

#GLOBALGOALS? THE TRUTH ABOUT POVERTY AND HOW TO ADDRESS IT

Rajesh Makwana

As the star-studded endorsements and media hype surrounding the all-pervasive Global Goals campaign begins to subside, a very different truth is beginning to emerge about this latest attempt by the international community to end poverty and create an ecologically viable future. Despite the UN's ambitious claims, all the indications are that the Sustainable Development Goals (SDGs) do not have the potential to 'free the human race from the tyranny of poverty and want' or 'heal and secure our planet'. On the contrary, the 'new agenda for development' fails to address the root causes of today's interconnected global crises, perpetuates a false narrative about poverty reduction, and reinforces an unsustainable economic paradigm that is inherently incapable of reducing the true scale of human deprivation by 2030.

If taken at face value, it may seem irresponsible for anyone to dismiss the broad vision and prime objective of the SDGs to 'end poverty in all its forms everywhere' (UN, 2015a) – if only because it presents a valuable opportunity to improve intergovernmental cooperation and focus both political and public attention on pressing global issues. As Share The World's Resources (STWR) have outlined in a recent report (2015), however, there are many reasons to question not only the targets themselves, but the entire sustainable development initiative and the political-economic context within which it will be implemented.

For example, one of the key concerns that emerged from the Financing for Development talks that accompanied the SDGs negotiations was whether governments will be able to raise and redistribute the huge sums of money needed to meet the goals – especially given that developing countries face an estimated annual gap of \$2.5 trillion in SDG-relevant sectors (UNCTAD, 2014). Even though levels of international aid still fall far short of the 0.7 percent of GDP that donor countries have

repeatedly pledged for more than forty-five years (STWR, 2012), governments attending the financing talks failed to agree any concrete measures for redistributing more of the world's highly concentrated wealth to protect the most vulnerable people.

Instead of agreeing to provide significantly more funding for development, donor governments pushed for countries in the global South to take greater responsibility for mobilising finances domestically (Regional Refocus et al., 2015). At the same time, they effectively refused (Oxfam, 2015) to implement any of the urgent measures that civil society has long been calling for to prevent illicit financial flows, tackle tax avoidance or restructure external debts – measures that could mobilise many billions of dollars (STWR, 2012) in additional revenue each year for low-income countries. Until these critical issues are addressed, foreign aid will continue to be dwarfed by the net flow of financial resources from the global South to the North, which suggests that in reality the populations of (resource rich) low-income nations continue to finance the development of 'rich' nations rather than the other way around (Kar and Spanjers, 2014).

Unwarranted importance was also placed on scaling up private-public partnerships as a way of raising finance, which is a measure that scores of campaigners and civil society organisations argue has established a 'corporate development agenda' that will benefit businesses far more than those living in extreme poverty. As summarised in a joint statement released by numerous civil society groups during the financing for development negotiations, '[the] emphasis on private financing and the role of transnational corporations will further weaken public policy space [for] governments and fails to address the unfinished business of regulating the financial sector despite the extreme and intergenerational poverty created by the global crisis' (People's Goals, 2015).

Another major critique widely voiced by environmentalists is that the SDGs encourage governments to maintain their obsession with putting economic growth before pressing social and environmental concerns. In

particular, SDG 8 is entirely devoted to the promotion of ‘sustained, inclusive and sustainable economic growth’, even though there is now ample evidence to suggest that relying on the trickle-down of global economic growth is not an effective way to end poverty. Many campaigners have cited (for example, Kirk, 2015) detailed projections by David Woodward (2015) (based on optimistic assumptions about future rates of global economic growth), demonstrating that it would take at least 100 years to ‘eradicate’ poverty at the \$1.25-a-day level and twice as long at the more appropriate \$5-a-day measure of poverty.

Far from promoting a truly ecological agenda for development, the SDGs reflect the widely recognised and profound contradiction between the pursuit of economic growth and the very notion of sustainability. Not a single country has managed to ‘decouple’ economic growth from environmental stress and pollution, and achieving any significant level of decoupling remains highly unlikely in the foreseeable future (Jackson, 2009). Indeed, evidence suggests that accelerating economic growth in order to speed up poverty reduction will result in a rise in global carbon emissions that would wipe out any possibility of keeping climate change to within the ‘acceptable’ margin of a two degrees centigrade increase (Johnson, Simms and Chowla, 2010).

Do the poor count?

However much we would like to believe that governments are on track to end poverty by 2030, a more detailed examination of the available data shows that the received wisdom about our economic progress is largely based on misdirection and exaggeration. According to official UN statistics (2015b), there has been a steep drop in global poverty levels over the past twenty-five years. In 1990, around half of the developing world reportedly lived on less than \$1.25-a-day – a figure that reduced significantly to 14 percent by 2015. According to new data just released by the World Bank (2015), these numbers have diminished even more rapidly in recent years with as little as 10 percent of the world’s population now living in poverty.

However, there are serious concerns around how changes to the way poverty is calculated have contributed to the illusion that poverty significantly reduced as a result of the Millennium Development Goals (MDGs) (Hickel, 2014). Most significantly, the baseline year for measuring progress was shifted back to 1990 in order to include all the poverty reduction that took place (mainly in China) well before the Millennium Campaign even began (Carroll, 2014). On more than one occasion, changes to the way the poverty line was calculated meant that hundreds of millions of people were subtracted from the MDGs poverty statistics overnight.

The World Bank's definition of what constitutes 'extreme' poverty is also widely regarded by economists as highly problematic. According to the Bank's latest revision, this all-important measure is now based on an international poverty line of \$1.90-a-day (previously \$1.25-a-day). This exceedingly low and highly contentious poverty threshold reflects how much \$1.90 can purchase in the USA but not in a low-income country like Malawi or Madagascar, as is often believed (Parsons, 2012a). It's clear that meeting even the most basic human needs for access to food, water and shelter – let alone paying for basic medical services – would be impossible to achieve in the United States with such little money. In comparison, the official poverty line for people who live in the United States is set at the substantially higher rate of around \$16-a-day.

At the very least, this behoves the World Bank and the SDGs to adopt a morally appropriate dollar-a-day poverty line that accurately reflects a minimum financial requirement for human survival. This is a view shared by the United Nations Conference on Trade and Development (UNCTAD, 2013) who argue that only by using a higher threshold of \$5-a-day would it be possible to fulfil the right to 'a standard of living adequate for ... health and well-being' – as set out in Article 25 of the Universal Declaration of Human Rights more than 65 years ago. According to World Bank statistics (<http://iresearch.worldbank.org/PovcalNet/index.htm?1,0poverty>), at this slightly higher level of income has consistently increased between 1981 and

2010, rising from approximately 3.3 billion to almost 4.2 billion over that period.

If the Millennium Campaign had used this more appropriate poverty threshold, MDG-1 would clearly not have been met: rather than halving the number of people living without sufficient means for survival, there are 14 percent more people living in \$5-a-day poverty now than in 1990.

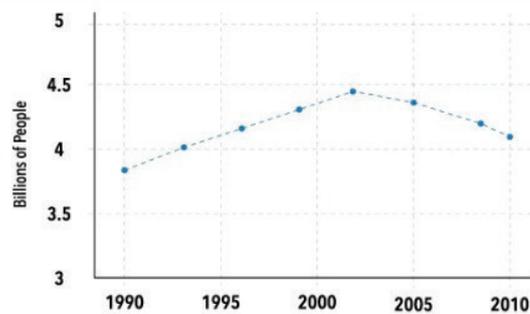
IF IN THE NEXT FEW WEEKS YOU HEAR THAT POVERTY & HUNGER HAVE BEEN HALVED, LOOK CLOSER...



Powered by:  THE RULES

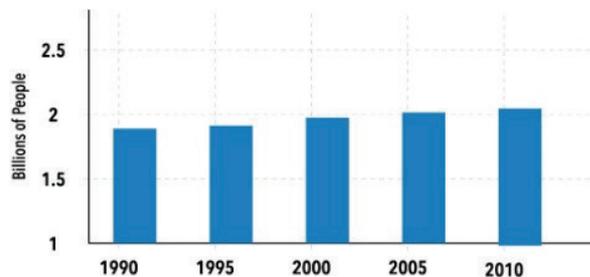
Designed by:  Pictochart

BETWEEN 1990 AND 2010 THERE WAS AN INCREASE OF 371 MILLION PEOPLE LIVING ON LESS THAN \$5/DAY



Source: <http://research.worldbank.org/PovertyNet/index.htm?0,3>, "The ethical poverty line: a moral quantification of absolute poverty" Edwards, P, Third World Quarterly 37(2):377-393 (2006)

THERE HAS BEEN A STEADY INCREASE IN THE NUMBER OF PEOPLE GOING HUNGRY SINCE 1990



Source: These figures are for available calories for the mid-point between the 'normal' and 'intense' activity range, as defined by the FAO (<http://www.fao.org/docrep/016/43027/a13027e00.htm>)

To fix a problem, you first have to know why it exists:
WWW.THERULES/BIGQUESTIONS

As ActionAid (2015) and others rightly suggest, however, a \$10-a-day benchmark may be a far more realistic measure of poverty when comparing lifestyles in rich and poor countries, which would mean that an alarming 5.2 billion people live still in poverty today.

There can be little doubt that the mainstream narrative about how global poverty is being dramatically reduced distracts from the need to address its structural causes and diffuses public outrage at what is, in reality,

a worsening crisis of epic proportions – one that demands a far more urgent response from governments than the SDGs can deliver. At the very least, adopting a more realistic international poverty line would transform our understanding of the magnitude and persistence of poverty in the world, and spark a long overdue debate on how ambitious and transformative the international development agenda really is.

Ending the global emergency of avoidable deaths

While such critiques of UN poverty statistics are necessary to highlight the truth about global poverty levels, this still doesn't fully illustrate what life-threatening deprivation means in human terms, especially for those of us living in affluent countries who have little or no contact with the world's poor. World Bank figures conceal a disturbing fact about what it really means to forgo access to life's essentials: according to calculations by Dr Gideon Polya (2014), over 17 million 'avoidable deaths' occur every year as a consequence of life-threatening deprivation, mainly in low-income countries. As the term suggests, these preventable deaths occur simply because millions of people live in conditions of extreme deprivation and therefore cannot afford access to the essential goods and services that people in wealthier countries have long taken for granted.

The extent of this ongoing tragedy cannot be overstated when approximately 46,500 lives are needlessly wasted every day – innocent men, women and children who might otherwise have contributed to the cultural and economic development of the world in unimaginable ways. This annual preventable death rate far outweighs the fatalities from any other single event in history since the Second World War, and around half of those affected are young children. Given today's technological advancements and humanity's combined available wealth of \$263 trillion (Credit Suisse, 2014), it's perhaps no exaggeration to suggest that the magnitude of these avoidable deaths is tantamount to a global genocide or holocaust.

What, then, should be our reaction to the sheer extent of life-threatening deprivation in the world, given that our combined efforts to meet

urgent human needs – as expressed by the actions of our elected governments – are tragically inadequate on a global scale? It's surely futile to direct further policy proposals or alternative ideas to the world's governments, who are failing to enact the emergency measures and far-reaching structural reforms that are necessary to end extreme poverty *within an immediate time-frame*. Instead, civil society groups and engaged citizens should adopt a strategy for global transformation based on solidarity with the world's poor and a united demand for governments to radically reorder their distorted priorities.

STWR's founder Mohammed Mesbahi (2015) has proposed such a strategy for redirecting public attention towards the shameful injustice of this growing humanitarian crisis, based on the need for governments to finally uphold the long-agreed entitlements set out in Article 25 of the Universal Declaration of Human Rights as their leading concern in the period ahead. As Mesbahi explains, the time has come for millions of citizens in every country to collectively demand the universal realisation of these basic rights – for adequate food, housing, healthcare and social security for all – until governments significantly reform the global economic system to address the root causes of hunger and needless poverty-related deaths.

With over 70 percent of the global population struggling to live on less than \$10 per day, there is no doubt that a common cause for guaranteeing basic socio-economic rights across the world could bring together many millions of people in different continents on a common platform for transformative change (Parsons, 2012b). If these public protests can become the subject of mainstream political and media discussions, people from all walks of life may soon be persuaded to join in – including those who have never demonstrated before in the richest nations, along with the poorest citizens in low-income countries.

Needless to say, galvanising an informed public opinion the world over is a formidable challenge given the false mainstream narrative on poverty reduction and a general lack of popular awareness within affluent

society. But without a collective worldwide awakening to the injustice of widespread poverty amidst excessive wealth inequalities, it may remain impossible to overcome vested interests and the political inertia of governments. The responsibility for change falls squarely on the shoulders of us all – ordinary engaged citizens – to march on the streets in enormous numbers and forge a formidable public voice in favour of ending extreme human deprivation on the basis of an international emergency.

Note: This article was originally published by Share The World’s Resources on 6 October 2015 – <http://www.sharing.org/information-centre/articles/globalgoals-truth-about-poverty-and-how-address-it> – and is drawn from a report entitled *[Beyond the Sustainable Development Goals: uncovering the truth about global poverty and demanding the universal realisation of Article 25](#)*. The article is reproduced with the permission of the author.

References

ActionAid (2015) *Post 2015: Business as usual or bending the arc of history?*, Johannesburg: ActionAid, available: http://www.actionaid.org.uk/sites/default/files/publications/unga_post_2015_briefing_final.pdf (accessed 10 December 2015).

Carroll, P (2014) ‘China’s Role in Global Poverty Reduction’, *The Borgen Project*, 20 December 2014, available: <http://borgenproject.org/chinas-role-global-poverty-reduction/> (accessed 10 December 2015).

Credit Suisse (2014) *Global Wealth Report 2014*, Zurich: Credit Suisse, available: <https://publications.credit-suisse.com/tasks/render/file/?fileID=60931FDE-A2D2-F568-B041B58C5EA591A4> (accessed 10 December 2015).

Hickel, J (2014) ‘Exposing the great “poverty reduction” lie’, *Al Jazeera*, 21 August 2014, available: <http://www.aljazeera.com/indepth/opinion/2014/08/exposing-great-poverty-reductio-201481211590729809.html> (accessed 10 December 2015).

Jackson, T (2009) *Prosperity without growth? The transition to a sustainable economy*, UK: Sustainable Development Commission, available:

http://www.nfft.hu/dynamic/20090522_pwg_summary_eng.pdf (accessed 10 December 2015).

Johnson, V, Simms, A and Chowla, P (2010) *Growth isn't possible: Why we need a new economic direction*, London: New Economics Foundation.

Kar, D and Spanjers, J (2014) *Illicit Financial Flows from Developing Countries: 2003-2012*, Washington: Global Financial Integrity.

Kirk, M (2015) 'Four Reasons to Question the Official "Poverty Eradication" Story of 2015', *Common Dreams*, 16 March 2015, available: <http://www.commondreams.org/views/2015/03/16/four-reasons-question-official-poverty-eradication-story-2015> (accessed 10 December 2015).

Mesbahi, M (2015) 'Heralding Article 25: a strategy for world transformation', *Sharing The World's Resources*, 30 July 2015, available: <http://www.sharing.org/information-centre/reports/heralding-article-25-strategy-world-transformation> (accessed 10 December 2015).

Oxfam (2015) 'Rich countries provide a poor outcome at Addis Financing for Development Conference', *Oxfam International*, 15 July 2015, available: https://www.oxfam.org/en/pressroom/reactions/rich-countries-provide-poor-outcome-addis-financing-development-conference-oxfam?utm_source=oxf.am&utm_medium=ZPkE&utm_content=redirect (accessed 10 December 2015).

Parsons, A (2012a) 'Should we celebrate a decline in global poverty?', *Share The World's Resources*, 16 March 2012, available: <http://www.sharing.org/information-centre/articles/should-we-celebrate-decline-global-poverty> (accessed 10 December 2015).

Parsons, A (2012b) 'When will ordinary people rise up?', *Sharing The World's Resources*, 27 June 2012, available: <http://www.sharing.org/information-centre/reports/when-will-ordinary-people-rise> (accessed 10 December 2015).

People's Goals (2015) 'Reclaim our future. Oppose the corporate "development" agenda', *People's Goals*, 27 July 2015, available: <http://peoplesgoals.org/wp-content/uploads/2015/07/Reclaim-our-future.-Oppose-the-Corporate-Development-Agenda19.pdf> (accessed 10 December 2015).

Polya, G (2014) '4% Annual Global Wealth Tax To Stop The 17 Million Deaths Annually', *Countercurrents*, 27 June 2014, available: <http://www.countercurrents.org/polya270614.htm> (accessed 10 December 2015).

Regions Refocus 2015 and Third World Network (TWN) with Development Alternatives with Women for a New Era (DAWN) (2015) 'Analysis of government positions and recommendations from regional workshops convened in collaboration with autonomous South based civil society networks in eight sub-regions of the world', available: <http://www.twn.my/title2/finance/2015/fi150302/A%20Geopolitical%20Analysis%20of%20Ffd3%20-%20Regions%20Refocus,%20TWN,%20DAWN.pdf> (accessed 10 December 2015).

STWR (2012) 'Financing the Global Sharing Economy, Part Three (5): Increase International Aid', *Share The World's Resources*, 1 October 2012, available: <http://www.sharing.org/node/210> (accessed 10 December 2015).

STWR (2015) 'Beyond the Sustainable Development Goals: Uncovering the Truth about Global Poverty and Demanding the Universal Realisation of Article 25', *Share The World's Resources*, 25 September 2015, available: <http://www.sharing.org/node/544> (accessed 10 December 2015)

UN (2015a) *Transforming Our World: The 2030 Agenda for Sustainable Development*, New York: UN, available: <https://sustainabledevelopment.un.org/post2015/transformingourworld> (accessed 10 December 2015).

UN (2015b) *The Millennium Development Goals Report*, New York: UN.

UNCTAD (2013) 'Growth and Poverty Eradication: Why Addressing Inequality Matters', Policy Brief No. 2, available: http://unctad.org/en/PublicationsLibrary/presspb2013d4_en.pdf (accessed 10 December 2015).

UNCTAD (2014) 'Developing countries face \$2.5 trillion annual investment gap in key sustainable development sectors, UNCTAD report estimates', UNCTAD Press Release, 23 June 2014, UNCTAD/PRESS/PR/2014/021, available: <http://unctad.org/en/pages/PressRelease.aspx?OriginalVersionID=194> (accessed 10 December 2015).

Woodward, D (2015) '*Incrementum ad Absurdum*: Global Growth, Inequality and Poverty Eradication in a Carbon-Constrained World', *World Economic Review*, No. 4, pp. 43-62.

World Bank (2015) 'World Bank Forecasts Global Poverty to Fall Below 10% for First Time; Major Hurdles Remain in Goal to End Poverty by 2030', *World Bank*, 4 October 2015, available: <http://www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030> (accessed 10 December 2015).

Rajesh Makwana is executive director of Share The World's Resources, a London-based civil society organisation campaigning for a fairer sharing of wealth, power and resources within and between nations. He can be contacted at: rajesh@sharing.org.