

# State of the World - Poverty Is Widespread

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*“Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings” (former South African President, **Nelson Mandela**)*

*The world’s population was about 7.8 billion people in 2020. About 2.2 billion people do not have access to safe drinking water, and over 4 billion do not have safe sanitation.(1) About 800 million suffer from chronic undernourishment. A fifth of all children under 5 suffer from stunted growth.(2) Each year approximately 6 million children and many millions of adults die of easily preventable diseases(3) and 9 million people die of hunger.(4) Some progress has been made on some of these issues, particularly in China. However, things have been getting worse in other regions, such as Africa.(5) Since 1960, the income gap between rich countries and poor countries has roughly tripled in size.(6)*

## **Economic Exploitation - Rich Countries Keep The Poor In Poverty**

We have seen in earlier posts that rich countries, led by the US, will use extreme violence to get their chosen leaders into power in other countries, in order to control resources and trade. These leaders have little interest in the welfare of their poorest people, and are prepared to use brutal methods to control their citizens. We have also discussed some of the ways in which the economic system transfers immense wealth from poor people to rich. Rich countries, led by the US, reinforce a global financial and trade system that perpetuates inequality. The exploitation of the world’s poorest people is like a modern-day form of slavery. Some of them earn just enough to die very slowly of malnutrition. Rich nations inflict what has been described as “protracted death-by-deprivation”.(7)

When people cannot earn a decent living any other way, they will resort to selling cocaine, heroin, sex, blood and organs. When they are really desperate some will even sell their own children into slavery. It is estimated that there are at least 40 million slaves in the world(8) and there are still 150 million children involved in child labour.(9) The scale of these problems is immense - the number of avoidable deaths each year is similar to a world war. However, dealing with some of the biggest problems, such as diarrhoea, is technically straightforward. A simple combination of salt, sugar and water is all that is required, yet still millions of people die from it. Dealing with starvation is also straightforward. The United Nations Food and Agriculture Organisation (UNFAO) regularly measures food production and

every year the total amount of food produced in the world is easily enough to feed everyone on the planet with a considerable amount left over.

Numerous observers have pointed out that poverty and inequality are the real Weapons of Mass Destruction. If we had a global war on under-development, just a small fraction of global military spending would be enough to solve these problems worldwide.(10) Unfortunately, there is currently no serious attempt to do so. Politicians from advanced nations often make statements about dealing with poverty, yet their actions make it clear that this is propaganda. They have no intention of making the changes to the global economic system that would solve these problems, because their focus is on structuring the world's economy to benefit themselves and their biggest companies.

### **Measuring Poverty - Lies, Statistics and Propaganda**

There is a great deal of propaganda surrounding the economics of poor countries and development. Leaders from rich countries want us to believe that the economic system is working for poor countries, so they try to manipulate the figures to tell us how many people have escaped poverty. However, they focus on a definition of extreme poverty, which refers to people earning under \$1.90 per day. This figure is so absurdly low that it is meaningless. Many people earning more than this are unable to meet their basic needs, such as eating enough food. One of the leading researchers on the subject, Jason Hickel, has suggested that a figure of \$7.40 per day is a better benchmark for measuring poverty, and other researchers have come up with a similar figure.(11) His data shows that more than 4 billion people - that is over half the world's population - are below this line, and therefore unable to meet their basic needs.

### **Measuring Progress - The Absurdity of GDP**

In order to measure how well a country is doing economists use what is called GDP (Gross Domestic Product). It is supposed to be the total value of all the goods and services that we buy and sell, but it is extremely misleading. The former governor of the Bank of England, Mark Carney, has noted that decorative diamonds are mostly useless, but we attach a huge price to them, whereas water is the most important substance on Earth (along with air and sunlight) but it has almost no economic value.(12) If a mother looks after her child, this is not measured in GDP as no money changes hands. If a mother pays a nanny, money does change hands, so this increases GDP, yet the same work has been done. The most important source of nutrition for babies, human breast milk, has no value according to economists. As one leading expert pointed out:

“as far as economics is concerned, if you are ironing, shopping or child rearing, you are ‘at leisure’”(13)

Huge swathes of important human activity, such as caring for children, caring for elderly relatives and simply running a household, is not included in economic data.

GDP measures some activity that is bad for society. Spending large amounts of money solving crimes, mopping up after an oil spill or treating car crash victims all counts as GDP, when it is clear that having fewer crimes, car crashes and oil spills in the first place would be better. Illegal transactions such as drugs are also counted. It is commonly accepted that the fastest way to increase GDP is to go to war.

Natural resources such as trees are only counted in GDP if we are intending to cut them down and use them for timber. They are not counted if we leave them in the ground as part of the natural landscape, yet they play many important roles in relation to climate change, land stability, flooding(14) and air quality.(15) All of the things that are not counted in GDP are actually worth far more than the things that are counted.(16) GDP is clearly not a good way to measure how well a country is doing.

Some groups have been trying to develop indicators that provide a better measure of progress and quality of life, such as the United Nations Human Development Index (HDI). This includes things like educational standards and healthcare. Some of these indicators show that since 1970 much of the world has made little progress.(17) If you take a simple measure like how many children die before the age of five, we find that medical care for poor people in the US is far below the standards of most advanced nations and is on a par with many poor countries.

### **The Distribution of Wealth Matters**

The use of GDP is misleading because it ignores how wealth is distributed. Even the poorest countries have some incredibly rich people and most countries have a group that would be called middle class. If a small number of people get much richer and the rest go backwards, the GDP of a country can increase, and the 'average' wealth can increase, creating the illusion of progress, when in fact poverty and inequality can be getting worse. GDP does not tell us how many children receive good education or how many people have access to healthcare.(18) Analyses that look at different sectors of society, such as the richest and poorest parts of the population, are better, but governments do not like these being discussed because it then becomes apparent that many poor people are making little progress, or even going backwards, under the current system. The GDP for India has been rising quite rapidly, but over half of the population still earn below \$3 per day.(19)

The economic system has to be a means to an end, not an end in itself. What we should be aiming for is a better quality of life for everyone, and in particular, to improve the standard of living for the poorest people in both rich and poor countries. There is a strong case to suggest that advanced nations do not need any more growth. They simply need better distribution. As one leading expert has noted:

“We could live in a highly educated, technologically advanced society with zero poverty and zero hunger, all with significantly *less* resources and energy than we presently use.”(20)

### **Neocolonialism - Some Countries Were Doing Better Before We Interfered**

The media tend to blame foreign governments for poverty, but do not mention that the US and Britain regularly overthrow governments that were trying to improve living standards for their poorest people, or that the economic system has been manipulated to exploit poor countries. Journalists often talk about corruption in poor countries, but usually fail to mention that it is companies from advanced nations that pay the biggest bribes. During the 1950s and 1960s, many poor countries progressed quickly, because rich countries did not interfere as much as they do today. Many of those countries went backwards rapidly once the US and other rich nations interfered again, in what is sometimes called neocolonialism.

Providing healthcare and good education to the whole population, and getting people off the

lowest rung of poverty is not difficult. Socialist countries such as Cuba, or the Indian state of Kerala, have excellent life expectancy. Iraq and Libya had socialist systems, and were very close to being first world countries before the US and Britain destroyed them. If poor countries are allowed to choose their own leaders, and to determine their own policies, many of them might make a genuine effort to get all of their people out of poverty.

## **To Understand Poverty, Study The Rich**

If we want to understand poverty, we can only learn a limited amount by studying the poor. We really have to study the rich and the powerful, in advanced nations as well as poor countries. They determine relationships between countries, and they determine how the national economy is structured. They determine how industrialised a country is, and they play a major role in determining the distribution of wealth within society.

We saw in earlier posts that international companies obtain huge amounts of 'free lunches' (extra profits that they have not earned). We also saw that the total transfer of wealth from poor countries to rich countries each year is over \$2 trillion.(21) A large part of that wealth transfer becomes extra profits for the world's biggest companies. The US government has a range of methods to force countries to participate in this rigged system. These can include bribery, sanctions and war. The single biggest obstacle to the elimination of global poverty is US foreign policy.

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## **Notes**

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The absurdity of GDP is illustrated in the following discussion of 'Leprechaun economics' when Ireland's GDP changed 35% due to re-calculation. [https://en.wikipedia.org/wiki/Leprechaun\\_economics](https://en.wikipedia.org/wiki/Leprechaun_economics)

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