



Facts About Global Poverty

Information from United Nations agencies and the World Bank indicate that in spite of significant gains in some areas, tremendous economic misery exists, and it is growing worse in some places.

Throughout the world, conditions for people living in poverty are heart-breaking and inequality is growing:

- 3 billion people, almost one-half the global population of 6.1 billion, live on less than \$2/day.
- 1.2 billion people — over one-fifth the world population — live in extreme poverty on less than \$1/day. Some 70 percent are women. In the past 10 years, this percentage has remained the same in sub-Saharan Africa (46 percent) and Latin America/Caribbean (16 percent), while the actual numbers of extremely poor people have increased.
- During the 1990s the number of people in extreme poverty in sub-Saharan Africa rose from 242 million to 300 million. Between 1980 and 1999 the number of people living in poverty in Latin America and the Caribbean grew from 136 million to 211 million.
- 1.3 billion people have no access to clean water; 3 billion have no access to sanitation; 2 billion have no access to electricity.
- In 70 countries consumption is lower than it was 25 years ago.
- The income gap between the richest 1/5 and poorest 1/5 of the world's people grew from 30 to 1 in 1960 to 74 to 1 in 1997. The income share of the poorest 1/5 is just 1.1 percent, down from 2.3 percent in 1960.
- The assets of the three richest families total more than the combined wealth of the 48 most impoverished countries. The income of the wealthiest 1 percent of people is equal to the poorest 57 percent. The richest 225 people have a combined wealth equal to the poorest 2.5 billion.
- Around the world there are 100 million “missing” women who would be alive but for largely poverty-driven infanticide, neglect and sex-selective abortion.
- 20 percent of the world's people consume 86 percent of goods.
- 30,000 children under 5 die every day from preventable and treatable poverty-related illnesses.

Absolute hunger — not simply poor nutrition — continues to exist at unacceptable levels:

- 800 million people in the world are hungry; from 2 billion to 3.5 billion people suffer from deficiencies in vitamins and minerals.
- The number of people who are chronically undernourished decreased by 100 million in 37 countries, but it increased by almost 60 million in the rest of the developing world.
- During the past 30 years, the percent of hungry people increased in Central (36 to 50 percent), East (35 to 42) and Southern (33 to 42) Africa. Only West Africa saw a decrease (from 40 to 16).
- In Latin America and the Caribbean the percentage of hungry people decreased only slightly, from 13 percent to 11. In the Caribbean alone the percentage increased from 19 to 31.
- In North Africa hunger has fallen from 8 to 4 percent; but in the Near East hunger has risen from 10 to 13 percent.

“The central issue is not whether a particular arrangement is better for everyone than no cooperation at all would be, but whether that is a fair division of the benefits.... The critical issue is not whether the poor are getting marginally poorer or richer. Nor is it whether they are better off than they would be had they excluded themselves from global interactions. The real issue is the distribution of globalization's benefits ... the inequity in the overall balance of institutional arrangements, which produces very unequal sharing of the benefits of globalization.... There is an urgent need for reforming institutional arrangements — in addition to national ones — in order to overcome both the errors of omission and those of commission that tend to give the poor nations across the world such limited opportunities.”

— Amartya Sen, Nobel economist, in “How to Judge Globalization,” *The American Prospect*, January 2002.

**TRENDS IN GDP GROWTH
for developing and industrialized
countries, 1965-1996 (average
annual percent growth)**

	<u>1965-80</u>	<u>1980-89</u>	<u>1990-96</u>
Low and middle income countries	5.9%	3.1%	1.9%
High income countries	3.8%	3.2%	1.7%
United States	2.7%	3.0%	2.5%
Japan	6.6%	4.1%	1.2%
World	4.1%	3.1%	1.8%

Source: Singh (1999)

For many parts of the world, economic progress has slowed since 1980:

- In Latin America/Caribbean, the Gross Domestic Product (GDP) per capita grew 6 percent from 1980 to 1998. GDP grew by 75 percent from 1960 to 1980. Eighteen countries in this region have lower per capita incomes than 10 years ago.
- In sub-Saharan Africa GDP growth has been negative 15 percent since 1980. From 1960 to 1980 it grew 36 percent. Twenty African countries have lower per capita incomes from a decade ago.
- In Arab states growth fell from 180 percent in the earlier period to slightly negative since 1980.
- Although child mortality rates continued to fall, progress slowed in most developing countries during the past 20 years, compared to the previous 20.
- The top one-fifth of the world's people in the richest countries enjoy 82 percent of the expanding export trade and 68 percent of foreign direct investment; the bottom one-fifth, just over 1 percent.
- The 48 least developed countries account for less than 0.4 percent (four-tenths of 1 percent) of global exports.

Nevertheless, signs of hope also exist:

- The percentage of people living in poverty has fallen faster in the past 50 years than in the previous 500 years. The percentage living in extreme poverty fell from 29 percent in 1990 to 23 percent in 1999 (mostly in Asia).
- Since 1960 the child mortality rate in developing countries has been cut in half and malnutrition rates have decreased almost one third.
- In the past 30 years, the percentage of people in developing countries with safe drinking water has increased from 36 percent to almost 70 percent.
- East Asia's per capita GDP grew 215 percent from 1980 to 1998, up from 140 percent in the previous 20 years. This was largely the result of China's 300 percent per capita GDP increase in the latter period. Extreme poverty was halved in East Asia and the Pacific during the 1990s. In South Asia it has declined from 45 percent to 40 percent.
- Hunger dropped dramatically in the Asia and Pacific region (32 to 17 percent), including China (30 to 11 percent). (Still, two-thirds of the world's hungry people reside in this area.).
- Plenty of food is produced in the world — enough to provide every single person 4.3 pounds of food a day in a well-balanced diet (according to Food First). The problem is that many people do not have the resources to buy the food that is available.
- The United Nations Development Program estimates that achieving universal provisions of basic services (primary education, basic medical care, water, etc.) in developing countries would cost only an additional \$80 billion a year from all sources. (This is a tenth of total global military spending of \$800+ billion per year. The 2003 U.S. military budget is \$394 billion.)

And the most important fact about global poverty:

God has provided abundant resources for all. Human beings can act with justice and fulfill their calling as stewards, making God's abundance available to everyone (Gen. 1:28-29; 2 Cor. 8:13-14).