### Poverty, Wealth, and Power

#### Introduction

"Almost 90 percent of the world's wealthiest adults are in North America, Europe, and Japan." (Davies et al.)



In Canada, most people have wealth that is unimaginable to much of the rest of the world. In 2006, the year the United Nations Millennium Development Goals were put in place to support basic needs for the poorest individuals in the world, Canada's net worth per capita was US\$70,916. In contrast, Ethiopia had per-capita wealth of US\$193 and Congo had US\$180. One percent of the world's adults are estimated to hold 40 percent of the world's wealth. Most of the wealthiest adults (almost 90 percent) are concentrated in North America, Europe, and Japan.

According to a recent report by the Helsinki-based World Institute for Development Economics Research, the richest 10 percent of adults in the world own 85 percent of global household wealth, and the average person in the top 10 percent has nearly 3,000 times the wealth of the average person in the bottom 10 percent. "Among the richest countries, mean wealth was \$144,000 per person in the USA and \$181,000 in Japan. Lower down among countries with wealth data are India, with per capita assets of \$1,100, and Indonesia with \$1,400 per capita." (Davies et al.)

> There is a widening gap between rich and poor; however, this is not a simple question of extreme wealth in developed countries and extreme poverty in developing

countries. Using data, European researcher Hans Rosling founded a website at <u>www.gapminder</u>. org that shows how wealth and poverty have been shifting over time. Countries often defy our expectations (e.g., Botswana in Africa is richer than Albania). Also, now countries with very unequally distributed incomes are mostly found in Latin America and parts of Sub-Saharan Africa. Incomes are often more evenly distributed in the West, Asia, and the Middle East. Furthermore, the overall trend is positive. "In 2013, 10.7 percent of the world's population lived on less than US\$1.90 a day, compared to 12.4 percent in 2012. That's down from 35 percent in

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1990. This means that, in 2013, 767 million people lived on less than \$1.90 a day, down from 881 million in 2012 and 1.85 billion in 1990." (World Bank, 2016, p. 3) This translates into a better quality of life, including healthier populations. "Substantial global progress has been made in reducing child deaths since 1990. The number of under-five deaths worldwide has declined from 12.7 million in 1990 to 5.9 million in 2015." (WHO) This equals 16,000 every day compared with 35,000 in 1990."

Often defined in purely economic terms, wealth relates to one's capacity to engage easily and productively in society. This means "having enough money to fulfill basic needs: food, adequate shelter, basic healthcare, and education. Economic security is connected to employment. Having access to adequate pay and stable work makes for security. With this security comes many privileges that people in developed countries sometimes take for granted, such as access to credit and loans. Without secure work, most banks and credit companies will not provide services." (U.N., n.d.)

This same access to credit and loans can lead to the opposite of wealth: debt. The debt load at an individual and country level can be paralyzing; it affects decision making, thereby limiting choices. At an individual level, there is an interesting paradox around wealth. If (as it often is) wealth is defined as the value of physical and financial assets minus debts, then, paradoxically, high-income countries have some of the poorest people in the world because of their large mortgage debts. In a report for the Canadian Centre for Policy Alternatives, Steve Kerstetter finds that only those with above-average wealth have assets beyond housing that can be used in the event of a financial crisis.

At a macro-level, debts and deficits are common. Many countries have crippling debts that affect their ability to deliver such things as social services. Even in Canada, cuts in social spending have been made in order to reduce the deficit and pay off debt. Such cuts hit women and children the hardest. Globally, women comprise 70 percent of the world's poor (Davies et al.). According to the data provided by the Centre for Social Justice, in Canada, the poverty rate for women in general is 20 percent; for women of colour it is 37 percent; and for Indigenous women it is 43 percent. Forty-one percent of people using food banks are children, and there are over 1.2 million Canadian children living in poverty.

The impact of debt is more pronounced in developing countries, where the sums borrowed from wealthier countries and international banks are staggering and often come with terms attached (e.g., structural adjustment). "In Africa, an estimated 500,000 more children died from the imposed restructuring of their countries'

economies to ensure increased flows of money to external banks, while spending on health care declined by 50 percent and on education by 25 percent since structural adjustment programs began." (McMurtry, p. 305)

Challenges associated with debt and deficit spending are compounded by military spending. The Stockholm International Peace Research Institute notes the increasing concentration of military

## <u>Income</u>

<u>Expenses</u>

expenditure (i.e., that a small number of countries spend the largest sums). This trend carries on into 2009 spending. For example, the 15 countries with the highest spending account for over 82 percent of the total. The USA is responsible for 46.5 percent of the world total, distantly followed by China (6.6 percent of the world share), France (4.2 percent), the UK (3.8 percent), and Russia (3.5 percent).

## What makes some people poor and others rich?

Debt relief is starting to come for the most heavily indebted poor countries (HIPC). In July 2005, governments agreed to 100 percent cancellation of multilateral debts owed by HIPC countries to the World Bank, IMF, and African Development Bank. Debt relief must be tied to increased aid. However, despite the fact that donor nations' wealth increased from the 1990s to 2009, the level of aid (tied to that growth) did not increase. In the 1990s, it actually fell. Aid for the poorest countries remained at a steady dollar amount in this period. Government donations are complemented by private aid or donations through the charity of individual people and organizations. The Hudson Institute estimates the U.S. donated \$326.4 billion to developing countries in 2010. Of this, only 9 percent was provided by government agencies. The rest was private capital, philanthropy, and remittances. (Hudson Institute, p. 5)

What makes some people poor and others rich? It is commonly accepted that wealth comes from hard work and from acquiring certain skill sets. Although there is truth to this, there are structural reasons why some people get richer and others do not. At a social level, there are insiders, boys' clubs, and Ivy League elites. It is also true that, in addition to hard work, success breeds success. You learn how to operate in the environment that you live in. "You have to learn the rules of the game. And then you have to play better than anyone else."

In terms of the link between wealth and success, it is important to note that as one accrues wealth, it becomes easier to access credit to invest in start-up costs. This means that one is better able to leverage for higher (potential) success. Business loans, micro-credit, and angel investors are antidotes to this liquidity challenge, but they will not replace the ability for those with significant assets to make their own decisions. At a higher scale, this can apply to provinces, parts of a population (e.g., Indigenous peoples), countries, or regions. Ready access to resources (including an educated and healthy population) strengthens the ability of these actors to be free in their decision making.

A framework that is useful in understanding how resources (wealth) can lead to enhanced autonomy and increased well-being is the capability approach. Through it, Nobel prize winner Amartya Sen (1985) argued for five components in assessing capability:

- 1. The importance of real freedoms in the assessment of a person's advantage
- 2. Individual differences in the ability to transform resources into valuable activities
- 3. The multivariate nature of activities giving rise to happiness
- 4. A balance of materialistic and non-materialistic factors in evaluating human welfare
- 5. Concern for the distribution of opportunities within society

The fourth point about a balance of materialistic and non-materialistic factors is a critical one. Being wealthy is not the same as well-being, unless wealth is defined in terms beyond the purely economic. Indeed, "one of the most significant observations is that in industrialized nations, average happiness has remained virtually static since the Second World War, despite a considerable rise in average income.... These days even hard-headed economists tend to agree that the key to making people happier is to shift from pure economic growth—which fuels a consumerist culture that is antithetical to happiness—to personal growth." (Bond, p. 40)



What structures set the parameters for wealth accrual and resource flow? At its heart, one of the main engines of development for the Industrial Revolution was the modern system of free trade, free enterprise, and market-based economies that emerged around 200 years ago. The economies of less-developed countries rely mostly on agriculture and related subsistence activities (because people need food more than anything else). As incomes increase, economies become industrialized, followed by growth in the service sector, where industry and agriculture shrink. This economic development pathway has traditionally led to better living conditions and a healthier population. This was the case for many

Asian countries in the 1950s and 1960s. A recent World Bank report confirms, "Most countries... start out with a relatively high dependence on natural capital, and those that progress most successfully manage their assets for the long term and reinvest in human and social capital as well as in building strong institutions and systems of governance." (World Bank, 2011)

However, development is not guaranteed. Many nations have faced setbacks to development, such as economic recessions, famines, and medical epidemics like HIV/AIDS. Some countries have leapfrogged over this development path and became wealthy by exporting their oil resources. Oil continues to be a major source of wealth and power in today's economy.

The global trade and financial system affects every one of us, even if we don't see it functioning on a daily basis. The goods we consume, the state of our corporations, our national security, and our wealth as a country are all tied up in global wealth structures and our relationships with other countries.

International trade decisions are often made in favour of countries that can do things cheaply and quickly, which increases the profits of corporate shareholders but not necessarily the producers of the raw materials. Governments set up trade rules, but they are strongly influenced by corporations. This is in great part due to the increasing economic power of corporations. Of the 100 largest economies in the world, 51 are corporations and only 49 are countries (based on a comparison of corporate sales and country GDPs). (Anderson and Cavanagh)

International trade and globalization can bring great benefits to many people, but the financial and power systems that currently exist can also perpetuate poverty and harm our environment. For example, "according to the European Fair Trade Association, farmers get barely 5 percent of the profit from chocolate, whereas trading organizations and the chocolate industry receive about 70 percent. This means



that producers get only 5 cents from every dollar spent on chocolate, while the companies get 70 cents—14 times more!" (Wheaton College) Nobel Prize winner Amartya Sen says the problem is not free trade, but the inequality of global power. He strongly welcomes the rise of the non-governmental movement, which combines with media coverage to produce the beginning of some "countervailing power" to the larger corporations and the traditional policies of developed country governments.

The rise of non-governmental organizations and the increasing democratization of communication streams through new media are two trends that seek to redress power imbalances. What are some of the other ways in which we can have an impact, as individual citizens and within broader society? For this, we need to look at sources of power (see the list of sources of power in the following pages), which include knowledge and moral persuasion. The fair trade movement and eco-labelling help redress some of the transparency issues around how goods are produced and bring wealth into local communities. We can increase non-material wealth in our societies. Happiness research suggests, "a government's priorities should be to

reduce unemployment and job insecurity, improve mental healthcare, encourage direct democracy (studies in Switzerland, where referendums are common, suggest people are happier the more they feel in control of their lives), and—perhaps most controversially—discourage the pursuit of status." (Bond, p. 40)

Corporations can become engines for good. Economist Paul Hawken argues that "if they [companies] believe they are in business to serve people, to help solve problems, to use and employ the ingenuity of their workers to improve the lives of people around them by learning from the nature that gives us life, we have a chance." (Hawken) How can they do this? First, their products can fuel wealth acquisition (e.g., the use of cell phones to better track current market prices in developing countries). They can also redress power imbalances (e.g., the Internet has made it easier for individuals to seek and apply for jobs in their area of interest). Corporations are the most likely source of new design ideas as we transform towards a sustainable society. We will need new ways of doing so many things and the engineers, software technicians, and bankers of the future will help us discover what these might be. These ideas need to go beyond the end of the pipe, argues *Cradle to Cradle* author and architect William McDonough: "You don't filter smokestacks or water. Instead, you put the filter in your head and design the problem out of existence." Corporations will also fuel innovation in the non-profit and research sector through their philanthropy and partnership.

Redressing structural imbalances in terms of access to capital, we can start to look at strengthening the social system. Micro-lending has been a powerful way to increase wealth in otherwise asset-poor populations. This is true in Canada as well as other parts of the world. Kiva. org and the Grameen Bank are two notable examples. As individuals, we can explore our own assets and how these are invested. Ethical investment has increased in the past decade, including through momentum from the principles for responsible investment. We can also decide to be

active shareholders in companies we have stocks in. As Canadians, we can be conscious consumers, using our wealth to support products and practices we believe in through fair trade and buying durable goods.

At a values level, there is a deeper challenge. The question of wealth and power is tied to rethinking what it means to build an economy on a planet with very real ecological limits. In terms of wealth, this next generation is going to be tasked with redefining wealth in broader than economic terms, which rely on other measures of well-being and which strengthen our human capabilities.



#### **Exploring the Issues**

The topics of poverty, wealth, and power have many dimensions that will be of interest to students. The systemic nature of these topics of inquiry is reflected in the following suggested issues.

Poverty and Wealth	Power	Corporations	Globalization and Trade
<ul> <li>Concentration of wealth</li> <li>Widening gap between rich and poor</li> <li>Debt</li> <li>Ethical investment</li> <li>Micro-lending</li> <li>Underground economies</li> <li>Farmers' markets</li> <li>Non-material wealth (e.g., happiness indicators, well- being)</li> <li>Ethical investment</li> <li>Economic disparities within and between countries</li> </ul>	<ul> <li>Labour movement</li> <li>Military industrial complex</li> <li>Organized crime</li> <li>Economic sanctions</li> <li>Status</li> <li>International arms sales and marketing</li> <li>Global domination (G8, G20, World Bank, OECD) [Refer to Sources of Power table on the following page]</li> </ul>	<ul> <li>Multinational and transnational corporations</li> <li>Regulation</li> <li>Erosion of government authority</li> <li>Corporate</li> <li>Social responsibility</li> <li>Transformative technologies</li> <li>Cooperatives</li> <li>Social enterprises</li> </ul>	<ul> <li>Fair trade aid levels</li> </ul>





#### What are different sources of power and how do they play out?

Power may be held through:

- Delegated authority (e.g., in the democratic process)
- Social class (material wealth can equal power)
- Personal or group charisma
- Ascribed power (acting on perceived or assumed abilities, whether these bear testing or not)
- Expertise or ability (e.g., the power of medicine to bring about health; "In the land of the blind, the one-eyed man is king." Erasmus)
- Persuasion (direct, indirect, or subliminal)
- Knowledge (granted or withheld, shared or kept secret)
- Celebrity
- Force (violence, military might, coercion)
- Moral persuasion (including religion)
- Operation of group dynamics (such as public relations)
- Social influence of tradition (compare ascribed power)
- In relationships; domination/submissiveness

#### **Essential Questions**

The questions that underpin this topic are diverse. They bring students to a place of inquiry around their lives and the structures (rules, norms, power relations) that influence their world. By exploring these questions and the resources outlined in this paper, teachers will help spark awareness and creativity in their students. Students will pose additional questions and start looking at alternatives to the status quo at levels from the individual to the global.

#### Wealth and Poverty

- What measurable inequalities remain in Canada? Are these avoidable?
- Are there structural conditions that limit access to resources or limit capabilities?
- How does the social safety net (e.g., health care) protect Canadians from the worst impacts of structural inequities?
- How have debts affected the quality of life for people in less-developed countries?
- How has modern technology increased education and wealth gaps? How has it narrowed them? How has life changed in Canada over the last century?
- "How much resource use per capita is sufficient for a good life? How do we ensure that everyone gets that amount? How large a population can be supported at that standard of consumption without sacrificing carrying capacity and future life?" (Daly)
- Why is life expectancy generally higher in "wealthier" countries?
- Why are some countries very wealthy and others so poor? Are all the poor countries concentrated in the same part of the world? Is "West" always "rich" or is "South" always poor?

#### Power

- What kind of inequities are there between provinces in Canada? How are they managed? Who benefits most from "free trade"? Who benefits least?
- Who makes decisions related to our lives? What structures exist that keep things the way they are? What structures hold the potential for change?
- How do partnerships help open up new possibilities?

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#### Corporations

- How have corporations changed over the last century? How has this affected the way people do business in Canada? ...globally? For example, how has the business of agriculture changed?
- How is it that corporations can own part of the natural world (e.g., patenting of seeds)?
- In what ways do individuals help create a "race to the bottom" for corporations related to labour and environmental standards? In what ways do individuals support stronger standards related to the environment or social issues? ...nationally? ...globally?

#### **Globalization and Trade**

- How are we connected to other places on the planet?
- How can globalization improve people's well-being? How might it affect people negatively? Why is there this backlash against globalization, which is supposed to generate peace and prosperity?
- What are the impacts of globalization on the environment?
- What are some alternatives to the current models of globalization and free markets? How might "fair trade" be better than "free trade"?

# DYK?

#### **Did You Know?**

"The Top 200 corporations' combined sales are 18 times the size of the combined annual income of the 1.2 billion people (24 percent of the total world population) living in 'severe' poverty." (Anderson and Cavanagh)

"The Business Council on National Issues is the senior voice in the business community, composed of 150 chief executive officers (CEOs) from the major transnational corporations with over \$1.6 trillion in assets, \$500 billion in revenues, and one and a half million employees. The leading business association in Canada, it orchestrates a consensus among other business organizations. It has advised on the Canada–U.S. free trade agreement, and NAFTA, and the adoption of the Goods and Services Tax (GST)." (Centre for Social Justice)

Sales of the Top 200 [corporations] are the equivalent of 27.5 percent of world economic activity, yet those corporations employ just 0.78 percent of the world's workforce. (Anderson and Cavanagh)

"Of the U.S. corporations on the list, 44 did not pay the full standard 35 percent federal corporate tax rate during the period 1996–1998. Seven of the firms actually paid less than zero in federal income taxes in 1998 (because of rebates). These include Texaco, Chevron, PepsiCo, Enron, Worldcom, McKesson, and the world's biggest corporation: General Motors." (Anderson and Cavanagh)

"Global research conducted by Hewitt revealed that organizations with high engagement generated total shareholder returns that were 29 percent above average. Those with moderate engagement produced returns that were only 1 percent above average. Organizations with low engagement had total shareholder returns that were 60 percent below average. ... The 2010 Best Employers in Canada study indicated that perceptions of corporate social responsibility appear as one of the top-five threats to employee engagement more than a third of the time. At a minimum, organizations need to sustain their current CSR commitments or risk a decline in employee engagement." (CBSR)



"Close to one-third of the wealth of low-income countries comes from their 'natural capital,' which includes forests, protected areas, agricultural lands, energy, and minerals, according to a new World Bank book launched on January 20, 2011. Countries that manage these natural assets carefully are able to move up the development ladder—investing more and more in manufactured capital, infrastructure, and 'intangible capital' like human skills and education, strong institutions, innovation, and new technologies." (World Bank, 2011)

"In 2005, the wealthiest 20 percent of the world accounted for 76.6 percent of total private consumption; the poorest fifth just 1.5 percent. Women comprise 70 percent of the world's poor." (World Bank, 2008)

"Although fair trade coffee constitutes only 2 percent of the world's coffee supply, consumer demand for fair trade coffee has grown in the United States—from 1.9 million pounds imported in 1999 to 6.7 million pounds imported in 2001." (Frontline World)

Each year, there are around \$45–60 billion worth of arms sales. Most of these sales (something like 75 percent) are to developing countries. (Shaw, January 5, 2013)

"The United Nations was set up to preserve peace through international cooperation and collective security. Yet, the UN's entire budget is just a tiny fraction of the world's military expenditure— approximately 1.8 percent." (Shaw, June 30, 2013)

Indigenous peoples in urban areas are more than twice as likely to live in poverty as non-Indigenous people. (Lee)

In Manitoba, Indigenous people have much lower incomes than the population as a whole. Among those aged 15 and older, the median annual income in 2005 was \$15,246 among Indigenous people, but \$24,194 for the overall provincial population. (Carter and Polevychok)

#### **Thought-Provoking Quotations**

"Debt is an efficient tool. It ensures access to other peoples' raw materials and infrastructure on the cheapest possible terms. Dozens of

countries must compete for shrinking export markets and can export only a limited range of products because of Northern protectionism and their lack of cash to invest in diversification. Market saturation ensues, reducing exporters' income to a bare minimum while the North enjoys huge savings. The International Monetary Fund cannot seem to understand that investing in ... [a] healthy, well-fed, literate population ... is the most intelligent economic choice a country can make."

– Susan George

"The big issue on the planet is not just the fact that we're going from 6.7 billion people today to 9.2 billion. It's the number of people living an American lifestyle, eating American-sized Big Macs, living in American-sized houses, driving American-sized cars, on American-sized highways."

– Thomas Friedman (2008)

"The future belongs to those who understand that doing more with less is compassionate, prosperous, and enduring, and thus more intelligent, even competitive."

– Paul Hawken

"Business is the economic engine of our Western culture, and if it could be transformed to truly serve nature as well as ourselves, it could become essential to our rescue."

- Karl-Henrik Robèrt (Nattrass and Altomare, p. xiv)



"Competition between companies involved in manufacturing in developing countries is often ruthless. We are seeing what Korten described as 'a race to the bottom.' With each passing day it becomes more difficult to obtain contracts from one of the mega-retailers without hiring child labor, cheating workers on overtime pay, imposing merciless quotas, and operating unsafe practices."

– John Madeley

"Few propositions command as much consensus among professional economists as that open world trade increases economic growth and raises living standards."

– N. Gregory Mankiw

"This neoclassical trade theory focuses on one dimension, i.e., the price at which a commodity can be delivered and is extremely narrow in cutting off a large number of other considerations about impacts on employment in different parts of the world, about environmental impacts and on culture."

– Peter Söderbaum

"When individuals join in a cooperative venture, the power generated far exceeds what they could have accomplished acting individually."

- R. Buckminster Fuller (Eversole)

"Starvation is the characteristic of some people not having enough food to eat. It is not the characteristic of there being not enough food to eat."

– Amartya Sen



"Poverty has traditionally been measured as a lack of income but this is far too narrow a definition. Human poverty is a concept that captures the many dimensions of poverty that exist in both poor and rich countries—it is the denial of choices and opportunities for living a life one has reason to value. The HPI-1—human poverty index for developing countries—measures human deprivations in the same three aspects of human development as the HDI (longevity, knowledge and a decent standard of living)."

- United Nations Development Programme

"Whiteness forms an unmarked category not commonly visible to the powerful, as they often fall within this category. The unmarked category becomes the norm, with the other categories relegated to deviant status. Social groups can apply this view of power to race, gender, and disability without modification: the able body is the neutral body; the man is the normal status."

– Olanike F. Deji

"It has been suggested that economic growth solves many problems, but what we've found is that if you just make everyone wealthier, especially among the wealthy countries and wealthy people, people are going to have higher standards of living but not necessarily feel better about life. Everyone's deriving their happiness in part relative to material standards set by others. Measuring progress solely by growth in GDP is an outmoded idea because we have better ways to measure our social objectives...We know that people in Maritime provinces are happier than people in bigger provinces with bigger cities. Policy-wise, it doesn't mean we should all move to small towns or to the Maritimes, it means there are all sorts of policy interventions we can think about."

- Chris Barrington-Leigh

"The types of power are "Condign" (based on force), "Compensatory" (through the use of various resources) or "Conditioned" (the result of persuasion). Their sources are "Personality" (individuals), "Property" (their material resources) and "Organizational" (whoever sits at the top of an organizational power structure)."

– John Kenneth Galbraith



"Even though...[United Nations] targets and agendas have been set, year after year almost all rich nations have constantly failed to reach their agreed obligations of the 0.7 percent target [of aid to developing countries]. Instead of 0.7 percent, the amount of aid has been around 0.2 to 0.4 percent, some \$100 billion short."

- Anup Shaw (2014)

"The earth provides enough to satisfy every man's needs, but not every man's greed." — Mahatma Gandhi (Nayyar)

"Mother Nature doesn't do bailouts... We have been getting rich by depleting all our natural stocks—water, hydrocarbons, forests, rivers, fish and arable land—and not by generating renewable flows."

– Thomas Friedman (2009)

"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn."

- Alvin Toffler

#### Making a Difference

Name	How they make a difference
The Fairtrade Foundation	The Fairtrade Foundation is an independent non-profit organization that licenses use of the FAIRTRADE mark on products in the U.K. in accordance with internationally agreed-upon fair trade standards. Fairtrade seeks to transform trading structures and practices in favour of the poor and disadvantaged. By
	facilitating trading partnerships based on equity and transparency, Fairtrade contributes to sustainable development for marginalized producers, workers, and their communities. Through demonstration of alternatives to conventional trade and other forms of advocacy, the fair trade movement empowers
FOUNDATION	citizens to campaign for an international trade system based on justice and fairness. www.fairtrade.org.uk/
The Yes Men	The Yes Men are "two guys who just can't take no for an answer." They pose as top executives of corporations they hate. Armed with nothing but thrift-store suits, the Yes Men lie their way into business conferences and parody their
YEE	corporate targets in ever-more extreme ways—basically doing everything that they can to wake up their audiences to the danger of letting greed run our world. Their targets are leaders and big corporations who put profits ahead of everything else. They have made films and written books about their exploits, which can be found at <u>http://theyesmen.org/</u> .
Joseph Stiglitz	Joseph Stiglitz is a professor of economics at Columbia University and a former World Bank Chief Economist and Senior Vice-President (1997–2000). Since leaving the World Bank, he has written numerous books on the failings of globalization. His work has helped to explain the circumstances in which markets do not work well and how selective government intervention can improve their performance. https://www8.gsb.columbia.edu/faculty/jstiglitz/bio
Jubilee Debt Campaign JUBILEE DEBT	Jubilee Debt Campaign demands an end to poor countries paying money to the rich world. They ask for 100 percent cancellation of "unpayable and unjust" poor country debts. <u>www.jubileedebtcampaign.org.uk/?lid=6319</u>



Name	How they make a difference
Bhutan	"In 1972, concerned about the problems afflicting other developing countries that focused only on economic growth, Bhutan's newly crowned leader, King Jigme Singye Wangchuck, decided to make his nation's priority not its GDP but its GNH, or gross national happiness. Bhutan, the king said, needed to ensure that prosperity was shared across society and that it was balanced against preserving cultural traditions, protecting the environment and maintaining a responsive government. The king, now 49, has been instituting policies aimed at accomplishing these goals. Now Bhutan's example, while still a work in progress, is serving as a catalyst for far broader discussions of national well-being." (Revkin, 2005) "A New Measure of Well-Being from a Happy Little Kingdom" by Andrew C. Revkin ( <i>New York Times</i> , October 4, 2005)
	http://www.nytimes.com/2005/10/04/science/a-new-measure-of- wellbeingfrom-a-happy-little-kingdom.html
	"Why Is Bhutan So Happy?" by Swaminathan S. Anklesaria Aiyar (October 9, 2009) www.realclearworld.com/articles/2009/10/09/growth_and_happiness_in_ bhutan_97248.html
Kiva	Kiva is a non-profit organization with a mission to connect people through lending to alleviate poverty. Leveraging the Internet and a worldwide network
kiva	of microfinance institutions, Kiva lets individuals lend as little as \$25 to help create opportunity around the world. 100 percent of every dollar you lend on Kiva goes directly towards funding loans; Kiva does not take a cut. Providing safe, affordable access to capital to those in need helps people create better lives for themselves and their families. www.kiva.org/
Ashoka	Ashoka strives to shape a global, entrepreneurial, competitive "citizen sector," one that allows social entrepreneurs to thrive and enables the world's citizens to think and act as change makers. They work to support social entrepreneurs as individuals and in collaboration.
ASHOKA	www.ashoka.org/
Amartya Sen	Amartya Sen, a Nobel Prize winner for Economics originally from India, has been instrumental in the fields of economics and social justice. Arguing that simple measures of GNP were not enough to assess the standard of living, he helped to create the United Nations' Human Development Index, which has become the most authoritative international source of welfare comparisons between countries.



Name	How they make a difference		
Muhammed Yunus	Muhammed Yunus, "Banker to the Poor," established the Grameen Bank in Bangladesh in 1983, fueled by the belief that credit is a fundamental human right. His objective was to help poor people escape from poverty by providing loans on terms suitable to them and by teaching them a few sound financial		
🌳 Yunus Centre	principles so they could help themselves. Replicas of the Grameen Bank model operate in more than 100 countries worldwide. <u>http://nobelprize.org/nobel_prizes/peace/laureates/2006/yunus-bio.html</u>		
Hans Rosling	Hans Rosling started Gapminder, a non-profit based in Stockholm that is intended to replace "devastating myths with a fact-based world view" by providing easy-to-understand data. Its website is at <u>www.gapminder.</u> org/, which includes a special teacher's section at <u>www.gapminder.org/for-</u>		
gai5mind]=:	<u>teachers/</u> .		

#### Glossary

#### **Absolute poverty:**

"When we say that someone lives in 'absolute poverty,' we mean that she or he cannot afford the basic necessities of life, such as food. A person living on less than \$1.25 per day is usually assumed to live in absolute poverty. Hence, \$1.25 is referred to as the "(absolute) poverty line": it is the minimum income you must have in order to not be considered poor. "Absolute" refers to the fact that the definition, in principle, should be the same in all countries and at all times: simply put, it is a person who cannot afford to buy sufficient food. Absolute poverty is, in principle, non-existent in the richest countries." (Gapminder World, p. 21)

#### **Capitalism:**

A way of organizing an economy so that the things that are used to make and transport products (such as land, oil, factories, ships, etc.) are privately owned by individual people and companies rather than by the government. Capitalism is the dominant economic structure around the world, particularly in developed countries.

#### Co-op:

A business or organization that is owned and operated by the people who work there or the people who use its services (e.g., a farmers' co-op).

#### Corporate social responsibility (CSR):

The way companies integrate social, environmental, and economic concerns into their values and operations in a transparent and accountable manner.

#### **Debt:**

Money that is owed to a lender. In an international context, it is the money that less-developed countries owe to developed countries and international lending agencies. The money borrowed is intended to help the developing countries get out of poverty, but this doesn't always happen. Countries remain poor and cannot pay back their loans.

#### **Economic imperialism:**

Also known as neocolonialism, it is the economic dominance of one country or group (e.g., a corporation) over another country or region, resulting in the dominant power having increased control over natural resources, labour forces, and the marketplace.

#### **Economic liberalization:**

A policy of reduced government regulation and fewer economic restrictions, which is intended to increase private commercial investment (e.g., free trade, privatization, outsourcing, and the establishment of economic protection zones).

### Ethical investment (socially responsible investing):

Investment in companies with socially desirable characteristics such as fair employment practices or environmentally sound operational policies.

#### Foreign aid:

Money that is given to developing countries (usually by developed countries or charities) to help them overcome poverty, feed their people, prevent illness, etc.

#### Free trade:

A system of trade policy for goods and services across national borders without duties or other restrictions like tariffs and quotas from the respective governments. It includes the free movement of capital and labour within and between countries.

#### Fair trade:

A movement advocating for trade that contributes to environmental protection, fair wages, and good working conditions. Fair trade coffee is widely available across Canada and other fairly traded products are becoming more available.

#### **Globalization:**

The name given to a process in which trade, money, people, and information travel across international borders with increasing frequency and ease. The word is used most often in reference to economic globalization, which is the process of merging world markets.

#### International Monetary Fund (IMF):

Established after the Second World War and made up of 182 member countries, the IMF makes loans to very poor countries and often demands significant changes be made to their economy and government before the loan is given.

#### Millennium Development Goals:

"The U.N. Summit on the Millennium Development Goals concluded with the adoption of a global action plan to achieve the eight anti-poverty goals by their 2015 target date and the announcement of major new commitments for women's and children's health and other initiatives against poverty, hunger, and disease." (United Nations, 2010)

#### Multinational/transnational corporation (TNC):

Huge multinational businesses whose annual sales are greater than the yearly gross domestic product (GDP) of most countries. "A rough estimate suggests that the 300 largest TNCs own or control at least one-quarter of the entire world's productive assets...." (Greer and Singh)

#### Organization for Economic Cooperation and Development (OECD):

An elite group of highly industrialized, wealthy nations.

#### **Outsourcing:**

To send away part of a company's work to be done by people outside the company. Work is usually outsourced to developing countries where labour costs and materials are cheaper.

#### Patent:

A legal document that gives all the rights of using a particular product to one legal entity (a person or corporation). If a product has been patented (e.g., a seed or a drug), only the company with the patent can legally reproduce and sell it.

#### **Relative poverty:**

"...is when a person cannot afford a living standard that is reasonable, relative to what is considered normal in the country. Accordingly, the defining minimum income for relative poverty varies between countries. If the average income is higher in the country, then the relative poverty line is higher. Often the relative poverty line is set to half the median income in a country." (Gapminder World, p. 21)

#### **World Bank Group**

comprises five agencies that make loans or guarantee credit to 177 member countries. The World Bank Group is intended to help countries reduce poverty by offering their governments long-term loans for largescale infrastructure projects or to support economic reform. These loans often have negative effects on these countries, which have a devastating impact on the lives of their citizens, as these loans often include burdensome conditions and lead to situations of precarious debt.

#### World Trade Organization:

An institution to govern international trade and a body of law that administers legal agreements on how countries should conduct international trade. The WTO mandate includes services, investment, and intellectual property, as well as sustainable development.



#### Resources

#### Activities

#### The Hidden Costs of Banana Production and Trade

A global education curriculum developed for the Ontario Grade 12 Canadian and World Issues course—growing bananas, occurring as it does in southern countries with unstable or dictatorial political situations, may have devastating effects on the land and workers.

www.global-ed.org/bananas-unpeeled.pdf

#### Teacher's Guide: Quiz about Global Development

A teacher's guide to a quiz about global development. The quiz uses Gapminder World. All you'll need is the Internet, a computer, and a projector. www.gapminder.org/downloads/global-development-quiz/

#### Gapminder's card game.

This card sorting game challenges students' perceptions about the contemporary world.

www.gapminder.org/downloads/card-game/

#### Looking Behind the Logo

An assembly plan for ages 13–17 that introduces the life of a sweatshop worker in a sportswear factory.

www.oxfam.org.uk/education/resources/looking\_behind\_the\_logo

#### The Coffee Chain Game

These materials for students ages 13+ help them explore why profits from the coffee industry are unfairly distributed.

www.oxfam.org.uk/education/resources/coffee\_chain\_game

#### The Chocolate Trade Game

Trace the journey of a cocoa bean from tree to chocolate bar. http://learn.christianaid.org.uk/TeachersResources/primary/choc\_trade.aspx

#### The Trading Game

Youth group age range: 11–18. Explores how international trade maintains the gap between rich and poor countries.

http://learn.christianaid.org.uk/TeachersResources/secondary/trading\_game.aspx

#### Is What's Good for the GDP Good for Me?

Increases understanding of what the GDP measures, and critically evaluates whether it contributes to a healthy, sustainable society. http://humaneeducation.org/sections/view/cultural\_issues\_activities



#### Information

#### The Centre for Social Justice

"The Centre for Social Justice (CSJ) conducts research, education and advocacy on issues of equality and democracy." www.socialjustice.org/

#### "The Hidden Shame of the Global Industrial Economy" by Worldwatch Institute

"Where do the raw materials to build our paneled offices, airplanes, and cell phones come from? Maybe you really don't want to know. A lot of them come from plunder, of a kind we'd like to think came to an end long ago." www.worldwatch.org/node/543

#### "21st Century Aid: Stats and Report" by Oxfam Canada

"This report examines the evidence, and finds that whilst there is much room for improvement, good quality 21st century aid not only saves lives, but is indispensable in unlocking poor countries' and people's ability to work their own way out of poverty."

www.oxfam.ca/our-work/publications/publications-and-reports/21st-century-aidstats-and-report

#### "Trade and Investment" by ONE International

"Trade and investment that boosts economic growth and creates job opportunities for the poorest people is key to fighting poverty."

www.one.org/international/issues/trade-and-investment/

#### Fairtrade Activities Secondary

Lots of ideas for introducing fair trade to your secondary school. http://cafod.org.uk/Education/Secondary-schools/Fairtrade

#### Curriculum

#### National Geographic Globalization Lesson Plan

Is globalization positive, negative, or both? How does it affect Indigenous cultures? www.nationalgeographic.com/xpeditions/lessons/10/g912/globalization.html

#### Inside the Global Economy

This resource comprises 13 one-hour videos and accompanying books/lesson plans providing a multinational perspective on how the global economy and market affect individuals, businesses, and industry. The series features 26 case studies with follow-up analysis from more than 20 countries.

www.learner.org/resources/series86.html



#### Make Poverty History

Explore world trade, aid, debt, and how individual and collective action can make a difference.

www.oxfam.org.uk/education/resources/make\_poverty\_history/?23

#### Why are Some Countries Very Wealthy and Others So Poor?

In this lesson, you will learn about the factors that contribute to a nation's standard of living.

www.econedlink.org/lessons/index.php?lid=113&type=student

#### The Effects of Globalization (Lesson Plan)

How does the entry of the WTO affect countries' economies and well-being? www.pbs.org/wnet/wideangle/lessons/the-effects-of-globalization/introduction/190/

#### Why is Globalization so Controversial?

These two interactive videos on globalization, which are based on one of the lessons from the *Focus: Globalization* publication, provide an overview of the major issues that have been raised in the debate over globalization. The introduction video includes an educator describing how she teaches the lesson in her classroom. The classroom video is a demonstration of the lesson being taught to students. www.econedlink.org/interactives/index.php?iid=120&type=student

#### Milking It: Small Farmers and International Trade

Suitable for pupils aged 13–16, this free resource explores the work of two dairy farmers—one in Jamaica and one in Wales. It shows how world trade practices, rules, and institutions affect their lives. *Milking It* features online and offline activities illustrating the economic, political, and moral issues involved, as well as attractive photos and illustrations.

www.oxfam.org.uk/education/resources/milking-it

#### Stop the Traffik Secondary School Lessons

These lessons prepared by stopthetraffik.org explore the issues of trafficking. <u>www.</u> <u>stopthetraffik.org</u>

#### Where Does All Our Chocolate Come From?

This lesson plan, prepared by Stop the Traffik, explores the issues of trafficking in the chocolate industry.

www.stopthetraffik.org

## Fair Trade and Ethical Spending: Introduces fair trade by looking at specific consumer choices close to home. Cases of economic exploitation around the world point out the ethical dimensions of consumer spending.

www.citizenshipteacher.co.uk/index.asp?CurrMenu=398&T=1244



#### **Multimedia**

#### Swap Your Choc

A video about fair trade chocolate. www.youtube.com/watch?v=qV4ywE\_gPSU&feature=player\_embedded

#### Luckiest Nut in the World

Supported by a mixture of animation and music, an animated American peanut takes the viewer through the stories of the cashew, brazil, and ground nuts—all of whom suffer as world trade is liberalized. But it is a different story in America, where the peanut is protected by tariffs and heavily subsidized and worth over four billion dollars a year to the American economy. The film helps people to understand how the pressure to embrace "free market" economics, with its promise of a wealthy, abundant marketplace, has actually driven many countries further into poverty. www.globalissues.org/video/778/luckiest-nut-in-the-world

#### Life and Debt

A film about the effects of foreign aid in Jamaica. www.lifeanddebt.org/

#### The Corporation

A Canadian film about the rise in power and global domination of the corporate institution and how this affects society. www.thecorporation.com/film/about-film

#### Iraq for Sale: The War Profiteers.

A film about the American war machine. https://www.youtube.com/watch?v=3Q8y-4nZP60

#### Together TV

Video stories from people in the developing world in their own words. <a href="http://www.togethertv.org/">www.togethertv.org/</a>

#### Human Development Trends

A thematic package of animations for your lecture. Click and choose which of the nine sections you will use (available in many languages). www.gapminder.org/downloads/human-development-trends-2005/

#### Liberalization & Subsidized Agriculture vs. Poor Farmers (The End of Poverty)

"This is a clip from the documentary *The End of Poverty* in which Joseph Stiglitz explains the impact of market liberalization on poor farmers when they compete with subsidized agriculture."

www.globalissues.org/video/782/stiglitz-agriculture

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