

Poverty: a Test of Democracy



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We discuss inequalities, social justice and the “two Polands” with Dr. Ryszard Szarfenberg. He studies problems of social exclusion, poverty, and social assistance, and he has written publications on social policy and the welfare state

Academia: Before we start talking about inequalities in Poland, could you tell us how such phenomena are actually studied?

Ryszard Szarfenberg: The most widely used measure of inequality in terms of income is the Gini coefficient, developed by the Italian statistician and sociologist Corrado Gini. It takes a maximum value of 1 (or 100%) when a single person in a society has all the income and the others have nothing. If everyone has the same income, the Gini coefficient is zero. However, there are many ways of assessing inequalities and polarizations. They are measured either for a single generation or across several generations, for example by looking at correlations between the socioeconomic position of parents vs. their children when they grow up.

The “shoeshine to millionaire” myth...

We have to start by asking why we are concerned with inequality in the first place. First of all, it may be because we value social justice, and it provides a perspective for examining a wide range of inequalities in society as unjust. We assume that a liberal capitalist society provides everyone with equal chances: even if you're born into a poor family, you have the same opportunities in life as people born into wealthy families.

This is reflected in the saying you just quoted: even if a father works as a shoeshine, his

son or daughter has the same opportunities to become wealthy as a son or daughter of middle-class parents. If we show that liberal capitalism is a system where intergenerational inequalities are perpetrated, it will contradict its primary objective.

Secondly, inequalities can be a barrier to achieving other important goals. Richard Wilkinson and Kate Pickett's book “The Spirit Level: Why Equality is Better for Everyone” shows that the greater the degree of inequality, the broader the range of various problems: crime, poverty, unemployment, addiction, and so on. So what are the practical conclusions? We should try and limit inequalities if we want to reduce social problems. Universal public education and healthcare, social security of income, counteracting poverty, as well as fighting discrimination on various grounds should provide a society with a certain level of social mobility between generations, preventing the formation of enclaves of poverty in which children continue in their parents' footsteps.

Are we a society of equal or unequal opportunities?

To answer that question, we need to return to the concept of social justice. John Rawls proposed that it should be examined in parallel with equality. When are inequalities just? Rawls argued that while a genuine equality of opportunities to take up important positions in society is to be desired, certain inequalities – providing people who are the worst off with the best prospects of improving their situation – are permissible.

What does this mean in practice?

For example, we can agree that doctors should earn more than other professionals if it means that people who are in the poorest health draw the greatest benefits. Policies should always be assessed from the perspective of their impact on the situation faced by the weakest members of society.

Inequalities in Poland

What's the situation in Poland? Are inequalities increasing or decreasing?

I have compared a few studies presenting the values of the Gini coefficient over the last few years. The value has been dropping slightly since 2005. This is the source of controversies regarding whether inequalities in Poland are decreasing, or whether they have simply stopped increasing. The values of all indicators of poverty used by the EU as part of the Europe 2020 Strategy have been getting lower to a greater or lesser degree between 2005-2010. In recent years, the trend has been halted, and certain indicators have even gone up. This also includes the indicator of extreme poverty, with a poverty line at subsistence level.

As I said earlier, as well as inequality and poverty, we also measure polarization. These analyses also apply to Poland. While some positive trends have been noted in recent years, when we consider the entire process of Poland's political, economic and social transformations, both inequalities and economic polarization have increased, although the latter to a smaller degree.

Polarization meaning "Poland A" vs. "Poland B"?

A vision of Poland in which there are very wealthy and very poor regions, first-class and second-class citizens, is rather dangerous. It can be used by politicians wishing to seize power, who later may not act on behalf of people in vulnerable positions. When listening to opposition parties, in particular those most prominent, we can hear them propagate this vision of "two Polands." It fosters a sense of injustice in society, and shifts votes away from the governing parties. In a political sense, the vision is always exaggerated, and frequently entirely inconsistent with facts. There are public proclamations that the situation is getting worse and worse, and yet this is not shown through objective analysis of longer periods.

There is a theory that the more a society's wealth increases, the faster poverty disappears.

I don't support this view. It's true to say that a general increase of wealth is important, because it potentially means an increased tax income which can be used to counteract social problems. But economic growth is not sufficient in itself. For example, in the US the degree of inequality - including between gener-

ations - is much greater than in Scandinavia, even though we are talking about very wealthy societies in both cases.

What should we be aiming to achieve?

This is a key question. I believe that the degree of inequality and polarization is far too great in Poland. Slowing down these trends, or even achieving a slight drop - which we have been observing in recent years - is precarious and insufficient. Poland has a goal to eliminate poverty and social exclusion by one and a half million people (relative to over 11 million) by 2020. We achieved 90% of our projections between 2008 and 2011. But, instead of celebrating, we should be reflecting whether the bar wasn't set too low. I stipulate that we should increase the target to 3 million, and add further goals aiming to reduce child poverty. Soon Poland will receive the next installment of EU's structural funds. After 2020, this money will drop substantially, so we really must achieve far more by then. It could be said that this is a very optimistic vision of the situation in Poland: here we are, having achieved the great majority of our goals for the decade in just a few years. I don't want what I say to be perceived as being overly optimistic, but simply as objective. I will not deny facts for political reasons; I accept them and use them to draw constructive conclusions.

You wrote yourself that 40% of a society's total income is accumulated by just 20% of the most wealthy.

Yes; this is the global figure. In Poland, the degree of inequality isn't so high in comparison with other European countries, although we have a long way to go before catching up with countries with the lowest inequality, such as the Czech Republic or Sweden. In developing countries, poverty is far more widespread than in Poland. In terms of increasing wealth, the global situation is now far better than during the 1990s, even in poor countries such as China or Brazil. Only countries in sub-Saharan Africa have shown no improvement. So for the majority of people around the world the situation is improving; the fact that inequalities are increasing and the wealthiest 1% are accumulating ever greater assets may just be temporary. Globalization and technological developments benefit the elites in the first instance, but once the others catch up, it



Jakub Ostrowski

Reducing poverty in children should be our priority

should be possible to distribute income more equally.

But before such a mechanism can be put into place, we are being told there are 800,000 malnourished children in Poland.

Firstly, that number was corrected to 80,000, but of course that's still far too many. Secondly, in 2009, research into children's basic needs going unmet did indicate a figure of 800,000, although this wasn't in terms of malnourishment. Describing poverty in terms of hunger isn't very useful in countries such as Poland. It is said that nutritional needs are not met if a household states that it cannot afford to eat meat or fish every other day. I do of course

stress that reducing child poverty should be our priority. But if the number is 800,000 rather than 2 million, what conclusions should we draw? Should we be optimistic? Let's not get too far in our celebrations just because we aren't ranked last in Europe. We are trailing far behind leading countries such as the Czech Republic. We must reform our social policies and other public activities; they exist precisely to reduce inequalities and poverty, to reduce polarization in society. Without this, Poland's development will not be successful. I stress, another way of testing development is the manner in which poorer members of society are able to participate in it and benefit from its achievements. ■

Interview by Anna Zawadzka