

POVERTY - CRASH → COURSE



FIRST CLASS CP · 9TH SEPTEMBER

IN THE CHAT

02

Briefly tell us...

WHO YOU ARE

WHERE DO YOU STUDY

ARE YOU IN J₁/J₂/J₃?



WHAT TO EXPECT?

EXTREME POVERTY



EFFORTS TO TACKLE EXTREME POVERTY

Q&A

RELATIVE POVERTY

Q&A



INSTRUCTIONS AND THINGS TO TAKE NOTE

■



⁰⁵ **Which of these are synonymous with poverty?**

I. Ebullience

III: Indigence

II: Destitution

IV: Impecuniousness

- **A. I**
- **B. II and III**
- **C. II, III and IV**
- **D. I, II, III and IV**

o6 **How poor is poor?**

The World Bank's standard for extreme poverty is living under USD _ a day



- A. \$ 1.00
- B. \$1.25
- C. \$1.90
- D. \$2.50

⁰⁷ On average, _ children under 5 die each day.

- A.1,500
- B.15,000
- C.150,000
- D.1.5 MILLION

08 **On average, 15 000 children under 5 die each day compared with _ in 1990.**

- • **A.14,000**
- **B.24,000**
- **C.34,000**
- **D.240,000**



'MAKE EXTREME
POVERTY
HISTORY.'



IS THIS A
REALISTIC GOAL?





CHALLENGES TO ALLEVIATING POVERTY

A multi-dimensional view of poverty





GEOGRAPHY

Statistics have shown that it cost seven times more to transport cargo by land than by sea.

In the case of Africa, 15 landlocked nations have no access to sea trade routes for hundreds of miles except for River Nile.



■ GEOGRAPHY

- Landlocked countries such as Central African Republic, Burundi and Afghanistan often incur high transport costs, making it difficult for them to export and import goods.
- A country such as Burundi pays twice as much to import a similar container of merchandise compared with its coastal neighbours in east Africa.
- 16 of the world's 31 landlocked developing countries are among the poorest in the world.





GEOGRAPHY

•Many Bangladeshis live in areas that are low lying and therefore prone to extreme annual flooding, which causes huge damage to their crops, homes and livelihoods. ■

In order to rebuild their homes, they often have to resort to moneylenders, and this causes them to fall deeper into poverty.



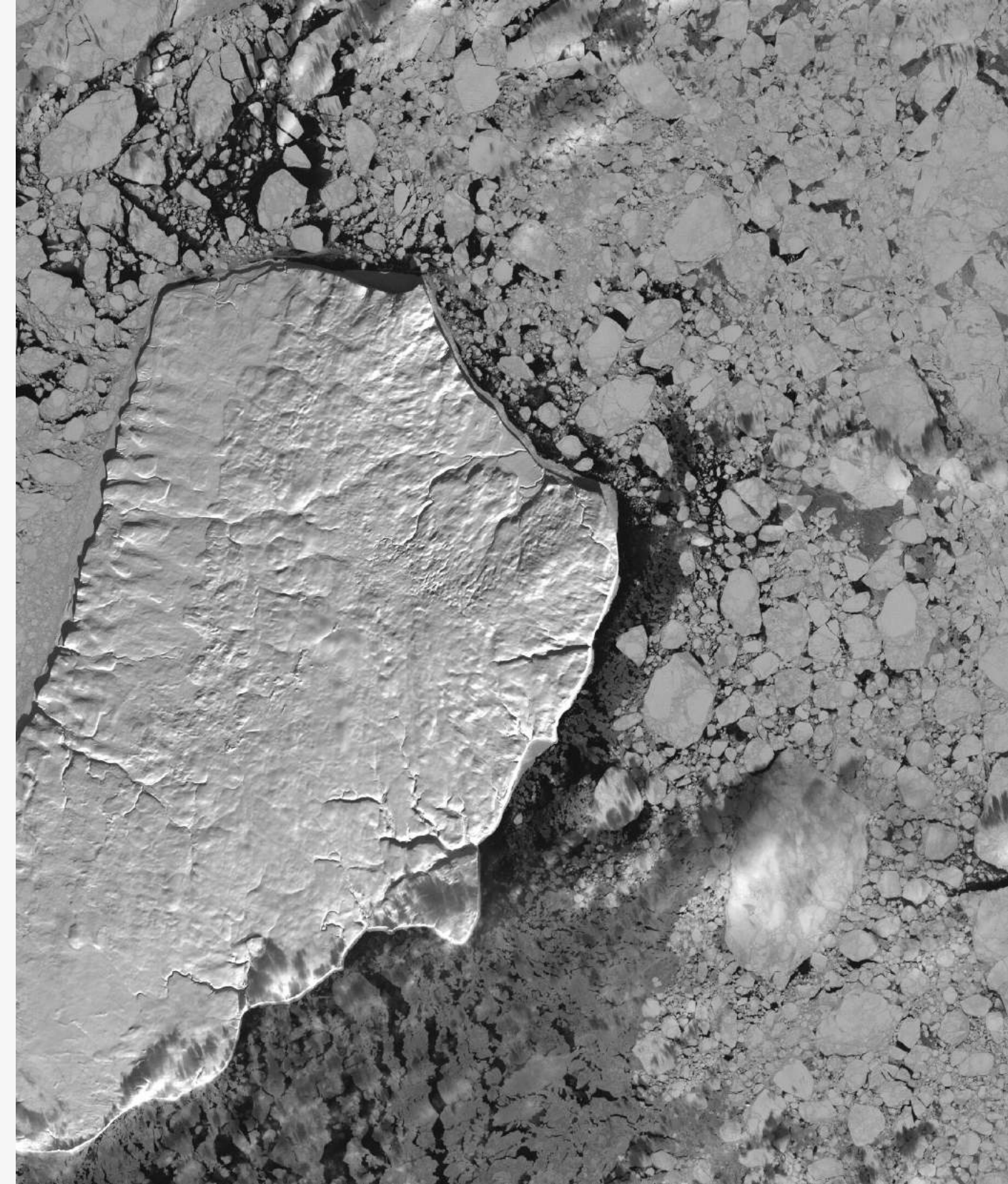
SUMMARY

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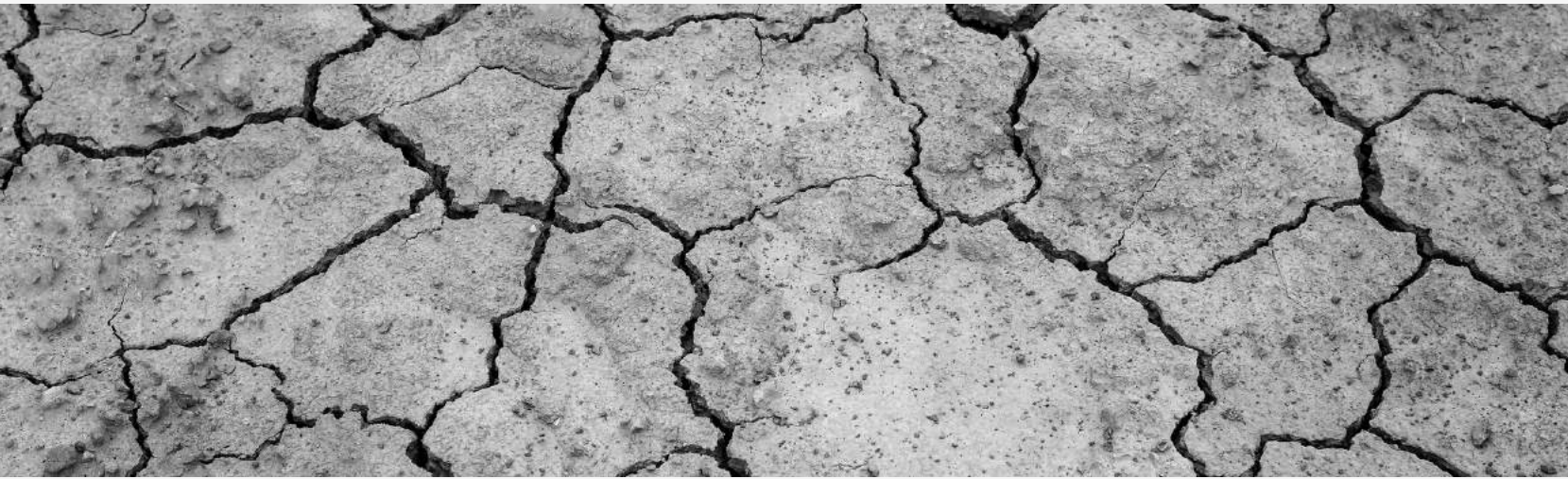




CLIMATE CHANGE

- Climate change will affect the poorest countries. ■
- Rising sea levels will incrementally make occurrences of flooding more frequent in Bangladesh, making the country even poorer.

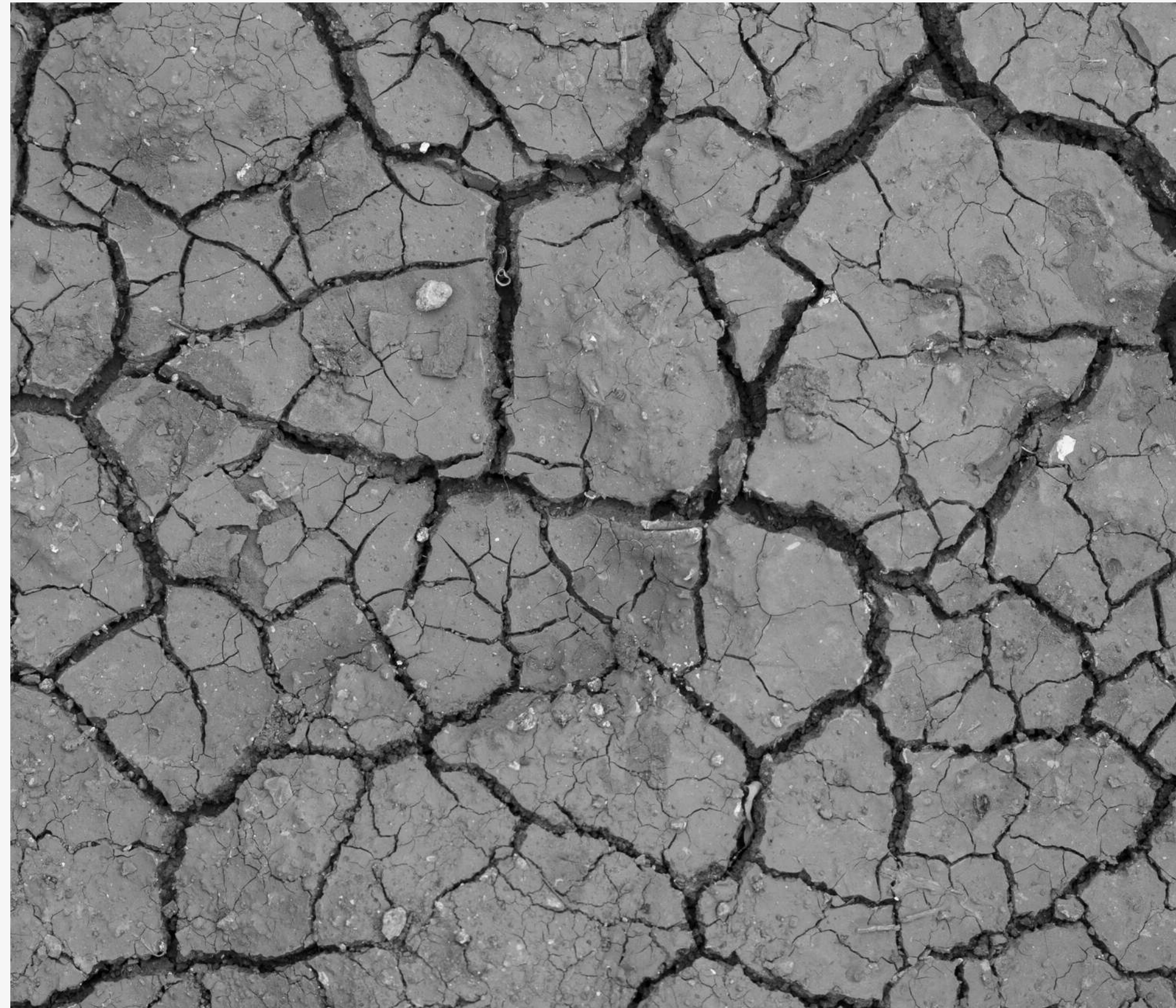




CLIMATE CHANGE

Climate change has seen increased droughts in Sudan, impacting crop yields.

Worse still, land conflicts and violence plunge Sudan further into poverty.



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SUMMARY



■ WAR CAUSES POVERTY?

- Nicaragua and Iran experienced a dramatic decline in income after nearly a decade of war.
- However, Harvard professor Steven Pinker argues that war and violence are at their lowest levels in human history. If we move in the same trajectory, war could be a thing of the past.



BRAIN DRAIN



- The hostile economic and social environments of many developing countries have caused many educated individuals to flee in a phenomenon called “Brain Drain”, depriving it of professionals whom are able to provide crucial knowledge and know-how to begin reform processes.
- There are 2 million Nigerians currently in the US alone, many of them skilled. 30,000 of them hold university degrees, 20,000 of them being doctors.



CORRUPTION

- The most corrupt countries in the world as ranked by Transparency International in 2016 also reveal the poorest countries in the world: North Korea, South Sudan and Somalia. ■



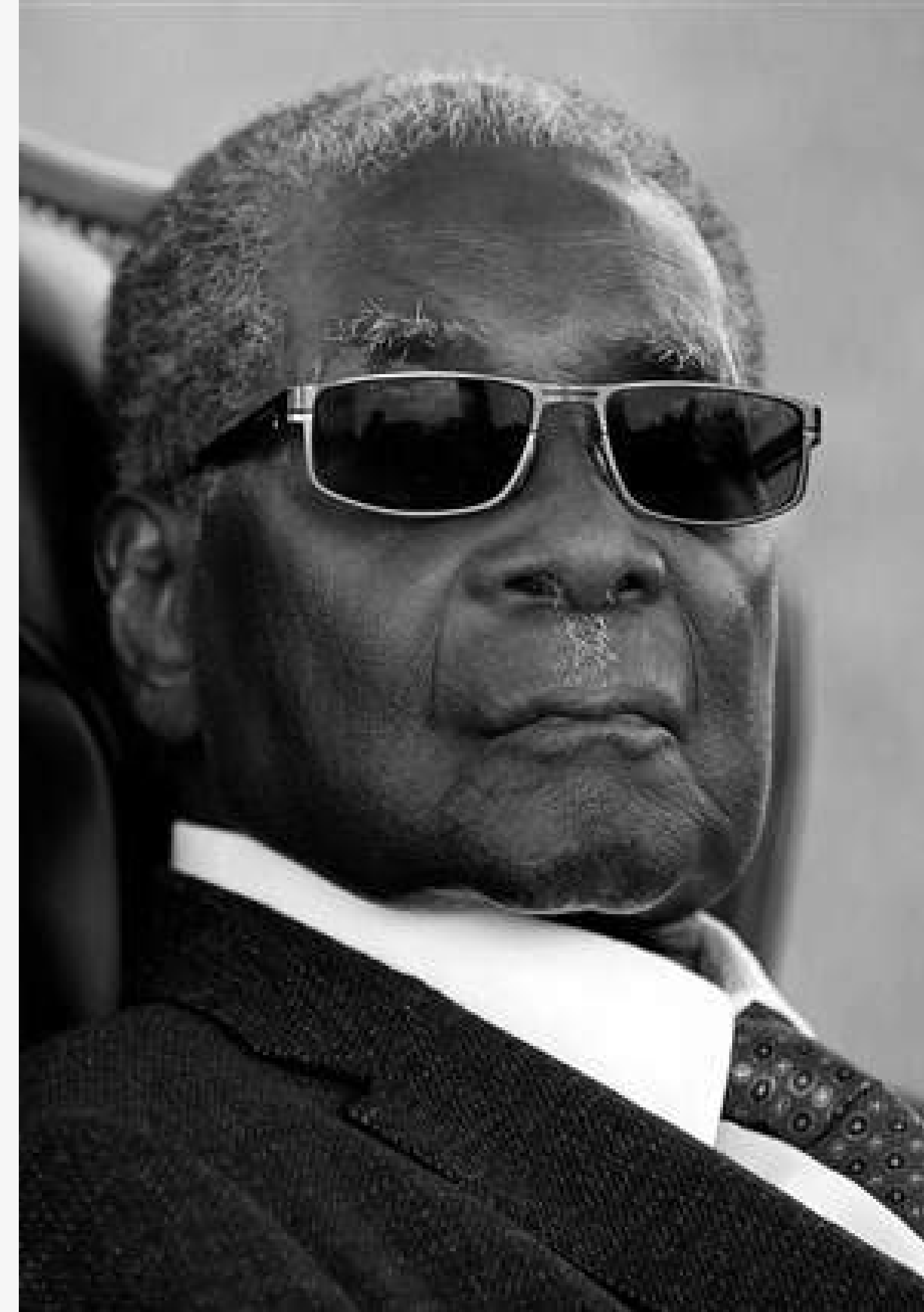
CORRUPTION

- The late Nigerian head of state, general Sani Abacha pilfered over \$3 billion dollars and stashed them in a Swiss bank.



CORRUPTION

- Zimbabwe leader Robert Mugabe was known to withhold food aid from parts of the country that had not voted for him.



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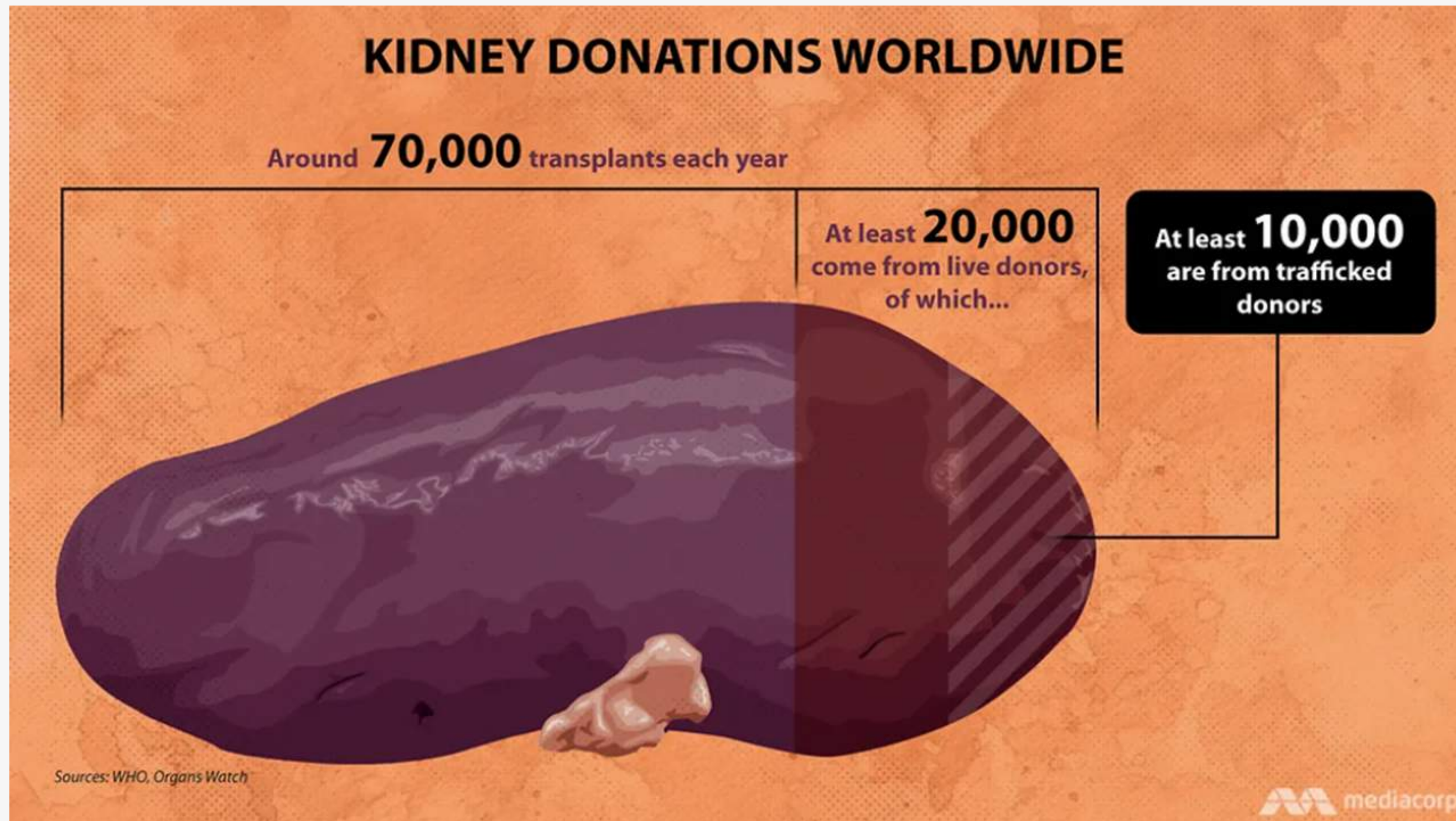
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SUMMARY



CASE STUDY 1



CASE STUDY 1: SELLING ORGANS

- People in destitution are often compelled to take desperate measures to ends meet.
- Due to economic woes, many young Iranians are forced to sell their organs such as kidneys to make ends meet, according to a 2019 report by an NGO, the National Council of Resistance of Iran (NCRI).
- In India and the Philippines, thousands sell their kidneys annually to the black market to escape poverty. In these areas,



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SUCCESSSES IN ALLEVIATING POVERTY

Successful efforts, initiatives and projects



According to estimates from World Bank, in 2013, 10.7% of the world's population lived on less than US\$1.90 a day.

■ That's down from 35% in 1990.

This means that, in 2013, 767 million people lived on less than \$1.90 a day, down from 1.85 billion in 1990.



DEBT RELIEF

- Highly-indebted Poor Countries (HIPC) often cannot escape poverty because of large loan repayment to rich countries. To solve that, wealthy nations have agreed to write off / forgo the debt of these nations.
- The Inter-American Development Bank has forgiven approximately \$4.4 billion of debt to Guyana, Bolivia, Haiti, Honduras, and Nicaragua.
- The World Bank, the IMF and other major banks have granted 36 HIPCs full debt relief, as a part of the Millennium Development Goals.



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SUMMARY



NGO

- The Bills and Melinda Gates Foundation invests heavily in vaccines to prevent infectious diseases – including HIV, polio and malaria – and support the development of integrated health solutions for family planning, nutrition, and maternal and child health.
- Bill Gates believes that health aid will help bring down population growth since women will naturally have fewer children if they know their offspring have a greater chance of survival.



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MONEY MONEY MONEY

- China's economic progress
- 600 million people were taken out of poverty between 1981 and 2008 according to UN.
- Because of China's progress, the Millennium Development Goal of halving poverty was met five years early.





EDUCATION

- 01 The United Nations estimated that if all students in low-income countries left school with basic literacy and numeracy skills, 15% of world poverty could be eradicated.
- 02 Educating girls is also a key factor in bringing about lower birth rates. In Ethiopia, women with a high school education in Ethiopia have total fertility rate of 1.3 children, as compared to about 6 children for women who do not go to school.
- 03 However, the effects of education would not be felt until decades later.



MNCS, FAIR TRADE

- Increased awareness
- Starbucks lures many civic-conscious consumers by purchasing fair trade coffee, which helps coffee farmers in poor countries.
- As a result, coffee producers and their employees have experienced better working conditions in recent years.
- At the same time, Starbucks' global revenue has been rising steadily.





THE FUTURE: INNOVATIVE WAYS TO FIGHT POVERTY

Education, Science and Technology, Business.



- 01 Empowering Women
- 02 The Grameen Bank
- 03 Nutrition
- 04 Innovative Fertiliser
- 05 GM Crops
- 06 School Feeding Programme



TACKLING ABJECT POVERTY



EMPOWERING WOMEN

- There is also increasing focus on giving indigenous women more economic and social power by creating work, putting more women leaders in food management committees, and distributing household food entitlements in women's names.
- Since women tend to think of the welfare of their families first, microloans are less likely to be squandered and food aid less likely to end up bartered off in the black market for arms or drugs.



EMPOWERING WOMEN

- According to the Institute for Women's Policy Research, the poverty rate for working women would be cut in half if women were paid the same as compared to men.



THE GRAMEEN PROJECT

Microfinance / Microcredit / Microloan has helped empower women economically.

The Grameen Bank has given 99% loans to poor women to start small-scale farms and businesses to sustain themselves financially.

Encouragingly, 95% of the loans are repaid.





NUTRITION

WFP developed a range of micronutrient powders that could be sprinkled on cooked food to ensure recommended daily doses of vitamins and minerals were met.

Evaluations showed that anaemia fell in Bangladesh, Kenya and Nepal after the food powders were given to the communities there.



EDUCATION

- School feeding programmes
- Students attend school and get fed in school. The programme in India, Chile and Afghanistan is aimed at tackling poverty through Education and Nutrition.
- In India, the programme has improved nutrition among poor children and encouraged more girls to attend school.



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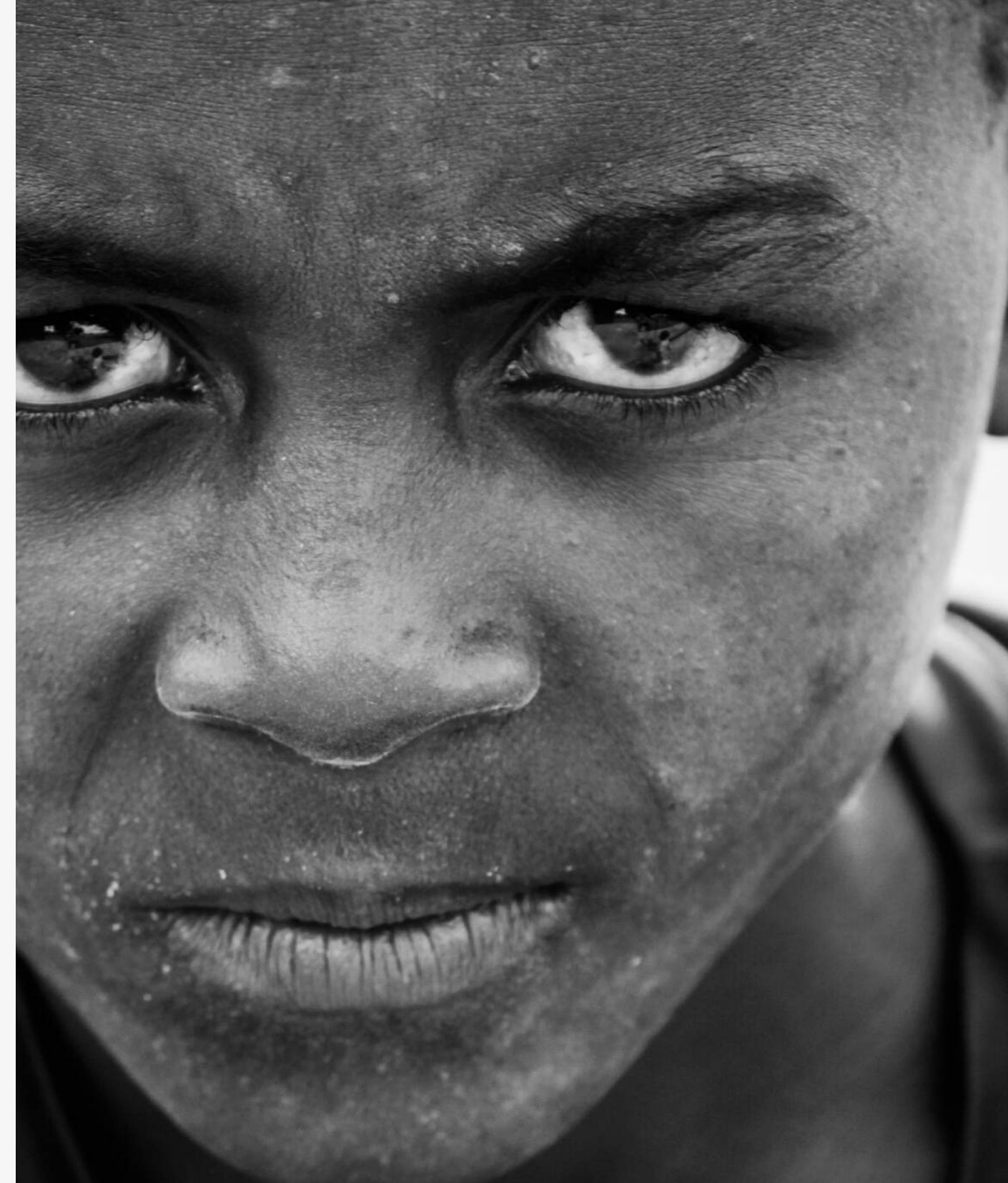
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SUMMARY



TECHNOLOGY

- Introduction of fertilizer micro dosing in Mozambique by International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) has helped to increase fertilizer efficiency during droughts and often doubled crop yields.
- Currently some 25,000 smallholder farmers in Mali, Burkina Faso, and Niger have experienced increases in sorghum and millet yields of 44 to 120%, along with an increase in their family incomes of 50 to 130%.



TECHNOLOGY

- The Maize for Africa project launched by non-governmental organisations in developed countries has also enabled farmers to generate more revenue through the growing of drought-resistant maize.



²²CASE STUDY 2: MUD COOKIES


- With food scarce and prices high, many people in Haiti are forced to create their own food from mud, with butter and salt added to make the snack comparatively palatable. In some cases, sugar may be applied, if it's available.
- In Haiti, half the population live under the poverty line.



FATAL MISTAKE IN GP

POVERTY \neq INCOME INEQUALITY





‘ACHIEVING
GREATER INCOME
EQUALITY FOR ALL
IS A DESIRABLE BUT
UNREALISTIC
GOAL.’

DO YOU AGREE?





DESIRABLE OR UNDESIRABLE?



01

Many economists agree that when money is distributed to the rich, much of it is likely to end up in their savings accounts.

However, when the same money is distributed to the poor instead, most of it will be spent, thereby generating economic activity.

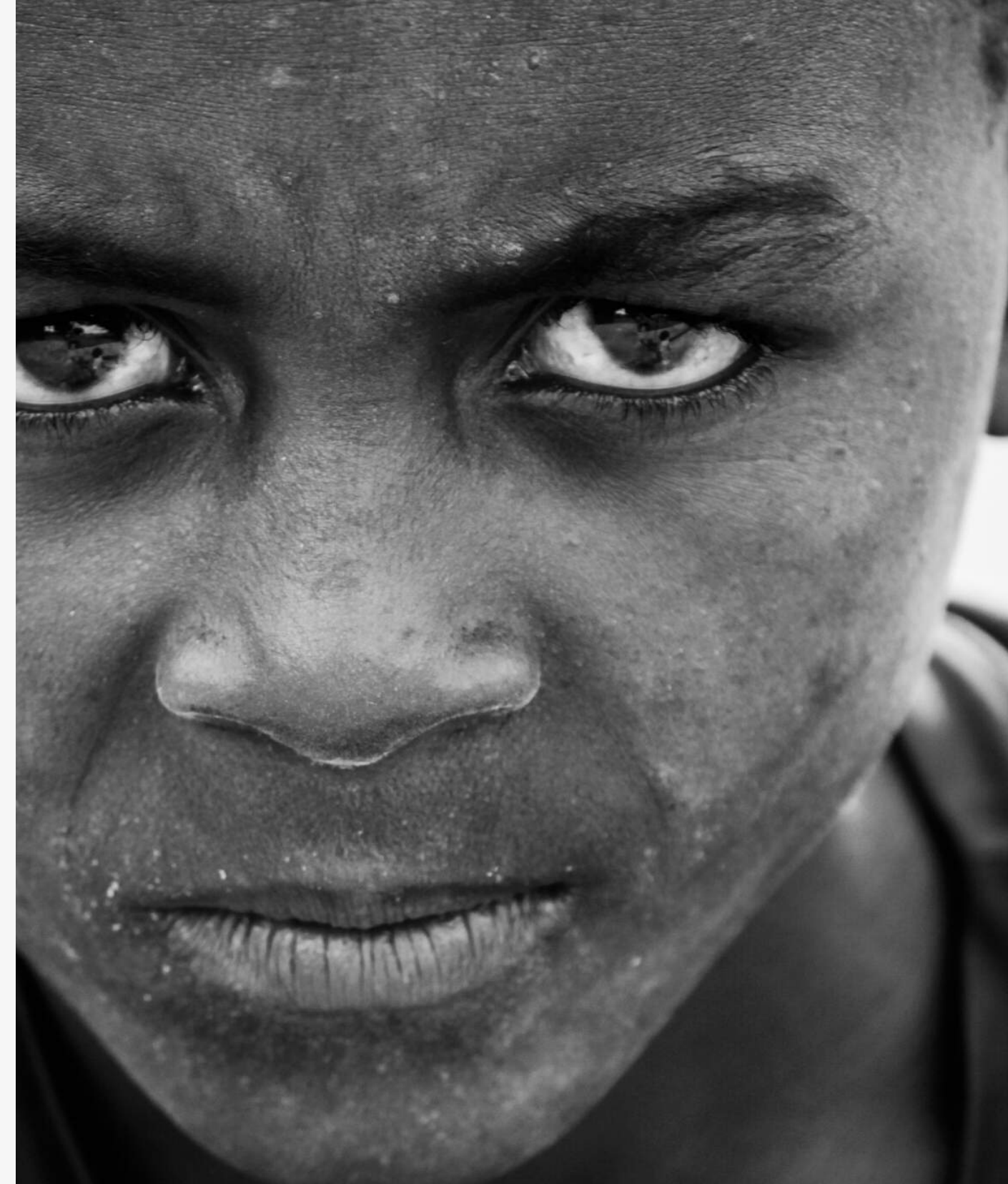
02

A 2018 government survey found that over 50% of Singaporeans felt that income inequality, rather than race or religion, is the likeliest to cause a social divide in Singapore.

Income inequality has also been attributed as a contributing factor to the recent BLM movement in the US. This is unsurprising given that the net worth of an average white family was nearly 10x that of a black household in 2016.



DESIRABLE





UNDESIRABLE

The promise of a higher wage is essential to encourage extra effort. As acknowledged in the UN World Economic and Social Survey 2017, The Golden Age of Capitalism, with its free market economy and the pursuit of profit, brought unprecedented economic recovery in the wake of WWII.

World industrial output recovered to pre-war levels by 1947. Between 1945-75, the US GDP swelled from \$228b to \$1.7t.

In stark contrast lies Bolshevik Russia, under which collectivism removed the incentives of the farmers to produce any surplus, resulting in the Soviet Famine of 1932-33





UNDESIRABLE

In the Singapore Budget 2019, Finance Minister Heng explicitly stated that income taxes are kept low so that middle- and upper-income families “can keep a large part of what they earn”.

This is likewise the case in Australia’s 2019 Budget, a key theme of which is “Tax relief to encourage and reward hard-working Australians”.



REALISTIC OR UNREALISTIC GOAL?



REALISTIC

With education, individuals are equipped with valuable skills for employment which translate into opportunities to break out a vicious cycle of poverty.

A 2017 study by UNESCO reveals that if all adults received two more years of schooling, 60 million people would be lifted out of poverty.

This is indeed the case in China, where the literacy rate has risen from 65% in 1982 to 97% in 2018, in large part because of its mandatory nine-year education programme.

EDUCATION



UNREALISTIC

Where the education system of a country allows the wealthy to invest resources to the further advantage of their children, education ceases to be a social leveller, and instead reinforces the cycle of the income inequality.

In larger countries, this is evident in the rural-urban divide. In China, more than half of all rural students drop out before reaching high school, and only 5% of them attend university.

EDUCATION



REALISTIC

For the first time since 2010, Singapore ranked 7th in the World Giving Index in 2018. A record \$2.11b was donated to charity organisations, up from the \$960m in 2008. This corresponds with an increase of 97 registered charities between 2014 and 2018.

The government has also implemented a suite of policies aimed at supporting the lower-income bracket in Singapore.

These include inter alia the SkillsFuture movement, the Progressive Wage Model, the WorkFare supplement, the Silver Support Scheme. These seek to develop the skills of lower income workers, while at the same time supplement their income.

INITIATIVES



UNREALISTIC Inequality is ingrained in the economy.

The insignificant improvements to income inequality are disproportionate to the vast resources invested in combatting it.

Jeff Bezos, the wealthiest man on earth with a net worth of \$200b, has now been predicted to become the world's first trillionaire by 2026.

Together with the nine other richest individuals on earth, they own a combined wealth surpassing the poorest 85 countries combined.

ECONOMY





CASE STUDY 3: GLOBAL INCOME INEQUALITY



In Bangladesh, 3.5 million workers in 4,825 garment factories produce goods for export to the wealthy global market, principally Europe and North America. ■

The Bangladeshi garment industry generates 80% of the country's total export revenue.

However, the wealth generated by this sector has led to few improvements in the lives of garment workers, 85% of whom are women. —→



The majority of garment workers in Bangladesh earn little more than the minimum wage, set at us \$100 a month since 2018, far below what is considered a living wage, which would be the minimum required to provide a family with shelter, food and education.

As well as earning a pittance, Bangladeshi factory workers face appalling conditions.

Many are forced to work 14-16 hours a day seven days a week, with some workers finishing at 3am only to start again the same morning at 7.30am.





THAT'S THE
END OF THE
CRASH
COURSE!





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