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“Global Poverty & Global Politics”

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MUST WE ACCEPT, AS THE NEW TESTAMENT suggests, that the poor will always be with us? The early 21st Century statistics remain grim:

- About 40% of the world’s 6.5 billion people live in poverty (defined by the World Bank as living on less than \$2 per day);
- Almost 1 billion people live in even more desperate poverty—on less than 1 dollar per day;
- Over 50 countries (over a quarter of the total number) are actually poorer, per capita, than they were in the 1970s;
- Diseases such as malaria, tuberculosis, HIV/AIDS, and diarrhea are common within poor communities; and
- Hundreds of millions have no access to clean water or medical care, regularly experience hunger and malnutrition, and live with little or no hope of improvement in these conditions (Stiglitz, 2006).

These people’s lives are nearly unimaginable for most members of the UNH community. Just try to imagine living on less than the cost of a Starbucks coffee. Chronic hunger is normal and large portions of your time would be taken up by trying to get water to drink and fuel for cooking and heating. Your work, for which you probably would not receive any wages, would be physically, brutally hard—probably toiling to grow some meager crop in a marginally productive environment. You would be living with near-constant fear of losing your life or your loved ones to disease, malnutrition, or violence.

Yet, what is often lost in the bad news about poverty, inequality, and globalization is the fact that hundreds of millions of humans have moved *out* of poverty in the years since most current UNH students and professors were born. This change has come about through a combination of economic growth, good government, and peace. In other words, while many people rise out of poverty in some countries, the number of desperately poor people grows in other places. As such, a key challenge for 21st century citizens and policymakers

alike is that the people who are escaping the worst kinds of poverty around the world live in one set of countries, while the roughly one billion people who are among the world’s poorest live in a different set of nations. These “bottom billion” (Collier, 2007) tend to live in countries without good government, economic opportunity, or much help from the international community. As Collier notes, these countries are “falling behind and falling apart.” In other words, most people live without much hope of seeing a better world for themselves or their children.

What can be done to offer help to increase opportunities for the bottom billion and to alleviate some of the worst ramifications of global poverty? In recent years, many policymakers and scholars supportive of globalization—but opposed to many things done in its name—have begun to draw lessons from policymaking, statistical analysis, and observations of the lives of everyday citizens about what can be done to meet the challenge of global poverty. This essay focuses only on the work of two of the most famous, Paul Collier and Joe Stiglitz, but there are many others. They reject the notion that the desperately poor will always be with us, instead arguing that “another world is possible” (Stiglitz, 2006).

Why, in a world with more wealth, increasing human lifespan, and more democratic governance than at any point in human history do so many people live in endless poverty? To answer this question in ways that help us think about what can be done to address the problem, we need to move beyond the debate between those who say that more free market capitalism will fix things on its own and those who say that capitalist markets are the problem. There is no one-size fits all solution—just as there is no one simple reason that several dozen countries have gotten poorer as the globe has gotten richer.

First, we should have some ideas about why over a quarter of the world’s countries are getting poorer. Why is this happening? In one approach to understanding this very complex situation, Collier sums up huge amounts of data and analysis into a discussion of four “traps” in which countries find themselves:

- the conflict trap (those with repeated or ongoing wars);
- the natural resources trap (those highly dependent on resource extraction—of oil, mining, forest products or some agricultural commodities—and the poor economic performance and ineffective governance that often accompanies this);
- the trap of being landlocked with bad neighbors; and
- the trap of bad governance.

While some countries only experience one of the traps, many experience more than one at the same time.

Taking a slightly different approach, Stiglitz argues that several aspects of the current international system have undermined the prospects of the poorest countries. He outlines numerous ways that factors such as the international rules governing trade and intellectual property rights—and the general lack of rules governing international corporations, global currency markets—have reduced, rather than increased, opportunities for the least economic developed countries to engage global markets. Like many anti-poverty activists, he is also concerned about how the debt burdens accrued by many developing countries inhibit poverty alleviation and economic development within poorer countries. Both authors—both veterans of World Bank work—agree that the domestic policies of many of the world’s wealthiest countries and the international institutions these countries have built together often work to keep poor and marginalized countries from improving their situations.

Collier and Stiglitz approach the problem of global poverty somewhat differently, but they agree on a number of the potential solutions and they share a belief that one-size-fits-all solutions are unlikely to work. They also agree that poverty can only decline in the poorest countries if their economies are growing and they share the view that economies do not simply grow via a magical and mythical invisible hand. In other words, they argue that economies will not function to effectively produce efficiency and generate wealth without proper national and international institutions.

Analysts like Collier and Stiglitz also agree that citizens in wealthier countries, like the US, have both moral responsibilities to help to alleviate global poverty and important material interests at stake in such alleviation. In other words, for the citizens and policy makers of the economically developed world, working to alleviate poverty around the globe is both the right thing to do—and in our best interest.

So, what do we do about poverty alleviation in the 21st century? First, we need to accept that for national economies to grow and produce benefits for poor nations, two conditions must be met: 1) the international economic and political systems must encourage, rather than discourage, economic growth in poor countries, and 2) governance in poorer countries must be substantially improved.

These are not small tasks. But, the challenges of transitioning Eastern and Central Europe away from communism, ending South African Apartheid, raising the standards of living of several hundred million Chinese citizens, or lifting several million Latin Americans out of poverty were not easy—and these things have been accomplished in years since most UNH students were born. Likewise, the fact that cancer, AIDS, and other diseases are difficult to treat and cure has not kept us from trying—and we have reaped many benefits from these attempts in the last twenty years.

While there is no one solution for global poverty, there are many things that can be done. Each may improve the lives and opportunities of some of the world’s poorest, but each also has its limits. For example, it is clear that foreign aid can be effective in increasing economic growth rates within low income countries and mitigating many of the worst aspects of grinding poverty, thereby increasing opportunities over time (Collier, 2007). However, such benefits only accrue when foreign assistance is both designed by “donors” to accomplish such tasks (which is often not the case) and used effectively in poorer countries (also not a given). As such, when aid programs seek to alleviate poverty and improve governance simultaneously, they have great potential.

Debt reduction programs offer another example. If designed in cooperation between indebted countries, international organizations and developed states, they can help reduce the burden of debt on the poorest countries (often accrued by ineffective former governments). If poorly designed, the debt reduction may not result in any changes to the lives of a debtor country’s poorest citizens. Analysts and activists have called for a host of other changes: reforming domestic and international trade laws and organizations, establishing international codes of conduct for multinational corporations, placing limits on the weapons trade, and implementing a host of other policies. Some of these will require international cooperation between wealthier states and between wealthy and poorer countries. Progress on some, however, can be made if US policymakers seek a greater role for the United States in global poverty alleviation.

Must we really accept that grinding poverty will always be with us? If we do, then we have given up hope ourselves. We can simply try to avert our gaze. If we refuse to accept poverty—at home or abroad—then we must ask ourselves what we can do in our own lives with what we say, what we buy, what we read, to whom we listen, what we demand of our corporate and public sector leaders, and for whom we vote.

If another world is possible, it is not up to others to create it.

References

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