment</td>
</tr>
<tr>
<td>Physical</td>
<td>Functioning well, self-sustenance, enhancing physical wellness, lack of pain, sleeping, eating, material comfort, physical health and fitness, life expectancy</td>
</tr>
<tr>
<td>Psychological</td>
<td>Feeling good, sense of purpose, self-esteem, competence and self-worth, enhancing psychological wellness, no loneliness, opportunities to learn, freedom from mental illness/mental health problems, dignity</td>
</tr>
<tr>
<td>Social</td>
<td>Positive/supportive relationships, trust and belonging, building social connections, family relations, social support, social inclusion, social status, community relations, family life</td>
</tr>
<tr>
<td>External Environment</td>
<td>Freedom from violence, mobility, healthcare, transport, social security, education</td>
</tr>
<tr>
<td>Political</td>
<td>Having control over one’s life, self-determination, ability to positively influence people/community/country, ability to exercise participation, getting ahead, access to decision-making processes, autonomy, the right to one’s own identity, the right to speak out, political rights</td>
</tr>
<tr>
<td>‘Spiritual / Inner Harmony’</td>
<td>Being good with God, responsibility towards others, being of good character, hope, inner peace, faith, optimism, achievement of goals</td>
</tr>
</tbody>
</table>

*Sources: (Camfield & Skevington, 2008; Heeks, 2012; Ouweneel & Veenhoven, 1991; Skevington, 2008; WeD, 2008a, 2008b, 2008c; White, 2009), Fischer, 2011, Grinde, 2009)*

The Wellbeing research group at University of Bath devised an integrated ‘star’ of personal wellbeing across each of their dimensions (White, 2009) which is extremely robust theoretically, but extremely hard to translate into practice due to its complex nature. For the purposes of this essay, below I have attempted to modify this concept, by choosing a best-fit proxy-indicator to
represent each of the seven domains, blending proxies from Wellbeing, Quality of Life and Happiness, as demonstrated below:

![Radar of proxy-indicators for a 'better life'](#)

**Figure 1. Radar of proxy-indicators for a ‘better life’**

While this is clearly over-simplistic and un-scientific, given the subjective nature of the question this may be unavoidable. What these proxies offer, is a useful and measurable perspective by which to consider and compare different people’s lives, and some criteria to help decide which is ‘better’ or ‘worse’.

They have the advantage of combining objective, measurable criteria (state welfare, food, physical health), with intangible subjective criteria which are easy to observe (Participation, to discover by asking (Hope), or to analyse through existing research (Mental Health, Social Capital). This combination helps diminish one of the criticisms with these approaches – that they are not comparable across different cultures, as different cultures have different associations with the ideas of a happiness and wellbeing, and some people simply always tend to report higher happiness than others (Vitterso & Rojas, 2010). Using these proxy indicators reduce the
importance of cultural differences, making cross-country comparisons across the combined seven domains seem relatively robust.

What is ‘better’ is not always obvious

This ‘better life radar’ provides a lens through which to assess the lives of poor people in different countries. It is interesting to use this radar to consider two counter-intuitive examples, that demonstrate how our ‘common-sense’ assumption that the poor in a richer country are better off is not necessarily the case if we use a multi-dimensional approach to define ‘better’.

To illustrate by extending a real example, Mari Marcel-Thekaekara, a development worker, took a group of extremely poor Indian tribes-people - the Adivasi - to visit the extremely poor Easterhouse estate in Glasgow and was shocked by the comparison. From an expectation that the Scottish poor would be far better off: as “these people had assured housing, electricity, hot water, refrigerators”, the Adivasi quickly decided that they were actually far better off than many of the Easterhouse residents: “most of them hadn’t had a job in 20 years . . . they were dispirited, depressed, often alcoholic, their self-esteem had gone, they felt hopeless”. This was in stark comparison to the Adivasi’s view of their own situations where, despite the lack of enormous basic needs, they felt proud and satisfied at their “community, children, unity, culture, the forest . . . they did not see themselves as poor” (Marcel-Thekaekara, 1999).

Taking this as a starting point, we can hypothesise two archetypes from each of these communities, and plot fictional (but realistic) aspects of their lives against our indicators of a ‘better’ life, subjectively scoring each factor out of 10:

<table>
<thead>
<tr>
<th>Indicator of a ‘better life’</th>
<th>Unemployed single homeless man in temporary accommodation on the Easterhouse estate</th>
<th>Adivasi farmer, wife and mother in food-poverty surrounded by family and integrated into her community</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food</strong></td>
<td>No food shortages but malnourished due to poor diet of junk food and alcohol (7/10)</td>
<td>Shortage of food but well-rounded diet including lots of fresh vegetables (6/10)</td>
</tr>
<tr>
<td><strong>Physical Health</strong></td>
<td>Poor due to malnutrition and no exercise due to apathy, but good access to health services (6/10)</td>
<td>Physically fit, but prone to communicable diseases; poor or non-existent healthcare (5/10)</td>
</tr>
<tr>
<td><strong>Mental Health</strong></td>
<td>Extremely poor – chronic depression and alcohol dependency (3/10)</td>
<td>Good – high self-esteem and busy work and family life (8/10)</td>
</tr>
<tr>
<td><strong>Social Capital</strong></td>
<td>Poor – isolated lifestyle, excluded from wider community, poor social services (2/10)</td>
<td>Good extended family and wider community support (9/10)</td>
</tr>
<tr>
<td><strong>State Welfare</strong></td>
<td>Good, basic needs, health and</td>
<td>Virtually non-existent access to</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Participation</th>
<th>housing costs all met (9/10)</th>
<th>supposedly deserved benefits (1/10)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Few opportunities to participate beyond voting and attending powerless residents meetings (2/10)</td>
<td>Little participation in national decisions, but extremely participative local-community level decision-making (5/10)</td>
</tr>
<tr>
<td>Hope</td>
<td>None. All gone. (1/10)</td>
<td>High – aware of problems in lives and striving as a community to improve the situation. (7/10)</td>
</tr>
</tbody>
</table>

Plotting these results on the radar diagram designed above, we see clearly that – while the poor Glaswegian scores much higher in the three more materially-based dimensions; the low scores in all other dimensions give a much smaller overall ‘better life’ area than the Indian farmer, who by this multi-dimensional and more subjective measure, appears to have a significantly better life, despite greater material deprivation, and in particular despite living in a much poorer country.

![Radar Diagram]

Figure 2. ‘Better life’ radar comparing indicators for poor archetypes in Glasgow and India

This demonstrates that it is clearly possible for a poor person to have a better life in a poor country than a rich one. However, to get a more robust answer, we need to look at the factors and indicators in more depth and to look at the trends across rich and poor countries.
Some factors defy the accepted wisdom: richer ≠ better

It is outside the scope of this short essay to analyse every factor and indicator above, so one factor will be explored in depth, and some points raised about a few others. Mental Health will be examined in detail to see if there is any correlation between mental health levels and the income-level of a country.

There is a large body of research available to draw on that demonstrates a direct relationship between the experience of poverty and high rates of emotional disturbance (Murali & Oyebode, 2004) – including conditions such as schizophrenia, but also more common ailments such as anxiety and depression (Burns, 2009). Mental Health is a particularly relevant indicator, as it results from a combination of objective conditions (i.e. deprivation) and subjective ones (i.e. stress), actually arising from eight key ‘stressors’ - danger, heavy work, uncertain housing, physical health, financial insecurity, lack of opportunities, social anonymity and degrading treatment (Nijhof, 1981) which show a clear parallel with domains and indicators in the ‘better life’ radar above.

So for the common-sense belief to hold true, we would expect to see worse mental health rates in poorer countries than richer, and for this to hold especially true amongst the poor in these countries.

In fact, the opposite appears to be the case – the poor in wealthy countries suffer more psychological problems and social isolation than those in low income countries (Dziedzic, 2007). This can be illustrated in two extreme examples – in a 2009 World Health Organisation survey (Kessler et al., 2009), the country with the highest incidence of anxiety disorders, mood disorders and disruptive behaviour disorders (and the 3rd highest rate of substance abuse) was the USA (with other rich countries such as France and New Zealand also rating extremely high), with poorer countries such as Nigeria and China rating very low. Even given the potential distortions of ‘willingness to report’ and different ‘symptom threshold’ levels, the results are striking and directly opposite to what the common-sense view would indicate.
This association between poverty and mental disorders is universal across countries at all levels of development (Patel & Kleinman, 2003) and, when combined with an observed inverse relationship between social class and mental disorders (Siegel, 2008), it is clear that these same trends will apply to the poor in these countries at least as much, if not more-so, than the general population.

This limited relationship between income and mental health is further illustrated by a study of slum dwellers in Calcutta who, “despite their extreme poverty, reported high satisfaction across all [wellbeing] domains.” (Camfield & Skevington, 2008).

Briefly looking at some other factors, similar counter-intuitive examples can be found for many of them, where the poor in rich countries would score low in a particular indicator, or the poor in a poor country would score highly:
- **Physical Health (Nutrition)**
  Many poor German and Scottish children are suffering from malnutrition as a result of unemployment (Dziedzic, 2007; Marcel-Thekaekara, 1999)

- **Physical Health (Life Expectancy)**
  A 1990 US report found that poor black men in Harlem were less likely to reach the age of 65 than their counterparts in Bangladesh (Wilkinson & Pickett, 2010), a strikingly counter-intuitive finding.

- **Social Capital**
  Both the slum-dwellers in Calcutta and the Adivasi tribes-people report extremely positive and enhancing aspects of the social and community domains (Marcel-Thekaekara, 1999; Skevington, 2008).

- **State Welfare**
  While a richer country may have the opportunity to spend more on welfare, this is not necessarily the case in reality – the US has no public health service to speak of, and spends less than 3% of its’ GDP on anti-poverty measures, compared to say Cuba where 95% of people have a free local family doctor (Vos, 2005), and the government spending has, at times, increased to over 15% of its GDP on social expenditure (Cichon, 2004).

In general, the high average income levels in the US do nothing to reduce its health and social problems (Wilkinson & Pickett, 2010). Indeed, taken across the board, there is little evidence for any significant relationship between the average income levels in a country, and its level of social problems (including both physical and mental health problems) (Wilkinson & Pickett, 2010). Although people’s overall happiness level does appear to rise in the very early stages of economic growth (presumably because an extreme lack of material goods can contribute to greater unhappiness), the relationship beyond that is tenuous at best.
If richer ≠ better, what does = better..?

So if income levels don’t appear to play a big part in the well-being differences between countries, what does? It appears that one of the biggest factors affecting most of the indicators in our radar above is inequality.

Staying with the indicator of Mental Health, the chart below shows a clear and significant relationship between inequality levels and mental health issues across developed countries, with similar observations holding across developing countries (Patel & Kleinman, 2003):

![Figure 4. Relationship between mental illness and income inequality](source)

*Source: (Wilkinson & Pickett, 2010)*

Why should this be so? Greater inequality heightens social evaluation anxieties (Wilkinson & Pickett, 2010), leading to the creation of conditions of shame, stigma, humiliation and hopelessness (Patel & Kleinman, 2003). Research from the field of Psychology gives an interesting insight into why the causal relations underlying this relationship. While the objective elements leading to mental health (e.g. material deprivation) may sometimes be lower in a rich country, the subjective elements (e.g. stress) appear to almost always be higher in an unequal society – whether rich or poor.
People in these highly unequal societies suffer from the immediate effects of inequality such as a lowering of dignity and respect, imputations of inferiority and low self-esteem (Siegel, 2008), and combine this with internalising other people’s negative views of the poor, so they end up feeling that being poor is somehow ‘their own fault’ (Nijhof, 1981). This compounds their feelings of self-worth, causing them to distance themselves still further from wider society (Lott, 2002), and so leading predictably to greater mental problems.

Looking at other indicators - a similar trend can be seen for Physical Health. Rich and equal societies (such as Sweden & Japan) that demonstrate higher life expectancy than the very unequal USA, while more equitable poor countries (such as Costa Rica and Cuba) show higher life expectancy than their less equal counterparts (Siegel, 2008; Vos, 2005). This case can be extended to many of the other indicators – for example social welfare spending is (almost by definition) higher in more equal societies.

**Conclusion**

Returning to the original question then - overall then, it seems there is a strong case to be argued that, by any multi-dimensional approach or measurement, when inequality decreases, subjective well-being and happiness rise (Camfield & Skevington, 2008; Ouweneel & Veenhoven, 1991), and so people live ‘better lives’ in more equal societies. No such evidence exists to argue the same relationship between higher levels of average income, and better lives of the poor in these richer countries.

What does this mean for development? On the surface it dictates addressing inequality as the core driver for poverty reduction programmes across both developed and developing countries. This goal is backed up by a other evidence relating the negative impact of inequality to economic growth and to the success of poverty reduction programmes more widely (Ravallion, 2005).

**Looking to the Future**

However, it is becoming increasingly irrelevant to relate the impact of poverty to individual country characteristics. In the wake of globalisation, there is an argument that we are all part of one global and unequal society – pressures of social status, stigmatisation and self-esteem. are
being pumped into TVs around the world, so even in highly equal countries, the poor are still being made to compare themselves against rich, fictional families in the US and Europe. In this new context, many of the damaging and stigmatising aspects of global inequality may start to impact on the poor in every country – rich or poor, equal or unequal.

What impact this has for the future of development policy and the lives of the poor remains to be seen but it could be a significant influence over how poor people relate to the world they live in, and may present an unprecedented challenge to both the developed and the developing world.
Reference List


WeD. (2008c). Wellbeing Indicators: Measuring what matters most. ESRC Research Group on Wellbeing in Developing Countries.
