INSIGHT 2.0



\$1.25 / DAY: THE ROOTS OF GLOBAL POVERTY

A researcher interviewed a poor Kenyan about his poverty. He replied, "Don't ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at my utensils and the clothes that I am wearing. Look at everything and write what you see. What you see is poverty."

Tackling poverty is like opening Pandora's Box - it abounds with dark statistics. Over 1.3 billion people live on less than \$1.25 a day, and over three billion live on less than \$2.50 a day.

While 22,000 children die each day because of impoverished conditions, 925 million people do not have enough to eat (more than the populations of the USA, Canada, and the European Union combined), and a child dies from hunger-related diseases every five seconds. Due to impoverished conditions, over 11 million children die each year from preventable health issues such as malaria, diarrhea, and pneumonia.

Tracing the roots of poverty is a complex task. A World Bank study states that poverty is a multidimensional social phenomenon. Overlapping negative socio-cultural-political factors contribute to global poverty. Development analysts cite war and civil unrest, corruption, natural disasters, and government budget misappropriation as among the leading causes of poverty.

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War and civil unrest displace people, disrupt regular economic activity, and impose inhuman conditions on citizens. Corruption diverts public funds for social services to the pockets of greedy politicians.



While The effects of natural disasters impede human development since they can destroy life, property, and resources in colossal magnitudes. Misappropriation of government budgets affects the living conditions of the people in their respective countries. As the aggravation of poverty speeds up, governments appropriate fewer resources for social development.

Why is there poverty in the world? Because there is an increasing number of people escaping from wars in their homelands.

In 2010, civil unrest and conflicts displaced close to 42 million people worldwide. Violence and persecution uprooted 27.5 million from their countries. As a result of global disputes, another 12 million people became stateless. The United Nations High Commissioner for Refugees (NHCR) estimates that 7.2 million refugees from 24 countries are currently trapped in a protracted situation. (Millennium Development Goal Report, 2011).

Solution: Settlement of global conflicts through diplomatic mediation and negotiation.

Why is there poverty in the world? Because billions of dollars allotted for social development go down the drain of graft and corruption. In one year, Uganda lost at least 300 million dollars of donor aid to corruption.

According to the World Bank report, the Philippines lost \$48 billion or 1 trillion Philippine pesos to corruption between 1977 and 1997 (2000). A few years ago, the Center for National Budget Legislation of the Philippines reported that about \$60 million or Php 280 billion of the national budget was lost to graft. This amount could have built 560,000 health clinics around that country.

Solution: Intensify government and civil society enforcement of sustainable, anti-corruption programs.

The chasm of global poverty gets even deeper once we realize how a world dominated by commercialism and consumerism prioritizes its resources. We have the solution to global poverty, but we ignore it.



Why is there poverty in the world? **Because** of incompetence monitoring government spending. The South African Website reported that between R25 billion and R30 billion (£2.4 billion) of procurement budget were lost because of government inefficiency in disbursing failure to disbursements accurately, and lack of in the procurement transparency process.

Solution: Enforcement of robust and social accountability measures.

So, to whom can we still point the finger of blame for the world's poverty?

For developing countries to achieve universal access to essential social services, they need the following allotment:

- \$6 billion for basic education
- \$9 billion for water and sanitation
- \$12 billion for reproductive health
- \$13 billion for essential health and nutrition.

However, these additional costs needed to ease poverty are nothing compared to global commercial spending.

In 1998, consumers spent \$8 billion on cosmetics (US), \$11 billion on ice cream (Europe), \$12 billion on perfume (US & Europe), \$17 billion on pet food (US & Europe), \$35 billion on entertainment (Japan), \$50 billion on cigarettes (Europe), \$105 billion on alcoholic drinks. (Europe), \$400 billion on narcotic drugs (worldwide) and \$780 billion on military spending (worldwide).

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Poverty is not just a tragedy for those living on the \$ 1.25-a-day poverty line, but even for the wealthy. Poverty abounds when the those who have neglect the needs of those who have none.