

# Chapter 27

## Multiple Perspectives for Poverty Reduction

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### ABSTRACT

*The 193 United Nations member countries, focused on halving world poverty by 2015, set eight Millennium Development Goals. A new 2030 agenda for sustainable development has replaced the failed goals; it comprises 17 new sustainable development goals including ending poverty. 1.2 billion people (about 20% of the world's population) cannot fulfil most basic daily needs to live without fear, hunger, or suffering. The International Fund for Agricultural Development (IFAD) estimates that more than one billion people in the world live on less than US\$1 a day while 2.7 billion struggle to survive on less than US\$2 per day. The chapter strategically examines four perspectives (economic, sociological, occupational, and educational) to identify some of the key success factors to ensure the viability of new micro-businesses. A theoretical framework that incorporates these perspectives and the SEED–SCALE methodology is proposed, demonstrating how the establishment of new micro-businesses may be used to reduce poverty in developing economies.*

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## **INTRODUCTION**

The chapter is descriptive and theoretical and adopts a multi-disciplinary approach to poverty reduction by examining the key elements of four perspectives, synthesizing their commonalities and emphasizing their unique contribution and ability to interface with each other to address the complex issue of poverty reduction (Sofo & Wicks, 2017). Lewandowski (2008) reminds us that current measures of absolute poverty (most typically in the form of the World Bank's indicator of US\$1 or US\$2 per day), are far too general to be an effective indicator in societies and communities where there is not only deprivation in terms of consumption, but also deprivation in terms of social conditions, access to resources, occupations, health services and education.

Entrepreneurship, in the form of a business start-up, is widely recognized as being an integral component of economic development programs that are designed to reduce poverty and create opportunities for livelihood (Roxas & Azmat, 2014). The provision of micro-credit is a popular 'solution' to poverty, and Adebawale (2011) noted that the provision of such credit has become one of the key mechanisms through which the Millennium Development Goals will be met. Similarly, social and learning aspects such as education and training are viewed as providing an essential set of integrated skills and methodologies to move out of poverty (Bharti, 2014). The need for targeting training required by people living in poverty and other strategic variables particularly access to finance and occupations as highly suitable and likely to be a successful focus of microbusiness are examples of how various perspectives need to coalesce to create a credible response to poverty reduction.

Strategic planning, micro-financing and microbusiness ventures have been used as important strategies to address poverty worldwide, but their success is variable. The chapter explores the applicability of these strategies to poverty within a context of empowerment. The following issues are at the center of this exploration:

1. There remain very high rates of failure of new micro business ventures world-wide which may point to failure in strategic planning.
2. There is a general lack of information on the application of strategic planning for new micro businesses for people living in poverty.
3. Governments and aid agencies provide support to reduce poverty but poverty still remains a significant development issue.
4. There is a need to apply new methodologies for poverty reduction.
5. Poverty reduction is not limited to the field of economics; it incorporates the intersection of sociological behavior, occupational patterns and educational environments.

The main contribution of this chapter is a greater understanding of how the social empowerment methodology of SEED-SCALE can be strategically applied within developing African economies to create new micro-businesses to reduce poverty.

## **BACKGROUND**

Eight Millennium Development Goals (MDGs) were set by the 193 United Nations member countries, and are focused on halving world poverty by 2015. The first of these goals is the eradication of extreme

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