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An Analysis of the Determinants of Poverty in India and South Africa

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Abstract

This article provides an analysis of poverty in India and South Africa. Despite being middle-income countries, both nations still have relatively high levels of poverty among their populations. The social structures of their societies have allowed poverty to grow and maintain a strong hold over these nations. This article analyzes the extent and determinants of poverty. It also examines the impact of education, health, and economic opportunity on poverty as well as the steps taken by both India and South Africa to mitigate poverty. This article also discusses ethical considerations of poverty and poverty alleviation in India and South Africa.

I. Introduction

Poverty is an immense issue that has vast impacts on our world. Poverty still affects all nations, though the degree of poverty varies across countries. Several different measures are used for poverty analysis, including quantitative and qualitative measures. The most common measurement of poverty is the poverty line, which is defined as the percentage of people living below a certain daily income. Currently, the World Bank has set the extreme poverty line at $1.90 per day. In 2011, 13.7 percent of the world's population lived below this poverty line, and consequently, in extreme poverty.[1]

India and South Africa are two very different nations, however both experience sizeable issues with poverty. In 2011, 21.2 percent of India's population lived below the $1.90 per day poverty line. In the same year, 16.6 percent of South Africa's population lived below $1.90 per day.[2] This article focuses on poverty within India and South Africa. Both nations had social structures in their pasts that discriminated against particular groups of people. In the case of South Africa, this structure was apartheid; in the case of India, it was the caste system. This article analyzes the role these social systems played in creating poverty and the role they continue to play in keeping people in poverty, despite having been legally abolished for decades. This article also considers other factors that affect people's social status and the likelihood that they will live in poverty. These factors include education, healthcare, and economic opportunity. Both India and South Africa have

[1] World Bank (2019).
[2] World Bank (2018).

taken actions to mitigate poverty. This article will consider these attempts and analyze their successes and failures.

This article is structured as follows. This introduction and a brief literature review are followed by a socioeconomic analysis of India and South Africa to provide an understanding of the two countries' stages of development. This is followed by a section covering ethical origins and existing ethical structures that focuses on the social and societal divisions mentioned earlier in relation to ethical concepts. The main discussion of the article will analyze facets of poverty: prevalence and incidence, the influence of education, health, and economic opportunity, and steps taken to reduce poverty. The conclusion will summarize the main points and include recommendations for how both India and South Africa should proceed with poverty reduction.

II. Brief Literature Review

There is an extensive number of sources that examine poverty in both India and South Africa. A great deal of them examine the distribution and determinants of poverty throughout the populations as well as its implications. Most sources provide differing data sets on the extremes of poverty. They often examine different years and have produced their own statistical analyses. That being said, most sources show the same trends in their data.

- Barrientos et al. (2016) examine ethics in relation to poverty reduction. They discuss the role of ethics in the decision-making process when reducing poverty as well as several ethical perspectives that are considered in poverty reduction. These perspectives are applied to the design and implementation of poverty reduction programs. The article offers several examples and case studies from the development of anti-poverty programs in Ghana, Brazil, and South Africa. The section considering South Africa pays particular attention to the shift in beliefs and legal applications after the fall of apartheid.
- Davie (2015) discusses the measurement and analysis of poverty in South Africa. The author outlines the historical background behind the perception and study of poverty. She explains that for many years, South Africa's government prevented data collection on the extent of poverty. This practice continued under apartheid rule. The government wished to conceal the extent of poverty in the nation. The author also covers public perception regarding economic and anti-poverty actions taken by the government. The book details the changes South Africa underwent at the end of apartheid. Many plans circulated intending to eradicate poverty and alter the social dynamic of the nation. The author then examines the impact of the plans that were enacted.
- MacDonald (2006) examines the significance of race in South Africa. The author considers the aspects of racism. The book covers the historical social dynamic regarding race within the nation. The sections covering poverty discuss the economic divisions between whites and blacks in South Africa's economy. This analysis includes data on social programs, the human development index (HDI), mean income, unemployment, and basic poverty statistics. It also considers how these figures have changed since the end of apartheid.
- Datt and Ravallion (2002) consider whether India' s economic growth leaves the poor behind. Their own estimates and their review of alternative estimates in recent literature have suggested that India maintained its 1980s rate of poverty reduction into the 1990s. Their results suggest that the incidence of poverty has been falling at slightly less than one

percentage point per year over the main postreform period. They emphasize the considerable diversity in performance between states, referring to large differences across states in the impact on poverty made by any given rate of growth in nonagricultural output. "States with relatively low levels of initial rural development and human capital development were not well suited to reduce poverty in response to economic growth."[3]

- Radhakrishna and Ray (2005) provide a comprehensive analysis of poverty in India. The authors cover poverty trends within India. These trends include higher poverty rates among rural people and scheduled tribes. They look in depth at the discrimination faced by scheduled tribes and how it reflects in their impoverished state. The authors go on to look at many different programs and solutions implemented in India to alleviate poverty. They provide statistical data showing the effectiveness of many of these programs. They also consider the relative impact of government spending on poverty.
- Thorat et al. (2017) examine statistics pertaining to shifts in and out of poverty within India as poverty has fallen in the nation. They pay particular attention to the disadvantages faced by some marginalized groups, like the Dalits, and compare the level of poverty faced by these marginalized groups to the nation's level of poverty. They cover the amount of people who have risen above poverty as well as those who have fallen backwards into poverty. They also provide a statistical analysis of some factors that prevent and cause movements into poverty.

III. Socio-economic Background

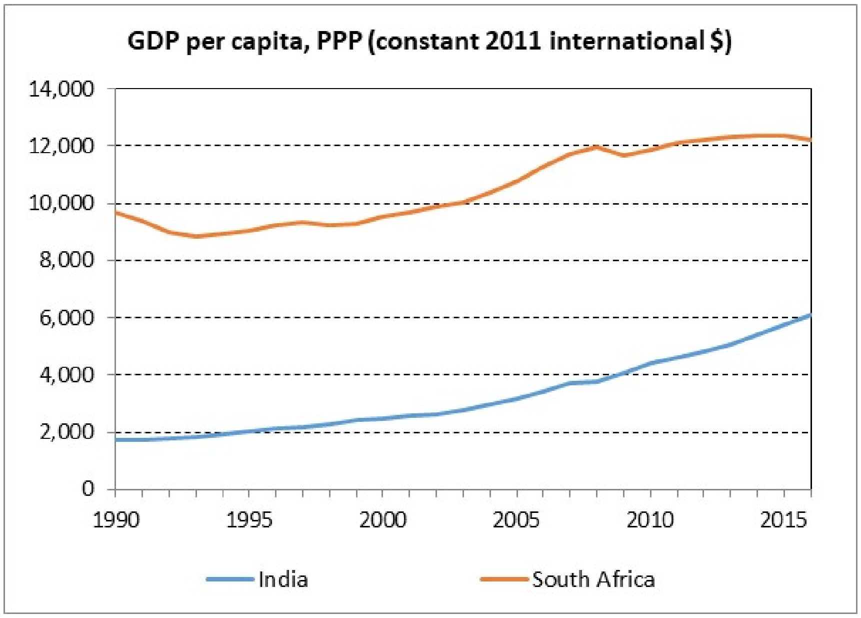
Figure 1 displays the purchasing power parity (PPP)-adjusted GDP per capita of India and South Africa from 1990 to 2016 in constant 2011 dollar. Over that time period, South Africa has enjoyed a substantially higher GDP per capita than India. In 2016, South Africa had a GDP per capita of $12,237, while India had a GDP per capita of $6,093. Consequently, South Africa's GDP per capita was slightly more than double India's GDP per capita.

Both nations have seen growth since 1990, especially India. In 1990, South Africa had a GDP per capita of $9,696 and India stood at $1,755. India's GDP per capita is now over three times what it was in 1990. However, South Africa's GDP per capita has increased by only slightly over half of its 1990 value. In recent years, India has seen a much steadier climb in GDP per capita than South Africa, which has experienced a slight decrease since 2014.

Figure 2 shows the life expectancy at birth in years in India and South Africa between 1970 and 2016. Both nations have seen progress in life expectancy since 1970. India's improvement has been much more drastic and stable than that in South Africa. India went from a life expectancy of 47.7 years in 1970 to 68.6 years in 2016, an increase of over 20 years. South Africa, on the other hand, went from 55.9 years in 1970 to 62.8 years in 2016, a much less impressive increase than India.

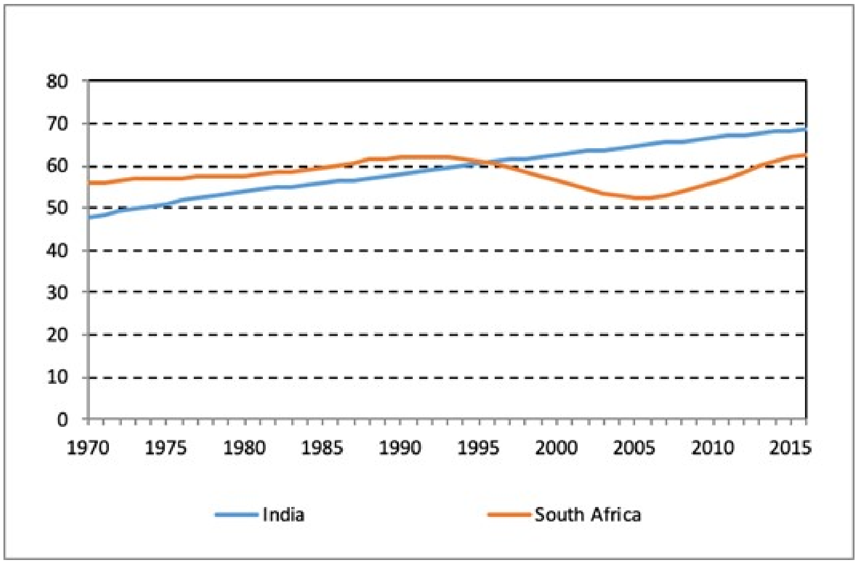
[3] Datt and Ravallion (2002), p. 106.

Figure 1: GDP per capita, PPP (constant 2011 international dollar), 1990-2016



Source: Created by author based on World Bank (2018).

Figure 2: Life expectancy at birth, total (years), 1970-2016



Source: Created by author based on World Bank (2018).

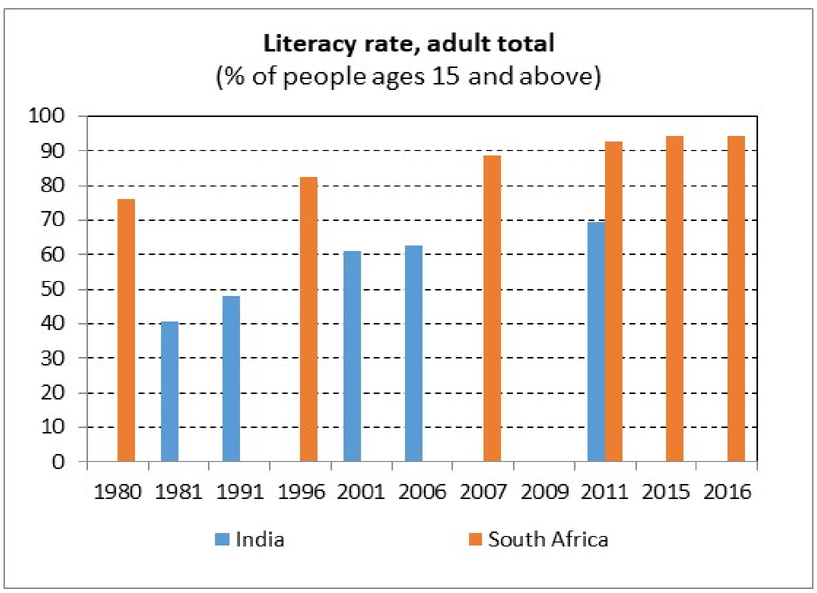
Unlike India, South Africa experienced a major setback in their life expectancy between 1992 and 2005 due to the HIV/AIDS epidemic.[4] Their life expectancy peaked in 1992 at 62.3 years, before falling and eventually bottoming out at 52.6 years in 2005. Since that point, it has risen every subsequent year, though only surpassing the 1992 high in 2016 by half a year.

[4] MacDonald (2006).

The data represents the average life expectancy for both men and women. However, it should be noted that while women tend to live longer than men in both nations, the disparity between men and women is much more extreme in South Africa than in India. In 2016, South African men had a life expectancy of 59.2 years, while women had a life expectancy of 66.4 years. This is a difference of 7.2 years, compared to India, where women lived only 3.1 years longer than men in 2016. In South Africa, the gap in life expectancies between genders has not changed dramatically since 1970, varying between a minimum of 4.9 years in 2006 and a maximum of 7.5 years in 1991. On the other hand, the gender gap in life expectancy has changed over time in India, with men living 1.1 years longer than women in 1970, reaching gender parity in 1979, and women living progressively longer than men ever since.[5]

Figure 3 shows the literacy rate of the adult populations (defined as 15 years and older) in India and South Africa for all available years. Both nations have seen improvements in their adult literacy rates, though the improvements have been more limited in South Africa than in India. In 1980, South Africa had a literacy rate of 76.2 percent and ended at 94.4 percent in 2015. India's literacy rates have been substantially lower than South Africa's throughout this time period. However, they have seen more considerable improvement. India's literacy rate was 40.8 percent in 1981 and increased to 69.3 percent in 2011, a gain of 28.5 percentage points.

Figure 3: Literacy rate, adult total (percent of people 15 and above), 1980-2015



Source: Created by author based on World Bank (2018).

IV. Ethical Origins and Existing Ethical Structures

Major social factors in both India and South Africa have shaped their present societies. These factors have contributed to poverty in these two nations and have also shaped how both have responded to reduce their poverty levels. Past events in both nations have made large segments of the populations susceptible to poverty.

[5] This paragraph is based on data provided in World Bank (2018).

The British established apartheid rule (forced segregation between whites and non-whites) in colonial South Africa. The nation maintained the policy for decades after gaining independence (nominally in 1910, full sovereignty in 1931). Non-whites lacked political representation and were subject to policies like forced migration. Though apartheid laws were removed in the early 1990s, non-whites remain disproportionally affected as a result of these policies. During apartheid, 3.5 million people lost their homes from forced relocation to areas known as homelands.[6] These homelands were established for non-whites who were forced out of their land and had very little opportunity to offer. Areas that were once homelands still demonstrate some of the highest levels of poverty in South Africa. [7] When apartheid ended in the early 1990s, the black unemployment rate was between 30 and 70 percent, significantly higher than white unemployment.[8] In 2000, less than a decade after apartheid ended, per capita black income was only 12 percent of per capita white income.[9]

Hinduism is deeply rooted within India and its social implications have in some ways furthered poverty. A main facet of Hinduism is its caste system. Castes are essentially a hierarchy of social groups. Every Hindu is born into a particular caste in which they remain for the entirety of their life. There are stigmas within the caste system that alienate certain groups. Untouchables, or Dalits, are considered to be at the very bottom of the social hierarchy and encounter regular and systematic discrimination. This is still a regular occurrence despite the outlawing of caste discrimination by the Constitution of India in 1950. In 2004, only 12 percent of Indians from the upper castes lived in poverty while 32 percent of Dalits lived in poverty.[10]

According to Barrientos et al. (2016), ethical perspectives, or different ways of approaching ethical decision-making, impact social norms, which create a political process and policy. The examples of societal issues from both India and South Africa mentioned above have contributed to a reexamination of their ethical perspectives and consequently, leading to these countries' poverty reduction policies. For example, South Africa's new constitution of 1996 presented a new social contract made to citizens, expanding their social and economic rights. This demonstrated a substantial change of pace for the ethical process in South Africa.[11] Because both nations have moved beyond their past systems to aid those who were once disadvantaged, they required ethical decision-making processes to determine the best courses of action and the beneficiaries of aid.

Clearly the past actions of apartheid and the caste system are considered unethical due to their exclusion of large segments in society. The Markkula Center for Applied Ethics (2009) at Santa Clara University highlights that ethics is not based on religion or following laws. However, these processes influence ethical decision-making. Indeed, religion made the discrimination of the caste system acceptable just as laws legitimated the atrocities of apartheid. Over time, ethical perspectives began to show through the deeply entrenched social processes, and social norms began to change as a result. In attempting to right these wrongs, both nations have employed a variety of approaches. These approaches include the fairness approach, which according to the Markkula Center states that ethical actions should treat all humans equally, and the common good

[6] Davie (2015).
[7] Alexander (2018).
[8] Davie (2015).
[9] MacDonald (2006).
[10] Thorat et al. (2017).
[11] Barrientos et al. (2016).

approach, which states that ethical actions should benefit the wellbeing of everyone. The application of these approaches is further analyzed in Section V.3. below.

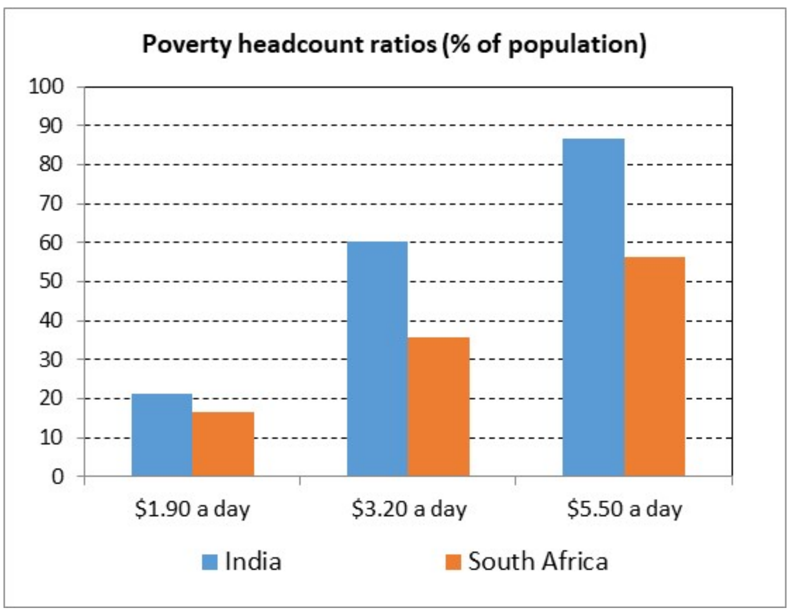
V. Discussion

Poverty is pervasive and has far-reaching effects in societies. However, poverty does not spread like a disease. Those who are poor are most often born into it. The social structures of both India and South Africa have been constructed over hundreds of years in ways that disproportionately harm certain groups and make them more susceptible to high levels of poverty. Poverty is also impacted by restrictions on access to healthcare, education, and economic opportunity. Both South Africa and India have recently taken large steps to alleviate poverty, but the success of these actions have varied. This section will consider the widespread nature of poverty, some of its most impactful factors, and steps taken to reduce it.

V.1. Incidence and Prevalence of Poverty

Figure 4 displays the percentage of the populations of India and South Africa living below three major poverty lines in 2011: the $1.90 per day extreme poverty line, the $3.20 per day poverty line, and the $5.50 per day poverty line. In 2011, 21.2 percent of India and 16.6 percent of South Africa lived on less than $1.90 per day in extreme poverty.

Figure 4: Poverty Headcount Ratio at $1.90, $3.20, and $5.50 a day (2011 PPP) (percent of population), 2011

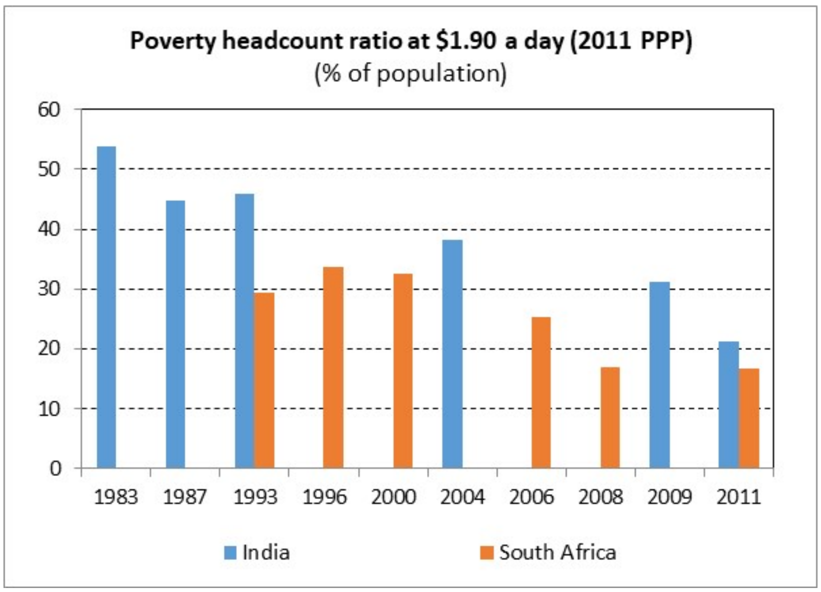


Source: Created by author based on World Bank (2018).

Figure 4 also shows that slightly more than 60 percent of India's population lived below $3.20 per day in 2011, while this was the case for 35.9 percent of South Africa's population. A majority of both nations' populations lived below the $5.50 per day poverty line, with 86.8 percent of India's population and 56.3 percent of South Africa's population living on less than $5.50 per day. For comparison, in 2010, less than 2 percent of the United States' population fell below the $5.50 per day poverty line.[12] The U.S. federal minimum wage for covered nonexempt employees is currently $7.25 per hour.[13] In other words, more than 90 percent of India's population and more than 60 percent of South Africa's population currently live on less than the United States minimum hourly wage every day.

Figure 5 shows the evolution of the share of both nations' populations living below the extreme poverty line between 1983 and 2011. Both nations have encountered a significant decline over this time period. India's improvement has been much greater, and it has nearly matched South Africa.

Figure 5: Poverty headcount ratio at $1.90 a day (2011 PPP) (percent of population), all available years



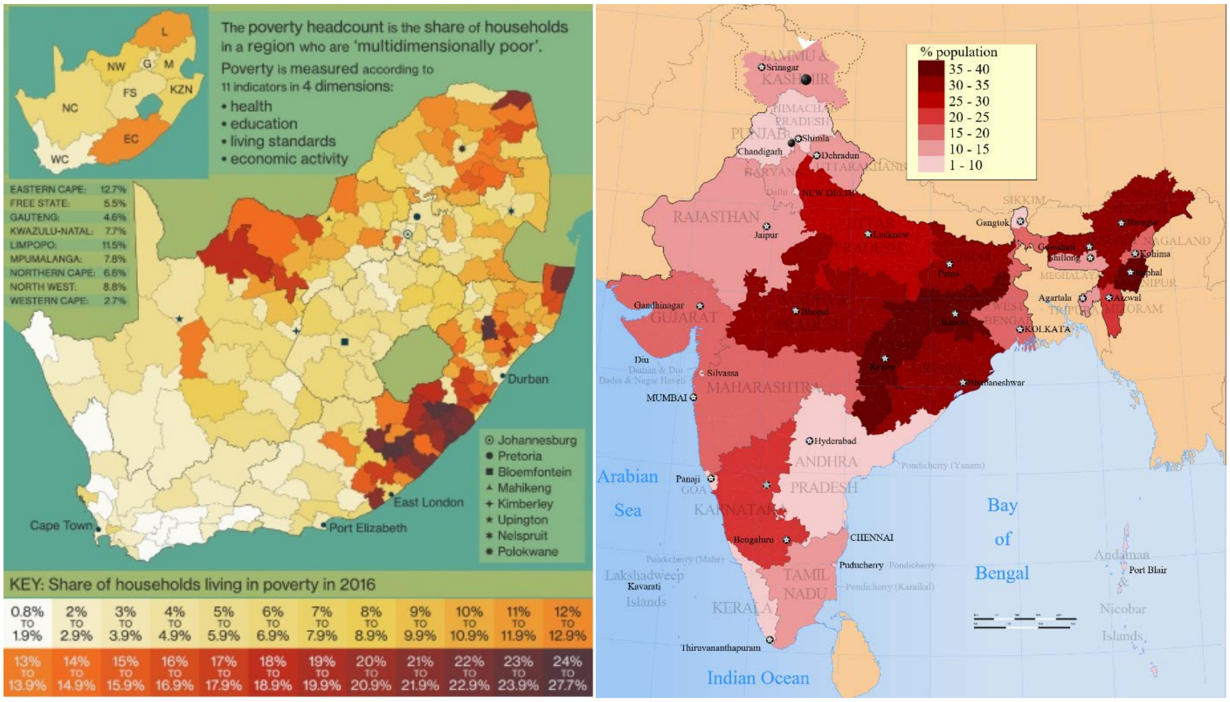
Source: Created by author based on World Bank (2018).

Poverty is worsened by the relatively high level of income inequality in both nations. While income inequality is a separate issue in both India and especially South Africa, extreme levels of income inequality can contribute to poverty by influencing social, spatial, and political factors. Increased inequality influences what people view as the qualities of success, separates the wealthy from the poor (making them unaware of poverty issues and denying the poor access to capital and services), and draws political influence toward the elites.[14] One of the key measures of inequality is the Gini coefficient. The GINI coefficient ranges from 0 to 100 percent, 0 being no inequality and 100 being complete inequality. In 2011, India had a Gini coefficient of 35.2 percent (which is relatively low by world standards); South Africa on the other hand had a Gini coefficient of 63.4 percent, giving it one of the highest levels of income inequality in the world.[15]

[12] World Bank (2019).
[13] U.S. Department of Labor (2019).
[14] McKnight (2018).
[15] World Bank (2018).

Poverty is also disproportionately rural in both India and South Africa. According to World Bank (2018) data, the percent of the rural population in India that lived below the national poverty line (not the $1.90 extreme poverty line) was 25.7 percent in 2011. In contrast, the percentage of the urban population living below the line was 13.7 percent. In 2005, 87.6 percent of South Africa's rural population lived below the national poverty line while 52 percent of the urban population lived bellow the line. [16] Clearly a much larger section of South Africa's population is considered to live below the poverty line. However, the disparity between the prevalence of poverty between urban and rural areas in both nations is evident. In addition to the rural-urban differences, Figures 6 and 7 show the different levels of poverty, respectively between Indian states and South African municipalities.

Figures 6 and 7: Poverty Maps of India and South Africa



Source: Left Figure for India: Hunter (2014), referring to Table 162 of the Reserve Bank of India (2013); right figure for South Africa: Alexander (2016), Infographic 1, referring to data from the South Africa Community Survey 2016.

V.2. Impact of Education, Health, and Economic Opportunity

Education, health, and economic opportunity are major areas that can suffer as a result of poverty. However, poor services and low access in these categories can also be major contributors to poverty.

V.2.a. Education

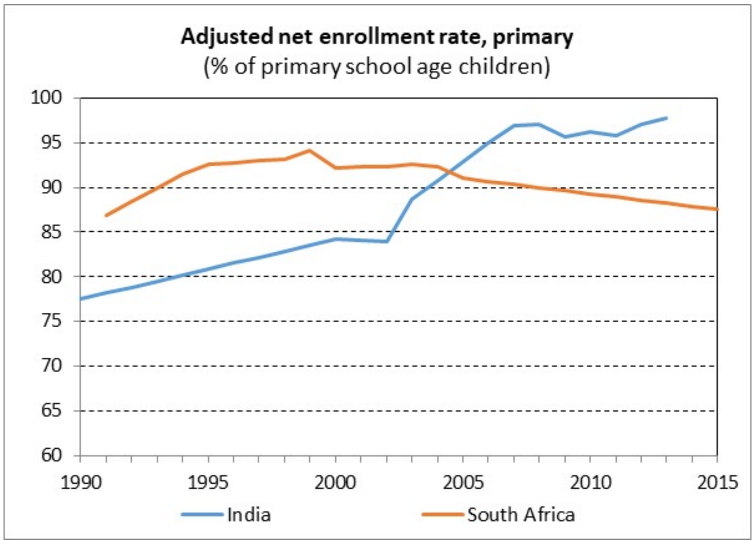
Education has the capability to raise people out of poverty. Done correctly, education and schooling provide children with assets they can use to join the workforce, earn a living, and

[16] World Bank (2018).

improve their quality of life. Both India and South Africa invest a fair amount into their education systems. Figure 6 shows the adjusted net enrollment rate in primary education for school age children from 1990 to 2015.[17] South Africa had a higher enrollment ratio than India until 2005, after which India overtook South Africa due to sharp increases in India's enrollment rate from 2002 to 2007. During that time, India's enrollment rate increased by 13 percentage points. India's enrollment rate stabilized at around 96.6 percent during the period from 2007 to 2013, while South Africa's reached its all-time high in 1999 with 94.1 percent, and then decreased moderately during the subsequent 16 years, ending up at 87.6 percent in 2015.

Improved education has been statistically proven as the third most significant factor in raising people out of poverty within India.[18] Although it occurs in both nations, teacher absenteeism is a significant contributing factor to poor education in India with some of the highest rates in the world.[19] This absenteeism hinders education in both nations, robbing many of the needed experience to escape poverty. Primary education and literacy have been proven to reduce the risk of falling into poverty.[20] Those with better access are less likely to suffer from extreme poverty.

Figure 6: Adjusted Net Primary School Enrollment Rate (percent), 1990-2016



Source: Created by author based on World Bank (2018).

V.2.b. Health

Health can also have a major impact on poverty. Those who are not healthy enough to work and earn a living are likely to remain in poverty. If affordable healthcare services are not readily available, the cost of healthcare can easily force people into poverty. The quality of healthcare impacts life expectancy and the quality of life people experience. As covered earlier, both India

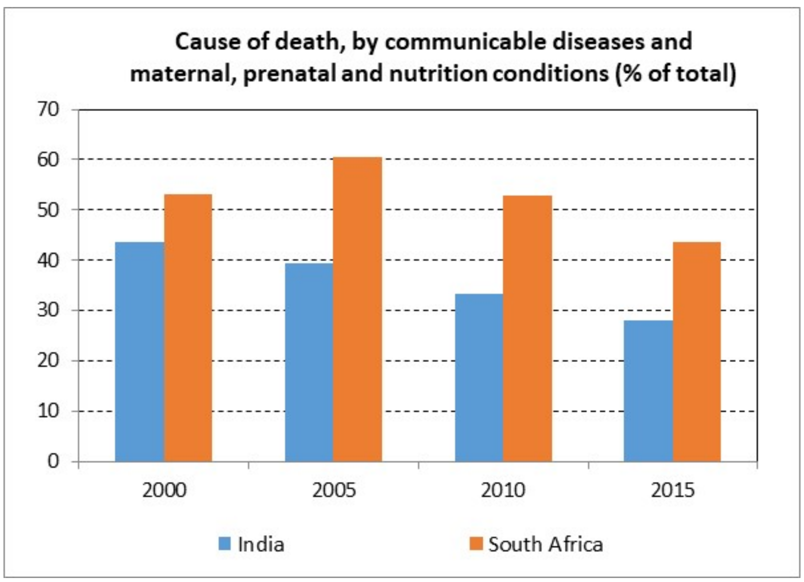
[17] As provided by World Bank (2018), which is defined as the number of pupils of the school-age group for primary education, enrolled either in primary or secondary education, expressed as a percentage of the total population in that age group. We gap filled the years with missing data by linear approximations.
[18] Fan, Hazell and Thorat (1999).
[19] Weede (2010).
[20] Thorat et al. (2017).

and South Africa have seen major improvements in their life expectancies. However, both still suffer from major issues regarding disease and malnutrition.

Figure 7 shows the percentage of deaths in both nations that were a result of communicable diseases, maternal conditions, prenatal conditions, or nutrition conditions. Strides have been made in both nations to reduce the percentage of deaths, though the percentage increased in South Africa from 2000 to 2005 due to the HIV/AIDS epidemic. In 2015, 43.7 percent of South Africa's deaths fell into this category, which is still excessively high and damages both their productivity and their people.

The cost of medical care can also be a factor that forces people to live in poverty. In 2011, the expense of healthcare in India forced 51.9 million people (4.2 percent of India's total population) to fall under the $1.90 poverty line. [21] Healthcare is a necessary service, and in this instance its high costs are keeping people in poverty. This problem also exists in South Africa but is much less severe. In 2010, 229,000 people (0.4 percent of South Africa's total population) were forced below the poverty line by the costs of healthcare. [22]

Figure 7: Cause of death by communicable diseases and maternal, prenatal and nutrition conditions (percent of total), 2000-2015



Source: Created by author based on World Bank (2018).

V.2.c. Economic opportunity

Economic opportunity, influenced heavily by the state of the economy, also influences the ability of people to escape poverty. As discussed earlier, India and South Africa have both seen rising levels of GDP per capita. A rise in GDP per capita typically translates into an improvement in quality of life. The main source of economic opportunity in any nation is jobs. The availability, conditions, and pay of jobs often determines the well-being of its citizens and their level of poverty.

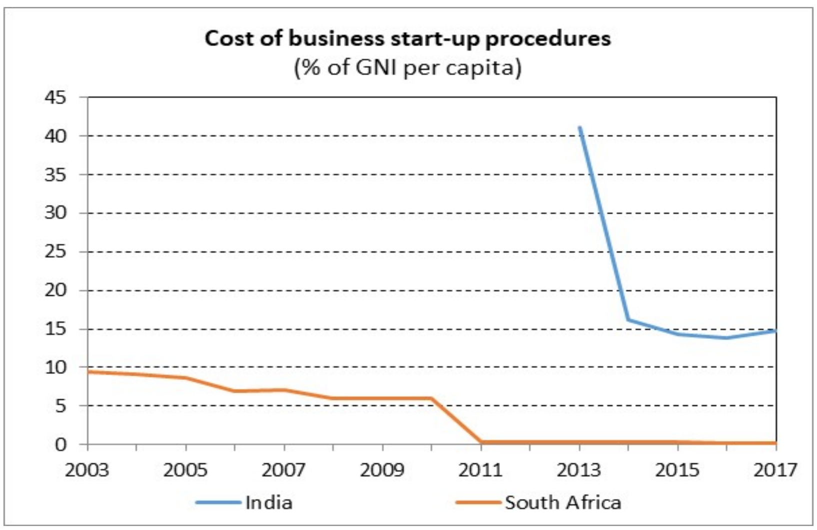
[21] World Bank (2018).
[22] World Bank (2018).

India and South Africa see two very different situations in terms of unemployment. In 2012, the unemployment rate in India was actually quite low at 2.7 percent. In contrast, South Africa had an unemployment rate of 24.7 percent in the same year.[23] This is a stark difference, but the contrast does not end there.

In India, employment is much more common for those with a basic education over those with an advanced education. In 2012, 16.6 percent of those with an advanced education were unemployed, while only 4.2 percent of those with a basic education were unemployed. [24] This suggests that most of the work available is low-skilled and completing an advanced education does not help secure a job, though the wages for those with advanced education are much higher than low-skilled workers. The opposite situation is true in South Africa. In 2012, 10.1 percent of those with an advanced education were unemployed while 33.4 percent of those with a basic education were unemployed. [25] This demonstrates a general lack of jobs and opportunity, failing to offer people any way out of poverty. Access to jobs is statistically proven to prevent poverty. In 2005, only 20 percent of those with salaried jobs in India were considered poor, a much lower rate than the rest of the country.[26]

Another analysis of economic opportunity is the cost involved in starting a business. Both India and South Africa have made great progress in this area. Figure 8 shows the expense of starting a business as a percent of the Gross National Product per capita of that country between 2003 and 2017. Both nations have seen tremendous decreases in this figure. This suggests that people now have much more opportunity to start a business or join a business venture to pull themselves out of poverty and boost the economy to the aid of others. A study conducted in 2017 proved that entrepreneurial development reduced poverty in India, specifically in rural areas.[27]

Figure 8: Cost of Business Start-up Procedures (% of GNI per capita), all available years



Source: Created by author based on World Bank (2018).

[23] World Bank (2018).
[24] World Bank (2018).
[25] World Bank (2018).
[26] Thorat et al. (2017).
[27] Katekhaye and Magda (2017).

V.3. Attempted Poverty Reduction Measures

India and South Africa have both attempted a plethora of poverty reduction measures, each with varying results. The programs that both have utilized represent different forms of anti-poverty programs and intersect with several ethical concepts. Barrientos et al. (2016) describes three types of anti-poverty programs. The two most commonly used in South Africa and India are income transfers, which involve the direct exchange of cash or goods, and integrated poverty reduction programs, which attempt to address social exclusion. This section will analyze anti-poverty programs specific to India and South Africa that fall into these groups, considering both their effectiveness and ethical context.

The Public Distribution System (PDS) is a major income transfer program used in India. The PDS has existed since the 1970s and has been expanded over time. The aim of the program is to improve food security. Beneficiaries are offered wheat, rice, sugar, edible oils, kerosene, and soft cake below market prices to ensure their necessary caloric intake is met.[28] The PDS does not operate flawlessly. It sometimes forces the poor to pay prices higher than the market rate and its provisions only aid the poor marginally.

Despite these issues, in a 1998 study, many impoverished Indians stated that the PDS was essential to their wellbeing. [29] While not a monetary exchange, the PDS represents poverty reduction via income transfers because of the basic and uncomprehensive service it offers. This program follows the fairness approach to ethical standards by attempting to level the playing field for its beneficiaries to obtain necessary food products. Integrated poverty reduction programs are much more common in both nations than income transfers. There is a large debate regarding the effectiveness of income transfer programs because of beneficiaries' abilities to squander their aid.

A major integrated poverty reduction program instituted in India in recent years was the Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGS). Implemented in 2005, the program guaranteed everyone at least 100 days of work per year. Provisions of the program include public employment and a statutory wage rate.[30] The program has employed 45.5 million households in India, making it the world's largest public works scheme. NREGS has a budget of over $7.5 billion, over 1 percent of India's GDP.

Despite the size and efforts of the program, the benefits are often lost through corruption at the local levels and failure to reach all areas of the nation. [31] This program can be considered an integrated poverty reduction program through its attempt to address the societal failure to provide access to employment. One could interpret NREGS as embodying the fairness approach of ethical standards through its guarantee to at least 100 days of employment, attempting to make employment universal.

South Africa's most notable integrated poverty reduction program is known as the Growth, Employment, and, Redistribution Program (GEAR). GEAR was implemented shortly after the end of apartheid in 1996. It was intended to use a surge in economic growth to reduce poverty and inequality. This surge of economic growth was to be spurred through a spike in private sector

[28] Radhakrishna and Ray (2005).
[29] Radhakrishna and Ray (2005).
[30] Marcesse (2018).
[31] Marcesse (2018).

investment. To encourage this, the government sought lower interest rates and a smaller government deficit.[32]

The program yielded poor results with 40.6 percent of the nation still in poverty by the late 1990s and an increase in childhood poverty from 58.8 percent to 59.2 percent between 1996 and 1999. Despite these clear setbacks, many defended the implementation of GEAR by arguing that the economic failures were caused by outside factors in the global economy and that growth could have potentially been much worse without it.[33] GEAR is no longer policy in South Africa, but subsequent programs have been modeled after it. GEAR is an example of an integrated poverty reduction program because of its intention to address the economic factors that would allow poverty reduction. It follows the common good approach to ethical standards by attempting to produce conditions that would benefit South Africa as a whole.

A second integrated poverty reduction program being utilized in South Africa is the Expanded Public Works program (EPW). EPW was created in 2003 to spur job creation, develop local infrastructure, and provide basic services. In its first three years, EPW created 716,400 public jobs.[34] However, these jobs were short-term, and the pay was minimal. The program also failed to offer the same opportunities to all people and areas of the country. It was found that members of the African National Congress, the ruling political party in South Africa, received benefits more often than those who were not party members.[35] This program is also an integrated poverty reduction program by attempting to directly influence the employment and services in the nation. EPW follows the common good approach to ethical standards because of its aim to aid the nation as a whole by using the provided labor to improve infrastructure.

While both South Africa and India have taken measures to reduce poverty, they have gone about it in different ways. India tends to utilize a large number of separate programs, while South Africa sides with more comprehensive programs. The programs of both nations tend to employ either the fairness or common good approaches to ethical reasoning. India’s NREGS can be compared to South Africa’s EPW in that both attempt to encourage public employment. In contrast, India’s PDS and South Africa’s GEAR are unique to each nation. A common element in both nations’ programs is that they fail to fully achieve their aims and are riddled with corruption. Data regarding the success of poverty reduction programs as a whole in both nations is inconclusive. While some have certainly aided the poor, economic growth and increased GDP can be more directly linked to reductions in poverty.

VI. Conclusion

This article has taken an in-depth look at poverty in India and South Africa. It has provided a socioeconomic background of both nations, considering their improvements in GDP per capita, life expectancy, and literacy. In terms of ethics the article considered the effects apartheid in South Africa and the caste system in India had on poverty and the ethical development of both nations. Both were forced to reexamine their ethical structures after the removal of these systems.

The bulk of this article has considered the extent of poverty in India and South Africa, discussing its prevalence, determinants, and attempted solutions. Poverty goes beyond extreme poverty. Many

[32] Streak (2004).
[33] Streak (2004).
[34] Hlatshwayo (2017).
[35] Hlatshwayo (2017).

people in both nations live on relatively little, but do not fall under the extreme poverty line. Poverty is worsened by the high inequality experienced in both nations, and those in rural areas are disproportionately affected. This article has outlined the importance education, health, and economic opportunity play in determining poverty as well as bringing people out of poverty. It also covered the actions India and South Africa have taken to reduce poverty, looking at their ethical implications and relative success.

Though the issue of poverty in India and South Africa has improved over time, both nations still have a long way to go. Anti-poverty measures taken by both nations are riddled with issues and have failed to drastically alter their level of poverty. They cannot count on economic growth alone to alleviate poverty, as the benefits of economic growth are not shared equally and often miss those who are in the most precarious situations. Both nations must use appropriate ethical decision-making processes to improve education, health, and economic opportunity, as well as implementing meaningful poverty reduction programs that do not fall victim to corruption and misuse. India and South Africa have a golden opportunity to utilize their growing economic power to reduce their extreme poverty. However, it is ultimately up to them to do so. As influential world leaders, it is their duty to make poverty reduction their primary goal for the sake of their citizens.

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