

## **THE GREAT CHALLENGE OF THE 21ST CENTURY – POVERTY ERADICATION ACROSS THE WORLD**

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**Abstract** *Poverty is currently caused by various economic and political factors. Despite the remarkable technological advances that have taken place in recent years, living conditions have not improved for everyone, neither in the north nor in the south of the world. Poverty eradication is a problem that has persisted for many years. The study followed the magnitude, severity, severity of this phenomenon, in order to determine the factors that influence the spread of poverty and identification of poor populations.*

**Keywords:** *poverty, challenge, economy, world, social.*

### **Introduction**

Poverty is a complex social problem which by its nature directly affects other elements from the economy, such as culture, education, health. Reduced incomes at the level of a community means in fact limited access to various services and lack of some essential things, such as water, roads, transportation and communication. "The poverty spirit" at the level of a community entails the feeling of despair, lack of hope, apathy and even shyness. Modern definitions treat poverty as a complex, multidimensional phenomenon, which involve taking into consideration some aspects of life conditions which are not sufficient or are not at all mentioned by the synthetic indicators of revenues or expenses. Poverty does not involve though only this economic constitutive part, together with the material resources appearing the cultural and social ones involved in satisfying fundamental human needs. The poverty condition can be evaluated depending on the people's possibility to take part to the life of society, to function as its members.

We can define poverty as a human condition characterised by the sustained or cronic lack of resources, capacities, choices, security and power necessary to enjoy an adequate living standard and other civil, cultural, economic, political and social rights, in other words, in a simpler way, we could say that poverty is the deprivation of conditions necessary to have access to a dignified life.

## **Types of Poverty**

Absolute poverty when people cannot get the necessary resources (measured in terms of calories or nutritional values), in order to have a minimum level of physical health. When we talk about absolute poverty, this term has the same connotation around the world. As it has been proved, absolute poverty can be eradicated.

Relative poverty when a part of the population does not enjoy the minimum living standard, defined by a government, where most of the population fits in. This minimum living standard varies from one country to another, sometimes even between the regions of the same country. Thus, the notion of poverty can be defined in several ways, depending on the chosen analysis perspective. This perspective is defined by the place, time, general level of community development brought to the attention and even by the theoretical and practical objectives of the analyst. Some think that all people can easily find a way out of poverty through work or ambition. Nevertheless, what statistics show is the fact that the people that were born in poverty are more predisposed to remain poor, even if they would work and try to overcome this condition. If the economic system, that is the poverty cycle, is against them, most of them will not be able to find a way out of poverty.

Poverty is present all around the world but under different forms. Experts state that this phenomenon is increasing and that under the conditions of the present global economy it can never be eradicated. Nowadays, much too many people, of all ages, live in poverty and very many families depend only on a single source of income, not being too far of this dramatic situation. For centuries science has been developing and poverty has been and still is. When classical economy begun to develop in the 18th century, scientific concepts appeared which suggested that, following the development of market economy, economic prosperity would grow and the inequality of incomes would decrease, in the international zone.

Unfortunately, 200 years passed and the diversification of incomes increased, but the extent of poverty in many countries is increasing. Poverty is nowadays caused by various economic and political factors. In spite of remarkable technological progress which took place in the last years, the living conditions did not improve for everyone, neither in the north nor in the south of the world. If we want to understand some aspects of the social phenomenon of poverty which includes nowadays billions of people around the world (in Asia, Africa, North America, Latin America and Europe), we must think that this global phenomenon is directly related to the degree of economic development of the various countries, the corruption present at different political and economic levels, as well as to the real expression of the lack of interest of some administrations to ensure the current needs of the population.

Poverty eradication is a problem which has lasted for several years, but which has never been solved, because this thing is inevitably against other interests. UNO estimates that at the end of the century the world population will increase with 4 billion. People could be threatened by famine, war and epidemics. But experts are not only pessimistic about the future. In densely-populated areas, people's health is threatened. Epidemics may spread faster, and the population grows especially in the developing countries, where even nowadays people can hardly meet their daily basic needs. The present crisis of refugees is generated, mainly, by war, violence and bad governance. The increase of population does not cause the increase of refugees. According to several studies, nevertheless there is a

relation between the population increase and the increase of armed conflicts. The decrease of resources could lead to increasing violent confrontations.

The more people live on earth, the more they use present resources. People already use more than half of world's renewable resources. And the pressure on natural resources will continue as the population increases. Overpopulation creates a higher demand for world's water supply. Because only about 1% of the world's water reserve is fresh and accessible, this fact creates a major problem. Some estimations state that the human demand of fresh water will increase to about 70% of what is available on the planet till 2025. This fact puts the people living in poor areas which already have limited access to this kind of water at a great risk.

The increase of the population involves in fact a higher use of natural resources, an increase in using the land for urbanization and, not the last, an increased pollution of the environment. This tendency of demographic growth will have direct consequences on the environment by the use of resources whose regeneration is much slower compared to the population increase. If we consider the population growth in an optimistic way, it can be stated that overpopulation means the increase of human resources. The increase of people means the increase of productive hands and creative minds. But, we cannot ignore the fact that, the increase of producers involves the increase of consumers. More people demand more resources.

Health and poverty are indissolubly related, poverty influencing health and health influencing the economic welfare. A better health brings its contribution to a higher productivity in all life stages. Global economic and health crises generated a sudden reduction of private financial flows towards developing economies. All the studies which have been lately published suggest that the COVID-19 pandemic brought an economic recession and, unfortunately, the effects can be seen: companies start to have difficulties in carrying out contracts, some had to send their employees in technical unemployment and, the worst, some decided to close their activity. The global impact of the financial crisis caused by the pandemic showed us that the economic realities evolve more rapidly than the political ones. We have to accept that the stronger economic interdependence demands at the same time a more resolute and more coherent answer at political level. However, the speed and capacity to recover varies to a great extent, depending on region, access to medical interventions, effectiveness of political support, country exposure – the losses and the structural characteristics of the countries which enter the crisis. Although it is projected that China will continue its fast growth in 2021, Latin America and eurozone are left behind.

Crisis increased the tension between protecting global common goods and eradicating extreme poverty. What we experienced during the present pandemic is an unprecedented situation, with characteristics specific to the World War. The younger generations who heard about the Second World War only from their parents and grandparents stories, books, movies and documentaries, will register in their memories the present situation as a modern form of a new world war. Also, we witnessed an unprecedented growth of public debts during the pandemic. In order to limit economic damages on long term and to support recovery, governments chose to a great extent to apply expansionist fiscal policies, thus creating budgetary deficits and increasing public debt. In 2013, only 23% out of 69 countries with low incomes analysed by IMF were in

”debt difficulty” or ”with the risk of being in debt difficulty”; the percent increased to 50% in 2019 and probably in 2021 it will reach two thirds.

Pandemic destroyed years of progress to eradicate extreme poverty. It is likely to push between 119 and 124 million of people into extreme poverty in 2021, representing the first increase of extreme poverty since 1998. In most of emerging markets and developing countries per capita incomes decreased in 2020, fact which in the case of millions of people meant to go back to poverty. International Monetary Fund (IMF) states that in 2020 the most profound global recession after the Second World War was registered. The present pandemic also generated an economic crisis which stroke the entire social structure, and especially the poor population. The level of population that had low incomes continued to increase vertiginously quickly, the debt level increased having the tendency to evolve into insolvency. The segment of population with a low qualification level, those who depended on temporary and low paying jobs, increased automatically a lot leading to unemployment increase, thus to a deterioration of living conditions. The present sanitary crisis generated a major decrease of jobs, due to which a large part of population lost their jobs, became unable to pay their debts to the banking system, fact which led to an increase of the financial disequilibrium, thus to an increase of poverty level.

Pandemic emphasizes the social, economic and political consequences of the population getting older. The demographic profile of a country will shape the operational burdens and the costs imposed by the pandemic: older societies will confront more severe consequences from the economic point of view and of human losses caused by this disease and, possibly, a slower recovery of the economy. Nations with a dominant young population, which confronts higher unemployment rates and phenomena of economic relocation due to pandemic, present higher risks of social disturbances. Up to 60 million people will be pushed into ”extreme poverty” by the coronavirus, warns us the president of World Bank, cited by BBC. ”Millions of livelihoods have been destroyed and healthcare systems are under strain worldwide”, said Malpass. ”Our estimation is that up to 60 million of people will be pushed into extreme poverty, erasing all efforts over the past three years to alleviate poverty”.

COVID-19 crisis increased the poverty phenomenon in Romania too, by increasing the number of people – those already affected were joined by the ones who lost their source of income, the ones who spent their reserves in the isolation period and the ones who came back from another EU states, as well as in a profound manner, the people previously living in poor conditions being even more vulnerable. It is forecasted that global extreme poverty will increase in 2021 for the first time in the last 20 years.

## **Conclusions**

Poverty as a social problem is a wound with deep roots which affects each dimension of culture and society. Poverty at the level of the 21st century is due especially to the population increase. In densely-populated areas, people’s health is threatened. Epidemics may spread faster, and the population grows especially in the developing countries, where even nowadays people can hardly meet their daily basic needs. The increase of the population involves in fact a higher use of natural resources, an increased pollution of the environment and changes in using lands, such as urbanization. Changes in global demographic tendencies will have direct consequences on the local environment through climate change and consumption of resources. Taking into account that there is a

fixed quantity of land, the increase in population will finally reduce the quantity of resources each individual can use, leading to disease, famine and war. Also, COVID-19 pandemic represents till now the most current challenge of the 21st century, already causing losses of jobs and bankruptcy, the poorer countries being the most affected.

Poverty eradication is a problem which has persisted for several years, but which has never been solved, because this fact it is inevitably against other interests, which will be harder to solve following this pandemic. Before pandemic, especially due to global conflicts and climate changes, progress in reducing global poverty has already been slower. Pandemic emphasizes the social, economic and political consequences of the population getting older. The demographic profile of a country will shape the operational burdens and the costs imposed by the pandemic: older societies will confront more severe consequences from the economic point of view and of human losses caused by this disease and, possibly, a slower recovery of the economy. It is forecasted that global extreme poverty will increase in 2021 for the first time in the last 20 years, because COVID-19 pandemic increases the force of conflicts and influence development which already slowed down the progress in poverty eradication.

In our opinion, population increase is one of the problems the developing countries face, fact which makes extremely difficult to improve the increase of the living standard for all the inhabitants of those countries. Other problems are the bad governance structure, corruption at all levels, a wrong model of economic development, lack of natural resources or excessive exploitation, among others. The increase of human population around the world affects all people through their impact on the economy and the environment. The problem is increased by the difficulty to offer solutions for this problem and by the misunderstanding of overpopulation causes and effects. Also, the problems related to poverty will be left behind, being interrupted by the concerns of governors to solve the problems related to eradicating virus evolution. If till now the progress in global poverty eradication has been already slower, well, unfortunately, in the following years, the concern regarding poor people will stagnate.

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