



**Big Era 9**  
**Paradoxes of Global Acceleration**  
**1950-Present**



**Landscape Teaching Unit 9.4**  
**Wealth and Poverty since 1950**

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## Why this unit?

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This unit examines global trends in wealth and poverty since 1950. Their effects touch many aspects of the lives of the current generation and will continue to the next. These trends offer both splendid opportunities and pose grave problems. Acquaintance with their causes, nature, and extent will help us to live with and make decisions about the issues they raise.

**Globalization** and technology have brought about enormous increase in total world wealth. They have both stimulated and benefited from the forging of new globally oriented economic institutions, such as the World Bank and **multinational corporations**. These institutions created wealth; some worked to reduce poverty. But a number of their policies, paradoxically, caused increased poverty.

Among the results of globalization and technical advancement was a rise in **standards of living** in many countries. But others not only remained poor, they even became poorer. Both between and within countries the gap between the haves and the have-nots grew. It did so increasingly and had negative consequences.

This unit examines causes of wealth and poverty. It provides case histories and encourages analysis of reasons why some countries have managed the shift from extreme poverty to higher standards of living for many but others remain stuck in conditions of extreme poverty for millions. Several different kinds of poverty-reduction efforts are presented for assessment of their pluses and minuses, as well as their suitability to different circumstances.

Some questions posed for students based on the documents in the Student Handouts ask them to make and defend decisions concerning poverty-related issues in simulated real-life situations. This may help students appreciate their complexity and some of the factors involved in dealing with them.

## Unit objectives

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*Upon completing this unit, students will be able to:*

1. Explain what poverty and wealth have meant to different people and how the definition of each has varied at different times and in different contexts.
2. Describe changes and identify causes of wealthy and poverty in both individual countries and major regions.
3. Explain globalization, and analyze its influence on wealth and poverty.
4. Trace developments that led some countries out of poverty for the majority, and identify conditions that kept other countries from achieving much progress in alleviating poverty.

## Time and materials

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This unit is versatile. The number and variety of documents, discussion questions, and activities provided is meant to give teachers the choice to use what most suits their interests and circumstances.

Depending on time available, teachers may choose to forgo:

- parts of the lessons.
- some of the Student Handouts within lessons.
- some of the discussion questions and activities.

To facilitate teachers' decisions, discussion questions and activities are keyed to specific Student Handouts.

Time taken will vary: two to four days for each lesson, depending on teachers' selections from the materials provided, on how much detail is covered, and on whether the Student Handouts and thinking about the discussion questions can be assigned as homework. No materials are needed other than copies of the Student Handouts, and pencil and paper.

## Author

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The author of this unit is Anne Chapman, retired after teaching high school history for over thirty years. She has served as a history education consultant to the College Board and the Educational Testing Service. She has been a member of the National History Standards' World History Task Force;. She also wrote *Coping With Catastrophe: The Black Death of the 14<sup>th</sup> Century*; *Women at the Heart of War, 1939-1945*; and *Human Rights in the Making: The French and Haitian Revolutions* for the National Center for History in the Schools, as well as editing a volume of *World History: Primary Source Readings* for West Publishing and writing several teaching units for World History for Us All.

## This unit's Big Question

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Considering that the global economy has grown more since 1950 than in probably all earlier historical periods combined, why has this great wealth been shared so unequally among the world's peoples and why do hundreds of millions of people continue to suffer extreme poverty?

## The historical context

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After the end of World War II, several trends emerged concerning wealth and poverty. Among them were:

- Growing wealth based on a transnational flow of capital, goods, people, technology, and ideas, often called globalization.
- Persistence of dire poverty (incomes of the equivalent of \$1.25 a day or less) for a billion or more people, and additional billions remaining very much poorer than most people in economically developed countries.

- Economic inequality, which grew and spread rapidly from about 1980, both between and within countries.
- Increasing aid from richer to poorer countries, for political and economic as well as moral reasons.

The principal prelude to these trends was World War II, which left economies in Europe and Asia devastated and millions impoverished. The United States' economy, on the other hand, expanded enormously during the war. At its end, the US accounted for two-thirds of the world's industrial production, and its exports were three times greater than they had been before the war. With **Cold War** tensions rising and concern that economic problems in western Europe would benefit the Soviets, American Secretary of State George Marshall in 1947 invited Europeans to cooperate in a reconstruction plan financed by the US.

Nearly all European countries took part in the Marshall plan except for those in the Soviet bloc, which, though invited, declined to participate. The plan was crafted to increase productivity, stimulate economic growth, promote trade, and counter Soviet influence in Europe. It aimed to provide some \$13 billion to sixteen participating western European countries over four years. It was not prompted by benevolence alone. The US also aimed to benefit economically. It needed customers for the increasing volume of consumer products flowing out of factories converted from wartime to civilian use. The Marshall Plan was a success. In just three years both industrial production and trade grew by 40 percent in the participating countries.

International cooperation also grew after the war. In 1947, two dozen countries signed the General Agreement on Tariffs and Trade (GATT). With it, industrial countries reduced trade barriers and freed up international exchange. A year later the United Nations General Assembly ratified the Universal Declaration of Human Rights. This document asserted that "everyone has the right to a standard of living adequate for the health and well-being of himself and of his family." Establishing poverty reduction as an obligation under a global human rights agreement provided an incentive for doing so. Attention to poverty issues grew in both industrialized and economically developing nations, notably those that achieved independence from colonial rule in the three decades after the war. In 1949, President Harry Truman recommended that the US help to bring about the "improvement, growth, and industrial progress" of "underdeveloped areas." Achieving this economic and social benefit, which meant raising living standards for the population as a whole, became known as "development."

The division between the West (the US and countries in Europe and elsewhere politically and economically allied with it) and the Soviets widened. Western countries wanted to combine economically integrated markets with social reforms leading towards the welfare state. They held that global capitalism was good for the growth of both development and equity. The Soviets held that capitalism had to be totally rejected in order to achieve the combination of economic growth and equity.

Soon after the war's end, many economies grew with amazing speed. Between 1948 and 1973, the combined production of the major industrial nations (western Europe, North America,

Australia, New Zealand, and Japan) more than tripled. Those countries benefited from the pent-up demand at home following the war and from **government** support of manufacturing with tax breaks, subsidies, and low interest loans. Foreign corporations and especially American multinationals were eager to invest in the booming European economies and in Japan. Their investments in those places rose from \$2 to \$41 billion between 1950 and 1973. Western countries came to expect continuing rates of growth. When this led to a labor shortage, foreign workers were invited in. “Guest workers” from eastern and southern Europe, and with decolonization, from other parts of the world, flowed into western Europe.

Within Western industrial societies, both economic inequality and poverty declined. In the US, one of the less aggressively welfare-oriented states, the population below the official poverty line went from more than one-third in 1950 to 10 percent in 1973. It seemed that modern industrial societies could be successful by combining global economic integration, market capitalism, and generous social policies. The welfare state grew. Governments put in place, or expanded, policies like unemployment insurance, social security, and redistribution of wealth through progressive taxation. There was however little concern for, and sometimes hostility to, policies that sought to ameliorate poverty among the world’s majority.

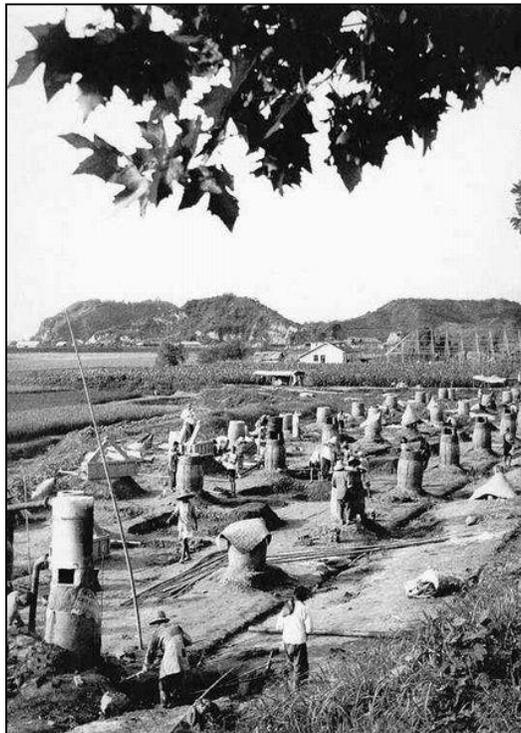
An exception to the movement towards freer flow of trade and investment across national borders was Latin America. There after 1950, the generally accepted policy, known as **import substitution industrialization (ISI)**, involved a turning inward economically and raising barriers against trade. Fast growing domestic industrial production, subsidized and promoted by governments, was substituted for buying from abroad. In some Latin American countries, importing goods was outright forbidden in order to protect production at home from foreign competition. By the 1970s, Latin America succeeded in becoming much more heavily industrialized. But as much as one half of its workforce remained in agriculture, a level higher than in Europe forty years earlier. Poverty was widespread, and there was no sign of its declining. Income in the region was one-third that of the developed world.

There were substantial changes after 1950 in the communist and socialist economies, notably in the Soviet Union and the new “people’s democracies” under Soviet control. Steps to collectivize agriculture met with only partial success. Farming remained the weakest part of national economies. This, and an emphasis on heavy industry at the expense of consumer products, limited the improvement of popular living standards.

By the 1970s, some features of a market-like economy were creeping into the still authoritarian and planning-based Soviet Union. Foreign trade increased dramatically. By 1973, it was three times as important as it had been in 1950. Foreign investment began to be welcomed. During the 1990s, however, the difficulties of accelerated change towards a market economy, combined with the political turmoil around the dissolution of the Soviet Union, led to an explosion of poverty from 2 percent to 50 percent of the population in most of the former Soviet Union.

After the proclamation of the People’s Republic in 1949, Communist China’s economy went through something like a roller coaster ride under Mao Zedong. He focused with unrelenting

ruthlessness on rebuilding the economy that had been laid waste by war and transforming China into an industrial powerhouse. The several decades following could serve as a case study for how far-reaching the effects of government policy could be for wealth and poverty. During China's first five-year plan after 1947, there were significant gains in heavy industry, and the per capita (per person) **gross domestic product (GDP)** grew impressively. But collectivizing agriculture could not produce enough both to raise farm incomes and to fund **industrialization**. In an attempt to hasten a rise in production, Mao proclaimed the "Great Leap Forward" in 1957. This plan organized peasants into huge communes, where they shared labor, machinery, leadership, housing, dining halls, and bathrooms. It did not make for effective farming. Nor was it acceptable to the largely uncooperative farmers. Combined with two years of poor harvests, the good intentions of eradicating hunger and want were negated by one of the worst famines on record. Between 15 and 30 million people starved to death. The economy's output declined precipitously.



**China's Great Leap Forward featured steel production in thousands of backyard furnaces. This decentralized industry, however, was inefficient and produced generally inferior metal.**

*Source:* Wikimedia Commons, [http://en.wikipedia.org/wiki/File:Backyard\\_furnace4.jpg](http://en.wikipedia.org/wiki/File:Backyard_furnace4.jpg); Chinese source: <http://caiquansheng1958.blog.163.com/blog/static/294985242010111291436168/>

The government then back-pedaled. Private family lands and part-time private businesses were allowed, and a tentative move back to private market trading on the local level got underway. The government focused its efforts on ensuring the food supply by making available machinery, irrigation, and fertilizer to the most productive regions. These developments increased

agricultural production. Growth leaped forward but was also accompanied by increased inequality between richer and poorer farmers.

In the mid-1960s, Mao and his radical communist followers unleashed the Great Proletarian Cultural Revolution. The radicals objected not just to “bourgeois tendencies” and the taint of capitalism in the permission of markets but to the wide inequality in wages between skilled and unskilled workers and to economic inequalities in the countryside. Mao enlisted millions of teenage students and other young people into his cultural revolution. Armed as Red Guards and their excesses left virtually uncontrolled, they roamed the country to eradicate every last trace of a bourgeois taint. White-collar workers, teachers, and government officials were forcibly relocated to labor in the fields. Opposition was ruthlessly purged. The economy broke down, armed conflict tore the country, and production plummeted. It took almost a decade to return to the more moderate policies of the early 1960s. Then, from 1968 to 1973, the economy grew again, by a third.

By the latter date, China had achieved many of the goals of development. From an agrarian, underdeveloped country, it had become a modern, industrial one. Life expectancy, education, women’s status, health care, and communications all improved substantially.

A change of policy in the 1980s (Mao died in 1976) embraced the importance of imports, exports, and foreign capital as promoters of economic development. China became integrated into the world economy. During the quarter century following the liberalization, GDP grew on average by a very rapid 9 percent per year. China also ranked at the top among developing nations in poverty reduction. Their population living on the equivalent of \$1.25 a day dropped from 85 percent in 1981 to 27 percent in 2001, though inequality rose and the exact figures are debated. In terms of wealth, China’s per capita GDP doubled during the decade after 2000. By 2010, it was becoming the second largest economy in the world.

For the first quarter century after 1950, the world had been divided into about 1 billion more or less rich people and about 5 billion poor people. Since then, the great majority of that 5 billion poor were climbing the ladder towards joining the rich, developed, industrialized world, some with amazing speed. This happened, among other factors, owing to their benefiting from increasing trade, growing foreign investment, economic grants and loans, industrialization, an expanding service sector, and technological innovation. Among the successful states were South Korea, Taiwan, Singapore, Hong Kong, and more recently China, India, Indonesia, and Brazil.

A billion people, heavily concentrated in sub-Saharan Africa with scattered areas elsewhere, were not only not climbing the ladder of development but falling off it altogether. Their incomes were stagnant or actually going down. The average income of forty-three African states declined by a quarter between 1990 and 2000. These are the people who still live on the equivalent of \$1.25 a day or less, and they remain vulnerable to famines, diseases, endemic violence, and hopelessness. Their leaders, who unfortunately have included crooks and psychopaths as well as brave reformers battling against formidable odds, have not so far succeeded in improving the lot

of many of their own citizens, except in relatively few countries. Nor has poverty always responded as hoped to international aid.

The great post-World War II economic boom came to an end in the early 1970s. Both internal and international economic problems unfolded. In the industrialized world, conflicts broke out between labor and capital. Workers' dissatisfaction with the failure of wages to rise led to more strikes. Wages were badly lagging behind economic growth. Inflation was also heating up. The global economy burst into flames with steep rises in oil prices, first in connection with the aftermath of the Arab-Israeli War (1973) and second with the Iranian Revolution (1979). There was also a widespread backlash against multinational corporations. These firms usually had greater resources than the domestic ones that tried to compete with them. The latter complained that the foreign giants dominated local markets and that their managers were not sensitive to local and national culture and values. They hired foreign workers who took the lowest wages. This led to a lowering of wages or to unemployment for local labor. Moreover, large foreign corporations came to acquire political clout that was especially problematic for developing nations.



**Gasoline dealers in Oregon displayed signs like this during the fuel shortage that followed the Arab-Israeli War in 1973.**

*Source:* National Archives, Online Public Access, 555518

While in developed capitalist countries opinions were increasingly divided about how far global economic integration should go, developing ones questioned the focus on protecting economies with high trade barriers. The faster the latter economies grew, the more they needed at least some imports. Some governments devalued their currencies to raise the price of imports and make

exports more attractive. But this tended to create recessions when companies cut wages and laid off workers. The strong bias of ISI countries against agriculture and for industry (in order to substitute domestic products for imports) tended to worsen poverty in countries still largely rural and dependent on agriculture. Farmers migrated to the cities looking for jobs that were not available because the new industries were capital-intensive and used little low-skilled labor. Struggling farmers and urban poor were frozen out of ISI countries' modern economies. Many were unemployed or lived on subsistence wages.

The world faced a hard decade after the oil shocks. Inflation soared, and industrial output dropped by 10 percent in the developed world. Unemployment and poverty rose, and there were widespread strikes as workers and their unions tried to protect wages and employment. Governments in the advanced capitalist countries shoveled money they printed or borrowed into social spending like unemployment benefits, subsidies to businesses, and public sector job creation. Globalization continued, supported and promoted by the new transport and communication technologies, such as jumbo jets, computers, and cell phones. The developments that transcended national boundaries and spread globally were not, however, always desirable. They included diseases, pests, pollution, and financial crises.

The end of the century was bad for developing countries. Stagnation in the West, as the governments of developed countries began to pile up deficits, reduced demand for the exports of developing states. Inflation also raised the prices of the manufactured goods they needed to import. Those states in good enough shape to borrow money from abroad, threw it into intensified industrialization. Some succeeded. For others, protracted and systematic misrule, whether owing to error, ignorance, or corruption, negated the positive possibilities of this move. Inequality between and within countries skyrocketed, until in some countries the richest 1 percent of the population earned more than the poorest half. Systematic inequalities also continued for minorities and women.

Organizations devoted to ending poverty emerged. Some targeted individuals or families, others whole countries. A particularly ambitious initiative was the Millennium Project, whereby developed countries pledged each to contribute 0.7 percent of their **GDP** to be used for the benefit of developing countries. That such a burden might not be excessive was suggested by the calculation that meeting basic nutrition and health needs throughout the world would cost less than the amount Europeans and Americans spent on pet food in an average year. Endorsed by 189 member states in 2000, the project's aims included halving poverty, achieving universal primary education, promoting women's equality, reducing child and maternal death, and combating disease, all by 2015. The latest projections suggest that poverty among the populations of developing countries will decline from 46 percent in 1990 to 15 percent by 2015, overshooting the target. Other goals lag behind. Some member states achieved some of the goals by 2011, others none of them. Among the donors, only five member states have contributed the full amounts promised. Moreover, among recipients, some governments have misused aid by funding armies or by lining the pockets of political leaders.

### Examples of International Nongovernmental Organizations

| Organization                     | Location      | Mission                                       |
|----------------------------------|---------------|---|
| Acumen Fund                      | United States | Economic development                          |
| APOPO                            | Tanzania      | Humanitarian services, landmine clearance     |
| Ashoka                           | United States | Economic development, social entrepreneurship |
| Barefoot College                 | India         | Education, skills training                    |
| BRAC                             | Bangladesh    | Economic development                          |
| CARE International               | Switzerland   | Economic development, humanitarian services   |
| Ceres                            | United States | Environmental sustainability                  |
| Clinton Health Access Initiative | United States | Public health                                 |
| Cure Violence                    | United States | Antiviolence intervention                     |
| Danish Refugee Council           | Denmark       | Humanitarian services                         |
| Doctors without Borders          | Switzerland   | Public health services                        |
| Handicap International           | France        | Humanitarian services                         |
| Heifer International             | United States | Economic development                          |
| International Rescue Committee   | United States | Humanitarian services, refugee services       |
| Landesa                          | United States | Land tenure rights                            |
| Mercy Corps                      | United States | Humanitarian services                         |
| One Acre Fund                    | Kenya         | Economic development                          |
| Partners in Health               | United States | Public health services                        |
| Root Capital                     | United States | Economic development                          |
| Wikimedia Foundation             | United States | Education, knowledge dissemination            |

Source: *The Global Journal*, "The Top 100 NGOs 2013," <http://theglobaljournal.net/top100NGOs/>

During the first decade of the twenty-first century, globalization continued to spread. National boundaries were not disappearing but were increasingly transcended by transnational institutions. An important part was played by non-governmental organizations (NGO's), whose scope was often beyond the national and regional. Their concerns were not only economic but also included promotion of global exchanges in a wide variety of fields such as ecological, medical, and scientific.

Late in that decade, there were repeated though intermittent global explosions of prices, especially in oil, food, and housing. Parts of Asia and Africa were hit especially severely, and developing countries were pushed deeper into poverty. A global recession was related to the food, fuel, and financial crises. Steep rises in home prices in the US, owing to overvaluation, excessive borrowing, and reckless lending, triggered the crisis. It led to mortgage defaults and problems for banks and financial organizations worldwide. It also triggered steep declines in consumer wealth and economic activity and the need for government bailouts.

Three sets of remarkable figures illustrating current global wealth and poverty indicate a global challenge for the next half-century or so.

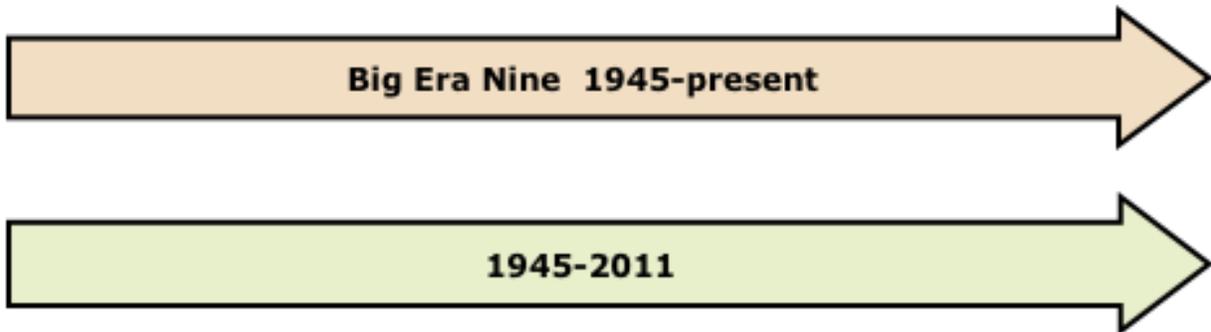
- According to an admittedly rough estimate, the total of the GDP of all the nations of the world rose by a remarkable 800 percent between 1950 and 2008.
- Early in the twenty-first century the richest 1 percent of adults owned 40 percent of global assets. The bottom half of the world's adult population owned barely 1 percent of global wealth. And the three richest people in the world had more money than the poorest forty-eight nations combined.
- More than a billion people in the world in 2008 lacked the resources that would ensure them a life without habitual or intermittent hunger.

#### **Per Capita Gross Income in Select Countries in 2011 (in \$US)**

|  |        |
|--|--------|
| US                                       | 48,147 |
| 10 countries of highest income (average) | 62,427 |
| Brazil                                   | 11,845 |
| China                                    | 8,394  |
| India                                    | 3,703  |
| Liberia                                  | 416    |

**This unit in the Big Era Timeline**

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## Introduction

### Some important terms

- Beginning in the 1950s the term “Third World” referred to those countries in Africa, Latin America, Asia, and the Pacific that did not belong to, or align themselves with, either the First World of the North American and European “Western bloc” or with the Second World of the Soviet-led “Eastern bloc.” Third World countries were less powerful, less “modern,” and poorer. Among them were the new countries that freed themselves from colonial rule between the 1950s and 1970s. With the end of the Cold War, political identification gave place to an economic one. The labels “Third World” and “non-aligned” came gradually to be replaced with “southern,” “poor,” and “underdeveloped.” More recently still, “developing” has come into increasing use to describe poorer countries and “developed” to describe richer countries.
- The term “development” has been applied since World War II to a process whereby developing countries would achieve economic growth, increases in per capita income, and progress toward a standard of living comparable to that of developed industrialized countries. Significant economic development typically results in improvements in life expectancy, poverty rates, literacy, and employment rates. Keep in mind, though, that a country’s economy may grow without really developing if the growth benefits mainly elites that are already wealthy rather than the population as a whole.

### Some pedagogy information

- Students can work on most activities and questions as a whole class, as individuals, or in groups. It is helpful to share results of individual and group work with the whole class.
- Giving students questions they are going to be asked to answer, and activities they will be asked to do, *before* they read the documents on which the questions and the activities are based, can help their concentration, comprehension, and performance.
- Many of the questions have two or even several parts, starting with the relatively simple and gradually becoming more demanding. For example: “Name some actions that ... Which had the greatest effect? Why?” or “Compare ... Which were better off? In what ways? Explain your reasons for your opinion.” The intention is to allow tailoring many of the questions to different age and ability levels. Some entire questions are deliberately geared to be of different levels of difficulty.
- More documents, questions, and activities are provided than need be used in order to allow choices to be made based on teacher and student interests and circumstances. Besides those identified as assessments, some of the other questions and activities could so serve as well.
- Encouraging students to keep notes of answers to discussion questions and results of activities will help them to organize and make sense of unfamiliar and extensive information. Reviewing notes will help towards success on assessments.

- At the end of each lesson, or of all lessons, consider asking:
  - a. Of all you have read and discussed, what did you find most interesting? Most boring? Most confusing? Why?
  - b. What, if anything, would you like to find out more about? Why?

### **Introductory Activities**

Students may be asked to do the following introductory activities before reading any of the Student Handouts. They alert students to some of the core issues to be dealt with. If time is limited, they may be omitted without detracting from students' ability to deal with the rest of this Teaching Unit, or from fulfilling its objectives.

Ask students to brainstorm the following:

- a. Construct a definition of poverty and one of wealth. Does either or both of your definitions work equally well no matter where a person might live? Why or why not?
- b. What do you think are causes of individuals' poverty? What about nations' poverty? In what way(s), if at all, are the two related?
- c. What reasons can you suggest for the great overall increase of the world's wealth from about 1950 to today? For the increasing economic inequality within countries (income differences among groups) and between countries?

## *Lesson 1*

### *Who Are the Poor, and Who the Wealthy?*

#### **Study or discussion questions and activities**

*Based on information in Student Handout 1.1:*

1. Which of the definitions of poverty do you find most satisfactory? Why?
2. Explain the differences between absolute and relative poverty.
3. Give an example of each of the following aspects of poverty:
  - Physical/material
  - Psychological (how poverty makes the poor feel)
  - Social (how poor and more affluent people treat each other)
  - Cultural (in what features of their culture they are disadvantaged)
  - Environmental (nature of the environment they live in)
4. In what way(s) do you think definitions of poverty and wealth are useful? For what?
5. How, if at all, would a definition of poverty have differed in 1950 from one formulated in 1995 and 2009 (Student Handout 1.1)? How about, say, in 1800? Explain.
6. How would you account for differences in the definitions of wealth and poverty?
7. Where would you judge that poverty ends and wealth begins in terms of income and way of life? Which is easier to judge, and why?
8. Social scientists have sometimes used the term “absolute poverty.” How would you define that term as distinct from poverty in general? Can you construct a parallel definition for “absolute wealth?” Is one harder to define than the other? Why?
9. **This question could serve as assessment.** Give an example of each of the following: the physical, psychological, social, economic, and environmental disadvantages that are cited in the definitions of poverty in Student Handout 1.1. In what order might governments or other institutions best tackle these aspects of poverty? Why?
10. **This question could serve as assessment.** Assume that you are a city council member in a developed country and have been asked to help draft legislation that would provide free school lunches to children of the poor in your city. How would you recommend the law should identify who qualified, that is, how would you distinguish who was “poor?” Would your recommendation be the same in a less economically developed country? Why or why not? If not, what alternative would you recommend?

*Based on information in Student Handout 1.2:*

1. Besides the relative degrees of inequality between top and bottom incomes, between nations, and between regions, what other kinds of inequalities can you give evidence for from the documents?
2. Give the best evidence-based argument you can in favor of the claim that conclusions about how to choose to look at the growth of a nation's or a region's economy depend on what beginning and ending dates you.
3. What connections can you make between the information in Student Handout 1.2, Document A, and what happened in history between 1820 and 1998?
4. Compare the changes in American women's and men's earnings in the bottom level of earners between 1979 and 2007. What explanations might you give for the differences?
5. Assess how much influence each of the following had on wealth inequality in the US during the last quarter century or so. Use a scale of 1 to 10 in which 1 means "very little" and 10 means "a lot."

- \_\_\_\_\_ social class
- \_\_\_\_\_ race
- \_\_\_\_\_ wealth
- \_\_\_\_\_ gender

Give evidence to support your assessment.

6. **This question could serve as assessment.** Give what evidence you can to support the claim that the world's prosperity has grown since 1950 but that income inequality has also become greater, both among and within countries.

*Based on information in Student Handout 1.3:*

1. What features of globalization could lead to increased poverty for low-skilled workers in developed countries? How?
2. What part have multinational corporations played in the process of globalization?
3. Create a conversation between a supporter and an opponent of globalization. In it, make clear the advantages and disadvantages of globalization for both developing and developed states.
4. Evaluate the claim that globalization puts the interests and values of global corporations and their profits ahead of the concerns for labor, environmental protection, and/or human rights. What moral grounds, if any, might corporations give in their own favor? Give what evidence you can to support your evaluation.

5. What effect(s) has globalization had on both wealth and economic inequality in both developed and developing, countries? How?
6. What features of globalization tend to worsen environmental problems? How?
7. Explain how government policies have sometimes resulted in increased inequality.
8. Which two or three of the causes suggested for wealth inequality among individuals do you find most persuasive? Why? Can you suggest any other causes?
9. What moral issues can you think of that might be raised by the information in Student Handout 1.2? In what way(s) were they “moral” issues?
10. If you were asked to join a government task force considering economic inequality in a developed country, what arguments would you make in favor of reducing them? Whom might you count on to support you? Why? Who would be likely to oppose you and on what basis?
11. **This question could serve as assessment.** Write an editorial for a local newspaper in a developed country in favor of globalization, pointing out its advantages as well as pointing out arguments against it.

## Lesson 1

### *Student Handout 1.1—How do You Decide Who is Poor and Who is Rich?*

#### Document A Definitions of Poverty

**Relative poverty.** This phrase characterizes people as poor if their income falls below a level (usually called the “poverty line”) that provides a standard of living high enough to satisfy basic needs but is still significantly lower than that of the majority of the population in a particular place and time. Definitions of basic needs vary across time and place, so each country uses poverty lines considered appropriate to its level of development and values.

**Absolute or extreme poverty.** In this condition people lack the resources to ensure their relatively healthy survival. When World Bank researchers noticed that national poverty lines in many developing countries clustered around \$1 per day of income mark, and since bare survival takes essentially the same basic life necessities around the world, the Bank adopted that amount in 1990 as the global base line of poverty. It continues to be widely used by governments and other planners. It was adjusted in 2008 to \$1.25 a day, a figure that continues to be widely used.

#### The World Summit on Social Development, Copenhagen in 1995

Poverty is a condition characterized by severe deprivation of basic human needs, ... unsafe environments, social discrimination and exclusion. It is also characterized by lack of participation in decision-making, and in civil, social and cultural life. It occurs in all countries: as mass poverty in many developing countries, pockets of poverty amid wealth in developed countries, loss of livelihoods as a result of economic recession, sudden poverty as a result of disaster or conflict, the poverty of low-wage workers, and the utter destitution of people who fall outside family support systems, social institutions and safety nets. ... [The] absolute poverty threshold is equal to 2 or more severe deprivations of basic human need, defined as follows:

- Food – Body Mass Index [a measure of body fat based on height and weight] of 16 or below [this is severely underweight; normal weight is 18.5 and above].
- Water – access only to surface water (rivers, ponds) for drinking; ... the nearest source of water more than a 30 minute round trip away; ... [unsafe] water quality.
- Shelter – house with a dirt, mud, or clay floor; 4 or more people per room.
- Education – never having attended school; also, being illiterate.
- Information – no home access to newspapers, radio, television, computers.

Sources: [http://www.un.org/esa/socdev/unyin/documents/ydiDavidGordon\\_poverty.pdf](http://www.un.org/esa/socdev/unyin/documents/ydiDavidGordon_poverty.pdf);  
[http://en.wikipedia.org/wiki/Poverty\\_threshold](http://en.wikipedia.org/wiki/Poverty_threshold).

### **The United Nations, June 1998**

Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion. . . . It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation.

*Source:* [http://www.un.org/esa/socdev/nyin/documents/ydiDavidGordon\\_poverty.pdf](http://www.un.org/esa/socdev/nyin/documents/ydiDavidGordon_poverty.pdf).

### **Poor People Interviewed in Forty-seven Countries as Part of a World Bank Project, 1999**

Many factors converge to make poverty a complex, multidimensional phenomenon. Poverty is routinely defined as the lack of what is necessary for material well-being – especially food but also housing, land, and other assets. Poverty is the lack of multiple resources leading to physical deprivation. Poor people's definitions [also] reveal important psychological aspects of poverty. Poor people are acutely aware of their lack of voice, power, and independence, which subject them to exploitation. Their poverty also leaves them vulnerable to rudeness, humiliation, and inhumane treatment by both private and public agents of the state from whom they seek help. Poor people also speak about the pain brought about by their unavoidable violation of social norms and their inability to maintain cultural identity through participating in traditions, festivals, and rituals. The absence of basic infrastructure – particularly roads, transport, water, and health facilities – emerged as critical. While literacy is viewed as important, schooling receives mixed reviews, occasionally highly valued but often notably irrelevant in the lives of poor people. Finally, poor people focus on assets [possessions of economic value that can be converted to cash], rather than income; and link their lack of physical, human, social, and environmental assets to their vulnerability and exposure to risk.

*Sources:* Adapted from Deepa Narayan et al., *Can Anyone Hear Us? Voices from 47 Countries*. Poverty Group, PREM; Bank, December 1999, Chapter 2, p. 26. At: <http://siteresources.worldbank.org/INTPOVERTY/Resources/335642-1124115102975/1555199-1124115187705/ch2.pdf>.

### **The Fraser Institute in Canada, 1992, Updated 2006**

*The Fraser Institute is an independent non-profit research and educational organization.*

[The] list of basic needs to be used as a poverty measure includes not only items required for long-term physical well-being, but also reflects standards that apply in the individual's society. Therefore it includes not only food, shelter, clothing, and health care, but also personal care, furniture, transportation, communication, laundry, and home insurance. It has been criticized for not including any entertainment items like cable television, daily newspapers, and tickets to movies or sporting events.

*Source:* [http://en.wikipedia.org/wiki/Poverty\\_threshold](http://en.wikipedia.org/wiki/Poverty_threshold).

### **The United States Government, January 2009**

The official poverty rate for a single person was set at a money income of \$10,830 a year. Each additional member in a family added 34 percent of the single rate. Persons with money incomes below the poverty line were counted as poor. In December of 1965, the official poverty line for a single person had been \$1,540.

*Sources:* Adapted from <http://www.census.gov/hhes/www/poverty/about/overview/index.html>;  
<http://www.ssa.gov/policy/docs/statcomps/supplement/2009/> [Table 3E].

## Document B

### Definitions of Wealth

#### 1

In popular usage, wealth can be described as an abundance of items of economic value, or the state of controlling or possessing such items, usually in the form of money, real estate, and personal property [minus any debts such as a mortgage or car payments]. An individual who is considered wealthy, affluent, or rich is someone who has accumulated substantial wealth relative to others in their society. Wealth provides a type of safety net of protection against an unforeseen decline in one's living standard in the event of job loss or other emergency. ...

The concept of wealth is relative and not only varies between societies, but varies between different sections or regions in the same society. A personal net worth [total assets minus debts] of US \$10,000 in most parts of the United States would certainly not place a person among the wealthiest citizens of that locale. However, such an amount would constitute an extraordinary amount of wealth in impoverished developing countries.

*Source:* Wikipedia, <http://en.wikipedia.org/wiki/Wealth>.

#### 2

A 2003 Gallup poll found that although only 2 percent of Americans describe themselves as rich, 31 percent said they thought it was very or somewhat likely they would be rich one day. That number jumped to 51 percent for 18 to 29-year-olds – and plunged to a sobering 8 percent for Americans 65 and older.

According to Gallup, the public's median definition of "rich" was an income of \$122,000 – or assets of \$1 million. A majority of the more than 11,000 *MSN Money* readers who responded to a survey thought that they would need at least \$5 million to consider themselves rich.

- Those who earned less than \$30,000 thought that a household income of \$74,000 would qualify as rich.
- Those who made \$30,000 to \$50,000 said an income of \$100,000 would be rich.
- And people in the top half of earners were more likely to say that an income of \$200,000 earns you the right to the R word.

*Source:* Based on <http://articles.moneycentral.msn.com/RetirementandWills/EscapeTheRatRace/JustHowRichIsRichReally.aspx>.

## 3

The three richest people in the world – Microsoft Chairman Bill Gates, investor Warren Buffett, and Mexican telecom mogul Carlos Slim Helú – have more money than the poorest 48 nations combined. ... The richest 2 percent of the population owns more than half the world's household wealth. ... United Nations research indicates that assets of just \$2,200 per adult place a household in the top half of the world's wealthiest. To be amongst the richest 10 percent of adults in the world, just \$61,000 in assets is needed. If you have more than \$500,000, you are part of the richest 1 percent, the United Nations study says ... [In December 2006].

Overall, wealth is mainly concentrated in North America, Europe, and high-income Asia-Pacific countries. People in these countries collectively hold almost 90 percent of total world wealth.

Many people in high-income countries have negative worth [more debts than assets] and – somewhat paradoxically – are among the poorest in the world in terms of household wealth [due to high debt]. The average American credit card holder in 2007 owed \$9,149 on his or her card. Most ran interest rates at 18.5 percent. [The poor do not carry high debt, being seen as high risks by lenders, who therefore are unwilling to make loans to them.] ... Although North America has only 6 percent of the world's adult population, it accounts for 34 percent of household wealth.

*Sources:* <http://articles.moneycentral.msn.com/News/StudyRevealsOverwhelmingWealthGap.aspx?page=all>;  
Credit card debt: <http://www.newswithviews.com/Wooldridge/frosty232.htm>.

**Lesson 1*****Student Handout 1.2—Economic Inequality: Some are more Unequal than Others*****Document A****Long-term Changes Regionally in Global Wealth Inequality**

This table shows regional and national shares of world Gross Domestic Product, the total market value of all the goods and services produced in a year in a country or region. It is used as an indicator of how well or poorly economies stand relative to one another. Trends over time also serve as measures of economic progress or regression. This data does not take into account issues such as social justice, political freedom, or environmental quality.

(In percent)

| Region or State                | 1820 | 1870 | 1913 | 1950 | 1973 | 1990 | 1998 |
|--------------------------------|------|------|------|------|------|------|------|
| Western Europe                 | 23.6 | 33.6 | 33.5 | 26.3 | 25.7 | 22.3 | 20.6 |
| US, Canada, Australia, NZ      | 1.9  | 10.2 | 21.7 | 30.6 | 25.3 | 24.6 | 25.1 |
| Japan                          | 3.0  | 2.3  | 2.6  | 3.0  | 7.7  | 8.6  | 7.7  |
| Asia (excluding Japan)         | 56.2 | 36.0 | 21.9 | 15.5 | 16.4 | 23.3 | 29.5 |
| Latin America and Caribbean    | 2.0  | 2.5  | 4.0  | 7.9  | 8.7  | 8.3  | 8.7  |
| Former USSR and Eastern Europe | 8.8  | 11.7 | 13.1 | 13.0 | 12.9 | 9.8  | 5.3  |
| Africa                         | 4.5  | 3.6  | 2.7  | 3.6  | 3.3  | 3.2  | 3.1  |
| Total World                    | 100  | 100  | 100  | 100  | 100  | 100  | 100  |

Source: <http://www.globalpolicy.org/images/pdfs/Z/regional1820-1998.pdf>.

**Document B**  
**Wealth Inequalities in the United States**  
**Class, Ethnicity, Gender**

The wealth of households in the US is varied with relation to race, education, geographic location, and gender. Overall, the number of wealthier households is on the rise, with baby boomers hitting the highs of their careers. In addition, wealth is unequally distributed. As of 2007, the top 1 percent of households (the upper class) owned nearly 35 percent of all privately held wealth. The next 19 percent (of households: managers, professionals, and small business owners) had just over 50 percent. This means that 20 percent (1 + 19) of the people owned a remarkable 85 percent of wealth, leaving only 15 percent for the bottom 80 percent (wage and salary workers).

In 2009, the median wealth of an average white family in the US was 20 times greater than that of an average black family and 18 times greater than that of an average Hispanic family. This gap is twice what it was before the recent recession and the largest since the government began to collect the data a quarter century ago. The average Hispanic family lost two-thirds of its wealth between 2005 and 2009. Black families lost more than half of theirs. White households lost wealth, but only about 16 percent on average.

From 1995 to 2004, there was tremendous growth in household wealth, as it nearly doubled. But the wealthiest made up 89 percent of this growth. During this time, wealth became increasingly unequal, and the wealthiest 25 percent became even wealthier. The ratio of CEO (Chief Executive Officer in a corporation) pay to factory worker pay rose from 42:1 in 1960 to 344:1 in 2007. Between 1990 and 2005, CEO pay rose by 300 percent; production workers gained 4 percent.

*Sources:* Adapted from [http://en.wikipedia.org/wiki/Wealth\\_in\\_the\\_United\\_States](http://en.wikipedia.org/wiki/Wealth_in_the_United_States);  
G. William Domhoff, "Wealth, Income, and Power," Sept. 2005 (updated Jan. 2011),  
<http://sociology.ucsc.edu/whorulesamerica/power/wealth.html>;  
<http://www.npr.org/2011/07/26/138688135/study-shows-racial-wealth-gap-grows-wider>;

**Wealth Inequalities in the United States (continued)**

| <b>US Earnings of Sectors of Population</b> |            |             |             |             |             |
|---|------------|-------------|-------------|-------------|-------------|
| In 2007 dollars                             |            |             |             |             |             |
|   |            | <b>1979</b> | <b>1989</b> | <b>2000</b> | <b>2007</b> |
| Men   | Bottom 10% | 15,000      | 12,200      | 15,300      | 14,600      |
|   | Top 10%    | 75,000      | 79,500      | 96,300      | 100,000     |
| Women                                       | Bottom 10% | 2,600       | 4,400       | 7,100       | 8,000       |
|   | Top 10%    | 39,700      | 9,700       | 61,500      | 68,000      |

*Source:* Adapted from US Congressional Budget Office, Changes in the Distribution of Workers' Annual Earnings Between 1979 and 2007, Report October 2, 2009, <http://www.cbo.gov/publication/41221>.

**Document C**  
**Inequality within Countries**

The following observation is based on how much higher are the incomes of those in the top 20 percent of the income distribution than those of the bottom 20 percent, considering household income after taxes and benefits and adjusted for the number of people in each household.

Most unequal (as of 2009) are Singapore and the US, where the top 20 percent get about nine times as much income as the bottom 20 percent, followed by Portugal and the United Kingdom. Least unequal are Japan, Finland, Norway, and Sweden in that order, all of them with top 20 percent incomes less than four times higher than the bottom 20 percent.

*Source:* Text by the author, based on Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (New York: Bloomsbury Press, 2009), 15-19.

## Lesson 1

### *Student Handout 1.3—Causes and Consequences of Economic Inequality*

#### Document A

#### **Why are Some People Richer (or Poorer) than Others?**

The wealthy possess greater financial opportunities to allow their money to make more money. Earnings from the stock market are reinvested to produce a larger return. Income from a business can be used to expand it. Over time, the sum that is reinvested becomes progressively more substantial. Poor families, on the other hand, have to spend any income that remains after debt payments on items that will not produce wealth, such as food, clothing, or dwelling repair. Wealthy families pass down their assets (possessions of economic value that can be converted to cash), allowing future generations to develop even more wealth. They organize their money so that it will produce profits. This has been the primary reason for the continuation of wealth inequality in America: the rich are accumulating more assets, while the middle and working classes are spending most of their income for necessities and debt payments.

Economic inequality has been explained by some, though this is disputed by others, as being based on discrimination along racial, gender, and ethnic/cultural lines:

- competition for jobs with foreign workers to whom American companies have “outsourced” manufacturing or services.
- lowering taxes on the wealthy.
- the growing use of technological systems that lead to lower pay or higher unemployment for workers, especially those with low skills.
- differences in educational levels and opportunities. (For example, in the United States in 2006 the median income of men and women with masters’ degrees was twice that of people with a high school diploma.)
- absence of strong unions to represent worker interests. (For example, while in 1955 over one-third of private sector workers were unionized, in 2011 fewer than 7 percent were.)

There remains to this day a large wealth gap in the US between whites and African Americans. It has been reported that one in three white households will receive a substantial inheritance during their lifetime compared to only one in ten black households. Fertility and family size have risen among African Americans compared to whites. Since more resources are needed in the present, there are likely to be fewer for each family member in the future. Any left over would be divided among a larger group of people.

In 2012 women earned about 77 cents for every dollar men earned. Progress has been made in the past several decades, but the wage playing field is still tilted to men’s considerable advantage. Also, women earn only 36 percent as much wealth as men. Men are also more likely to have jobs with stock options and that carry more favorable tax advantages. They are more likely than women to work as engineers and executives rather than nurses and secretaries. There

are more families headed by women who have lower incomes than either two-earner or male-headed families.

*Sources:* Text by the author, based on [http://en.wikipedia.org/wiki/Economic\\_inequality#Causes\\_of\\_inequality](http://en.wikipedia.org/wiki/Economic_inequality#Causes_of_inequality);  
[http://en.wikipedia.org/wiki/Wealth\\_inequality\\_in\\_the\\_United\\_States#Causes\\_of\\_wealth\\_inequality](http://en.wikipedia.org/wiki/Wealth_inequality_in_the_United_States#Causes_of_wealth_inequality);  
<http://www.stanford.edu/group/knowledgebase/cgi-bin/2011/04/07/women-are-shortchanged-by-the-wealth-gap/>;  
[http://en.wikipedia.org/wiki/Income\\_inequality\\_in\\_the\\_United\\_States#](http://en.wikipedia.org/wiki/Income_inequality_in_the_United_States#).

## Document B

### Globalization Created a Bigger Pie, but the Pieces are Unequal

Globalization is complex. Its basis is encouragement of free trade and free flow of capital between countries; a search for cheap labor at home and abroad; and a focus on profit and increasing material wealth as the economies of nations become more interconnected. It has a long history, but from the mid-twentieth century international agreements, new technologies, the expansion of multinational corporations, and the spread of mass media speeded it up.

Income per capita in the West rose four-fold from 1950 to 2005. In Asia it rose five-fold and in Latin America more than two-fold. World trade has been globalization's lifeblood, and it has increased twenty-seven-fold between 1950 and 2005. Total global wealth increased by 72 percent in the decade after 2000.

Some of the results of globalization have been positive, though selectively so. International trade and spreading technological innovation have spurred tremendous economic growth across the globe: raising incomes, creating jobs, reducing prices for consumers, and increasing some workers' earning power. There were new economic opportunities for local businesses and encouragement of exports to world markets. Nokia, for instance, a small producer of rubber boots in rural Finland, turned itself into a worldwide mobile telephone giant. Tariffs on imports were lowered, and investment by foreign businesses made easier.

Governments and companies in poor countries could take advantage of the rich world's demands for cheap products. The opportunity to sell to and borrow from the whole world, rather than just their own nation, ensured larger numbers of customers and more sources of credit. The result was a burst of growth in some parts of the developing world.

The presence in developing countries of rich investors and the staffs of multinational corporations made possible local learning of cutting-edge technology and new management methods. Some saw this as positive, increasing a poor country's chances to reduce poverty. Others saw danger to poor countries in getting used to depending on rich country help. Some saw a danger to industrialized countries in sharing know-how with potential competitors. In any case, the result was increased wealth for corporations and entrepreneurs in more economically advanced countries. For example, by 1999, the combined annual incomes of the biggest 200 corporations were greater than the combined incomes of the 182 nation-states that contained 80 percent of the world's population! There were disadvantages also. Corporations could make bigger profits by moving factories and businesses to countries that had the lowest labor costs and the fewest regulations. By "outsourcing" their jobs to countries that had little or no protection of labor rights, multinational corporations could pay workers less, sell more at lower prices, and yet increase their profits. At the same time, consumers could benefit from the lower prices.

Developing countries' domestic markets were subject to flooding by cheaper products from abroad. Governments, including the US, subsidized some exportable products, especially farm goods, to keep prices down. When those countries sold their surplus goods cheaply in developing

countries' markets, local farmers could not compete by selling their own products either at home or in other countries. Their incomes consequently dropped.

Countries like Haiti, Afghanistan, and El Salvador did not benefit much from globalization. They were poorer in 1980 than in 1960. Between 1990 and 2000, the average income in forty-three African nations declined by one quarter. Among other things, globalization was blamed for:

- exploitation of labor.
- putting the interests of rich corporations ahead of the needs of disadvantaged people for social safety nets like unemployment insurance.
- focusing mainly on increasing GDP rather than on raising living standards for the whole populations and fostering sustainable development.
- replacing traditional values with materialistic ones.
- allowing local cultural ways to be swamped and distorted by Western, and specifically American, forms of culture.
- damaging environments by mining, logging, and polluting with little regulation.

Multinational corporations began to be feared for acquiring increasing power, not only economically but also politically. They could influence governmental policies heavily, and some had budgets rivaling those of small nations. Northern activists wanted to raise protective labor, health, and environmental standards in southern poor countries. Governments and corporations in those countries saw such insistence on standards as disguised attempts to keep developing nations' products out of world markets, thereby hurting the people of the developing country.

Internal government policies could result in both increased poverty for some and increased wealth for others. Leaders of ex-colonies often tried to industrialize on the backs of farmers. They taxed farmers heavily and kept farm prices low to have cheap food for their people in cities. Impoverished farmers, unable to make a living, drifted into urban slums that had no jobs to offer, nor any relief from poverty. And instead of investing the money gained from farm taxes in roads, ports, factories, or worker training as a basis for industrialization, it all too often went into rulers' pockets or for bribes to fatten the purses of the powerful and rich.

Lowering the top income tax rate and the corporate tax rate in developed countries advantaged the already rich and corporations. In the US for instance, in the 1950s through the 1970s the top income tax rate was in the 70- to 90-percent range, and corporate taxes accounted for 30 percent of government funds. In the 1980s, the top income tax rate ranged between 28 and 50 percent, and corporate taxes accounted for less than 12 percent. From 2003 on, the top income tax rate was 35 percent.

*Sources:* Text by the author based on Jeffrey A. Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (New York: W.W. Norton, 2006), 415, 436, 439, 442, 449, 450-2, 466, 468, 473; Wayne Ellwood, *The Nonsense Guide to Globalization* (Oxford: New Internationalist, 2010).

### Document C

#### Between Countries, Small Differences Could Produce Large Ones over Time

The total gross global GDP between 1820 and 1998 rose nearly fifty-fold. The rising tide, however, did not lift all ships equally. A small difference in the annual rate of growth in different countries during those nearly 180 years added up to very big differences in the end. For instance, the twenty-fold gap in the early 2000s between the GDP of the US and of the countries of Africa started from a three-fold gap 180 years earlier.

*Source:* Text by the author based on Jeffrey D. Sachs, *The End of Poverty: Economic Possibilities for Our Time* (New York: Penguin, 2005), 30-1.

### Document D

#### Some Results of Wealth Inequality

Recent evidence shows that health and social problems are more common in societies where inequality is high than in those that have less inequality. High economic inequality within a country is shown to be connected with the following:

- Children's lower educational performance.
- More obesity and drug and alcohol addiction.
- More teenage births.
- Lower life expectancy and higher infant mortality.
- More murders.
- Higher imprisonment rates.

The bigger the income inequality, the more frequent the health and social problems are shown to be. On the other hand, growing equality has been favorably associated with faster economic growth in a number of East Asian countries in the early 1990s, according to a World Bank report.

*Source:* Text by the author based on Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (New York: Bloomsbury Press, 2009), 19.

***Lesson 2***  
***A Place's Rank on the Developmental Ladder***  
***What Difference Does It Make?***

**Study or discussion questions and activities**

*Based on information in Student Handout 2.1:*

1. Compare the lives of Moumouni and his people with the lives of Chieftainess Chiyaba and her people about twenty or so years ago, when the original source documents were written. Which people were better off? In what way(s)?
2. According to one common definition of development, its major characteristics are:
  - a shift from a low-income to a higher-income economy for the population in general.
  - a shift in some degree from agriculture and mining to industry, trade, and services.
  - An increase in life expectancy.
  - a decline in unemployment.
  - an increase in education and literacy.

If a plan were approved to help introduce development in Moumouni's area (as described in Document A), what actions would you recommend? Why?

3. If the Chieftainess Chiyaba wanted to help the poorest among her people by delivering to them the carcass of some large, tasty animal once a month, how might she try to decide who the poorest among her people were? Would "living on the equivalent of \$1.25 a day or less" help in making the decision? Why or why not? What difficulties do you foresee with her plan? What alternative could you recommend?
4. **This question could serve as assessment.** Describe those features of Burkina Faso that would have made, and still make, economic development difficult. Explain why.
5. **This question could serve as assessment.** List all the causes of poverty you can identify among Moumouni's and Chiyaba's peoples. Explain what effect those conditions had on the lives of the people at the end of the last century. What, if anything, has changed in regard to poverty since that time?

Based on information in Student Handout 2.2:

1. What features of Kerala in the 1950s do you think would have been likely to help development? What features would have held it back?
2. Identify events that were significant in India's successful reduction of poverty, and gains in wealth. What do you consider the most significant turning point(s)? Why?
3. Which seem to you to be the *three* most meaningful of the markers of a "developed" nation mentioned in Document B:
  - Consumer technology (air conditioning, refrigerators)
  - Ownership of means of communication (cars, telephones)
  - Electronics
  - Girls' education to high school level
  - Ties with the international economy
  - Presence of familiar American businesses
  - Membership in the Organization for Economic Co-operation and Development

What other markers might allow a nation to think of itself as "developed?" Explain your choices.

4. Compare the experience of development in India and South Korea. Which came closer, and how, to what are commonly described as typical features of development? (See the list of characteristics of development on the previous page.)
5. Using your school's grading system, what grade for development during the period 1950 to 2011 would you give to India, and what to South Korea? For each, write a comment explaining your reasons for the grade.
6. What features of development are most likely to make environmental problems worse? How?
7. The author of Document C is described as "well up the ladder." People in what occupations in the US would you describe as higher than her on the ladder? On what factors are you basing your judgment?
8. Compare the temporary Wal-Mart sales associate's description of her fellow workers with definitions of poverty given in Student Handout 1.1. What do they have in common? How do they differ? Would you agree that Wal-Mart employees were poor? Why or why not?

9. Would Moumouni's people in Burkina Faso in the 1980s consider the workers described by the Wal-Mart sales associate as poor? Would people in South Korea in 2011? Why or why not?
10. **This question could serve as assessment.** How did government action, support of education, and development of technology contribute to economic growth in India? By what events, actions, or conditions outside India was its economy influenced? How?
11. **This question could serve as assessment.** Give an example of a country that emerged from poverty, and explain what changes helped it do so.

## Lesson 2

### *Student Handout 2.1—At the Bottom of the Development Ladder*

#### Document A

#### Floundering in Poverty in Upper Volta

Renamed Burkina Faso in 1984, this African country is among the world's poorest and least developed. The economy is 80 percent based on subsistence farming. Imports (including much of its food) outstrip its exports of low value products: livestock and textiles. Manufacturing is limited to cotton and food processing and is heavily protected with taxes on imports. Manufacturing accounts for 20 percent of GDP but employs only about 1 percent of the workforce. Emigration in search of jobs is common. In 2009 life expectancy was fifty-seven years (up from forty-five in 1980), literacy was 29 percent. The birth rate in 2010 was 6.2 children per woman, and the GDP per capita was \$550 (up from \$211 in 1980).

Since 1991 and with World Bank help Burkina Faso has been trying to improve its economy by increasing gold mining, making its agricultural and livestock economies more productive and competitive, and stabilizing the supplies and prices of food. Annual per capita foreign aid was estimated in 2009 at \$81. However, in 2011 it was still on the U.N.'s least developed nations list. Gross national income per capita was US \$188, though the percentage living on the equivalent of \$1.25 a day or less was reduced from 51 percent in 1994 to 46 percent in 2004.

Paul Harrison, the author of the following selection, was a well-known investigative writer. His research took him to Burkina Faso about 1980.

The head of the family was Moumouni Ouedraogo, a lanky sixty-year-old, his skin scarred with deep wrinkles and tribal markings. [His] compound was subdivided into living areas for each of the five brothers who lived here with a total of nine wives and twenty-five children. The younger children were completely naked, with dry, powdery faces. One or two of them had eyes half closed up with sticky yellow matter. ...

Moumouni remembered that, when he was a child, only twelve people lived in his father's compound. Now there were thirty-four, with five young men working away from home in the Ivory Coast. The bigger the family, the more land they are given [by the chief] to cultivate. So Moumouni, with his ever-expanding brood, was now farming a bigger area than ever before, as was every other family in the village. Yet the village's traditional lands on every side ... were bounded by other villages. The additional land needed had been taken out of the five sixths that usually lay fallow [unplanted]. Fallow periods were now only four or five years, when at least twelve would have been needed to restore the exhausted fertility to the soil. ... Consistently using a plough and fertilizer, which many African farmers do not yet do, could compensate for this. ...

Even close to the compound, the soil looked poor enough, stony and dusty ... and this was the only area they ever fertilized, with the droppings of a donkey and a couple of goats. Outside [that area], the ground was a dark red, baked hard, [with] nothing to break the rain's impact, beating down the soil and taking away the precious topsoil. ... Ten years ago ... some government people had come to help. They had built dykes and mounds to slow down the run-off. But they had been wrongly aligned, and if anything speeded it up. Moumouni himself had stacked up a few pathetic rows of stones across the main channels. ...

Water is as scarce as rationed petrol in the dry season. Many village wells dry up, and women have to walk ... to the nearest source. The average walk to water is five miles each way, a two or three hour haul with twenty-five kilos of water on your head for half of it. That eats up nearly four hundred precious calories every day. ...

There is no irrigation, and the agricultural surplus is too small to support industry. ... For two thirds of the year the men have little to do except patch up mud walls the rains have battered down, or plait ropes, mats, and roofing out of the tough stalks of millet and sorghum. The dreadful unpredictability of the rain has its effect too in keeping men poor. Even in the fat years a farmer has to bear the lean years in mind. He will rarely grow cotton or groundnuts to earn extra cash, with which he could buy better tools or fertilizer. Instead, he will grow more grain and store it in his granary as insurance.

*Source:* Boxed text from Paul Harrison, *Inside the Third World: The Anatomy of Poverty*, 3<sup>rd</sup> ed. (London: Penguin Books, 1979), 65-9. Headnote text by the author based on various Internet sources.

**Document B****On One of the Lowest Rungs: the Goba of Zambia**

Zambia is composed of seven main and seventy-five minor ethno-linguistic groups, of which the Goba is one. It is among the least developed countries in the world. In 2010, 85 percent of total employment was in agriculture, which contributed only 22 percent to the GDP. Only 6 percent worked in industry. That year the per capita national income was \$1,070. Exports rely almost entirely on copper, the price of which fluctuates widely and unpredictably in the world market. The country's low rate of economic growth cannot support the rapid population growth with a fertility rate in 2009 of 5.7 children per woman. Life expectancy in 2009 was forty-six years, and the literacy rate was 71 percent. The selection below is from an interview with Chieftainess Chiyaba of the Goba in the early 1990s.

In most rural areas, people traditionally value the land and natural resources as they depend on them. In my own area, there are no grocery stores or butcheries. A housewife will mainly depend on going to the bush to get some wild vegetables to prepare her meal. The same applies to her husband, who may go into the bush for game meat or to the river for fish.

[Traditionally], all the hunters were known to the headman and the chief. It was also known which animals were killed, and how many. It was an important custom to offer special parts of the animal killed to the chief. ...

Today, circumstances are changed. If an animal is killed, say a hippopotamus, I do not insist on receiving my customary right to parts of the animal. My people are poor. There are not so many animals left for them. ...

As to tradition concerning crops, sorghum is very important to us. It is basic. There are new varieties of sorghum which have been given to us that grow and ripen much more quickly than our own. We use them, but we still use the traditional kind of sorghum. This is most important to us, because the traditional kind of sorghum is essential to make beer for our ceremonies.

I am very surprised you introduced the matter of family planning. In Africa, this is nothing new for us. ... When a young woman got pregnant and had a child, she was told it was taboo to get pregnant again too soon. ... Their child must grow first. The mother must regain her strength. ... An ideal period of two years was advised, though less might be acceptable. Yet this kind of planning was not done because of land management and population problems. It was for the welfare of the mother. ... I am not sure that, if you explained things to them in your terms, village people would understand you. Among rural people, it is necessary to continue the lifeline or the bloodline. I think six children, but not more, is suitable for people in the villages.

*Sources:* Boxed text from Dale Lewis and Nick Carter, eds., *Voices from Africa: Local Perspectives on Conservation* (Washington, DC: World Wildlife Fund, 1993), 148-51, 153, 155. Headnote text by the author based on various Internet sources.

## Lesson 2

### *Student Handout 2.2—On the Way up the Development Ladder*

#### Document A

#### From Working in the Fields to Working with Computers

When India became independent in 1947, it was a seriously underdeveloped country. Its population was growing fast: the birth rate was 6 children per woman. Its average crop yields were among the lowest in the world. Industrialization had been neglected in favor of exploiting raw materials for export to Britain. Only 17 percent of its population was literate, and life expectancy was 33 years. The new Indian government decided to use state planning to raise living standards. President Jawaharlal Nehru put in place the first of several Five Year Plans in 1950. He promised an “ending to poverty and ignorance and disease and inequality of opportunity,” and he worked to do so for fifteen years. Kusum Nair, the author of the selection below, spent a year in the late 1950s walking among villages in several Indian states to report on the lives of people there. This selection concerns the state of Kerala on the southwestern coast.

There is a network of excellent roads. ... Most of the villages have electricity ... the people are ... accustomed to bathing twice a day. ... There is a school within walking distance of almost every child. ... Adult literacy is widespread: 75 percent of the men and 55 percent of the women [who enjoyed more freedom, and more respect in the family, than was general in India] are literate [compared with 18 percent on the average for India’s population as a whole.] Many a street sweeper, even, reads a newspaper before he goes to work. ... Almost every village has a genuine library with anything from 1,000 to 4,000 books. ...

There is, however, also the high pressure of population, low productivity, wasteful under-exploitation of available resources and above all a serious lack of enterprise. For example, when the State government built a number of “industrial estates” ... to encourage the growth of small and medium industries to relieve unemployment, a sufficient number of people could not be found in Kerala to [take part in the opportunity] even though the government offered to provide buildings, power, and the necessary machinery [on an installment plan], working capital on easy credit, as well as training, ... a marketing organization, and in some cases the promise to [buy] the entire output.

In spite of the plentiful resources and the presence of so many of the [features considered to be promoters of development], the ... budget of the State is always in deficit; the rural population is 84 percent of the State’s total; and the unemployment figures, for the educated and for agricultural labor, are among the highest in India. ... [Finding work is difficult. In one of the richest rice-growing areas], this is the house of a landless laborer. ... The land on which it stands belongs to another. It is made entirely of dry coconut leaves sewn together with coconut fiber. ... It has no chairs ... or even a bed. The man has gone to look for work. The woman ... also works whenever she can find any work. Five children, almost naked, stand around with big hungry eyes. “We manage somehow to eat one meal a day, all year round. We can never

be sure of the second meal and usually we have to do without it.” ... As she speaks her eyes are wet. This season she has been able to get some employment, but none for the last two days ... The measure of paddy [rice] she last earned in wages “will finish tonight after we have had our supper. There will be none for to-morrow.”

In the two decades after 1950, the overall Indian economic growth rate grew to 1.9 percent per capita. This resulted partly from the Green Revolution: the growth in crop yields owing to the government’s introduction of genetically-improved seeds. Their drawback was the need to use fertilizer and irrigation and to buy more of the improved seed for planting every year. This disadvantaged small farms and poor farmers, who were driven into debt and deeper poverty.

In the early 1990s India had to ask the International Monetary Fund for a bailout loan. With the collapse of the Soviet Union, India’s main trading partner, as well as the oil price increases that followed the Gulf War, the country had run into debt. Following the conditions of the loan, India’s government promoted trade by lowering tariffs on imports, making it easier for foreign businesses to invest. The government also encouraged exports to world markets, leading to growing globalization. The value of India’s international trade increased sharply.

There was a new focus on rapid development of heavy industry. Roads, however, were still mostly potholed and in poor shape; ports were crowded, badly managed, and hard to access. About 60 percent of the population still depended on agriculture. Farmers held back the transition to industry by voting heavily against allowing land to be used for higher-income industrial projects instead of agriculture.

But increasingly, Indian Institutes of Technology, founded during the first Five Year Plan by Nehru, graduated high quality engineers, computer experts, and entrepreneurs who sparked an information technology (IT) revolution. They became business leaders in foreign-owned firms. Information could be, and was, exported by way of high-tech satellite link-ups and fiber optic cable that bypassed the underdeveloped low-tech infrastructure. Industry and services grew by double digits.

Major companies internationally began looking to India for software engineering, data processing, computer graphics, and other IT-based services. Girls’ enrolment in primary school rose to 44 percent by 2005, up from 28 percent in 1950. Female literacy by 2011 was up to 65 percent from 9 percent in 1950. Overall literacy was at 74 percent. Young women who worked in the new IT service industries took special courses in computer uses. They earned between one-third and one-tenth of what their salary for similar work would have been in the US but perhaps eight times more than an agricultural worker earned. Their mothers were typically the first in the family to become literate and move to cities. Their grandmothers would have been rural laborers in the overwhelmingly village economy of their time. Information technology-related services in 2011 accounted for 40 percent of GDP and 25 percent of the workforce. A long-term government-supported drive to reduce the birthrate succeeded in halving it to three children per woman by 2008.



### **Workers in India's Information Technology Industry**

*Source:* The Banyan Tree, India Entry Strategy Consultant,  
<http://www.thebanyantree.co.in/default.htm>.

Extreme poverty in India, the percentage of people living on \$1.25 a day or less, declined from 60 percent in 1981 to 37 percent in 2010. Per capita income tripled from \$423 in 2003 to \$1,219 in 2011. Many more consumers could afford to buy goods. In 2003 there were five times as many motor scooters and motorbikes than cars in India. However, the number of automobiles produced in India doubled from 1992 to 2009. While pockets of underdevelopment and poverty remained, by 2004 India was growing by around 7 percent a year. Literacy in 2008 was 63 percent, and life expectancy in 2009 was sixty-four years (up from forty-nine years in 1970). In 2011, the chief of the Organization for Economic Co-operation and Development, founded in 1961 by thirty-four developed nations, said that the group would be “very honored” to welcome India as a member.

*Sources:* Boxed text from Kusum Nair, *Blossoms in the Dust: The Human Factor in Indian Development* (New York: Praeger, 1961), 38-40, 44-5. The rest of text by the author based on Sachs, *The End of Poverty*, 15-16, 177-9, 181-3, and various Internet sources.

**Document B**  
**From Grilled Grasshoppers to McDonald's**

South Korea's GDP per capita grew from \$103 in 1962 to \$7,967 in 1990 and \$17,074 in 2009. The manufacturing sector doubled in importance from 1962 to 1987. In 2010, it accounted for 39 percent of GDP, and employed 24 percent of the labor force (68 percent worked in services and only 7 percent in agriculture). Most important for the rapid industrialization was government promotion of foreign capital inflow and the export of manufactured goods. In 2010, the country was eighth in the world in exports. Its less extensive imports concentrated on technology and raw materials.

The result was fast though debt-financed industrial growth. In the 1970s it favored heavy industry, consumer electronics, and cars. In 1990, there was a shift in manufacturing towards diversified high technology industries such as bioengineering and aerospace. The country survived a financial crisis during that decade with help from the International Monetary Fund. Since 2000, it became more open to foreign investment and imports.

In the 1960s the government, concerned that the high birthrate (6.2 children per woman) threatened the economy, took such successful measures that by 2010 it was below the replacement rate at 1.2. The concern now is to encourage more births.

South Korea was the first country in the world to provide high-speed Internet access to every K-12 school. Its literacy rate rose from 22 percent in 1945 to 99 percent in 2010. Life expectancy rose rapidly in the past several decades, from sixty-three in the 1970s to seventy-nine in 2009.

Jeffrey Frieden is the author of the following selection:

In 1961 Seoul, the capital city of South Korea, was a pitiful sight. Its inhabitants, an American visitor wrote, "live in miserable jerry-built shacks, and few of them have been able to find jobs. Beggars, some apparently only two or three years old, are commonplace, along with vendors who squat for hours on the sidewalks, offering passersby cigarettes, chewing gum, combs, cheap jewelry, toys, whistles ... and live dogs. The dogs bark constantly; they sound hungry too. ..."

[A South Korean who visited Japan frequently wrote:] Seoul in the early 1960s was my childhood conception of backwardness. While I marveled at traffic jams in Tokyo, I was horrified by the oxcarts tottering along on Seoul's dusty roads. Tokyo seemed indisputably modern with its international-style high-rises, electronic toys, flush toilets, air conditioners, and refrigerators. Seoul, in contrast, appeared unmodern with its Japanese colonial period architecture, wooden toys, non-flush toilets without toilet paper, and, at best, electric fans and ice blocks. ... In Tokyo, I gorged on caramels and chocolates sold in tidy stores; in Seoul, I gagged on grilled grasshoppers peddled on the street. ..." [In the late 1980s, he wrote of Seoul]: "Clean and well-lit coffee shops had replaced the dark and dingy cafes; McDonald's and Pizza Hut, the

noodle shops and cheap eateries. ... These changes and contrasts occurred during a mere generation. ...”

By 1996, the OECD [Organization for Economic Co-operation and Development, founded in 1961 by thirty-four high income, developed nations] ... made [South Korea] a member of this international club of rich nations. South Korea had “graduated” from the developing to the developed world. It had gone from a level of development lower than that of the Philippines and Thailand, of Ghana and the Congo, to one higher than that of Greece and Portugal, comparable to that of Spain, New Zealand, or Ireland. ...

In the early 1960s there was one motor vehicle for every 830 Koreans, and one telephone for every 250. Thirty years later, there was one car for every Korean, and one telephone for every 2. In the early 1960s, the average Korean girl got less than three years of schooling; in the mid-1990s, more than nine years.

Taiwan, Singapore, and Hong Kong grew roughly as fast, or faster. ... In all these cases, the extraordinary pace of the economic catch-up was directly related to ties with the international economy. ...

Sources: Boxed text from Jeffrey A. Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (New York: W.W. Norton, 2006), 413-15. Headnote text by the author based on various Internet sources.



**A suburb of modern Seoul at night**

Photo by R. Dunn

**Document C****Looking Down the Ladder: At Least They Are Not in the Street**

Well up the economic ladder, Barbara Ehrenreich, the author of the selection below, worked for a while between 1998 and 2000 at various low-wage jobs, among them as a Wal-Mart “sales associate” [Ehrenreich’s quotation marks]. She was gathering material for her book *Nickel and Dimed* about how very low-income working people live in America.

Note that the US minimum hourly wage was highest in 1968 at \$10.04 in 2010 dollars, but then declined. Congress raised it, relative to 2010 dollars, to \$5.85 in 2007, \$6.55 in 2008, and \$7.25 in 2009.

Among my fellow “associates,” who were making \$7 to \$8 an hour on the sales floor, there was hardly a whisper of talk about Wal-Mart’s CEO [Chief Executive Officer] who, according to one news account, was pulling down \$60 million [a year]. I remember calculating that I would have to put in another five thousand years of work in order to earn what [he] got in one year. ...

We think of low-wage work and unskilled work as almost identical. But take a moment to look at who these people are and what they are doing. We’re talking about nurse’s aides, home health aides, child-care workers, teachers’ assistants, call-center operators, bank tellers, meat processors, and data-entry clerks. All these jobs take effort, intelligence, and concentration. ...

Low-income workers are presumed to have secret strategies for making \$7 an hour stretch further than the rest of us. ... One of my tasks [in my research] was to find out just what those secret strategies are. ... They aren’t nearly as secret as they are cracked up to be. Or as effective. One strategy is to juggle multiple jobs. [But even working two jobs at a time, I could not cover basic living expenses]. ...

I worked alongside women most of us would consider homeless; that’s not how they viewed themselves however, because if you are a low-wage worker with a vehicle to sleep in, you tell yourself that at least you are not in the street. These distinctions are important in America today.

Quite a few of my co-workers were on diets – or such was my quaint middle-class assumption when I saw people skipping lunch. In fact, they were simply trying not to spend money they didn’t have. ...

Looking back, I am struck by the absurdity of the way we define poverty today. Officially, about 12 percent of Americans fall below the poverty line. That threshold, however, makes no allowances for the soaring cost of housing and childcare. The Economic Policy Institute calculated, in 2001, that some 27 percent of Americans living with children under twelve were not earning enough to make ends meet.

Sources: Barbara Ehrenreich, "Earth to Wal-Mars," in James Lardner and David A. Smith, eds. *Inequality Matters: The Growing Economic Divide in America and Its Poisonous Consequences* (New York: New Press, 2005), 43-8 and *passim*; various Internet sources.

## *Lesson 3*

### *Putting an End to Poverty?*

#### **Study or Discussion Questions and Activities**

*Based on information in Student Handout 3.1:*

1. If you were asked to explain the main factors that contributed to developing countries' economic problems after independence, what main points you would make? Why did you choose those points?
2. Explain how demographic issues such as birth rates, death rates, and health conditions, may influence the level of poverty in a country.
3. Why did population growth rates in some developing states decline in recent decades? What were some important economic consequences of that change?
4. In what ways may social conflict or instability be related to poverty?
5. **This question could serve as assessment.** Which of the causes of poverty given in Student Handout 3.1 do you consider the most important? Why? On what factors are you basing your judgment?

*Based on information in Student Handout 3.2*

1. Would President Lyndon Johnson's war on poverty have worked as well in a developing country as it did in the US? Why or why not?
2. In what ways are the following programs similar to or different from one another: the US War on Poverty, microfinance in Bangladesh, and Latin American cash payments for schooling?
3. In what way(s) do foreign aid programs to developing countries differ from the other three programs in Student Handout 3.2?
4. What advantages were there for donor countries in providing development aid to developing nations? Would you describe such foreign aid as charity, as investment, as a way of securing political allies, or as something else? Explain your reasons for your choice.
5. How would you assess human progress in economic development worldwide since US President Harry Truman declared that we should make "the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas?"

6. See the aid programs listed on the last page of Student Handout 1.2, Document. Which of the programs labeled as “usually highly effective” could “put an end to poverty,” and how?
7. Divide the class into groups, and assign one of the four poverty-reduction programs described in Student Handout 3.2 to each group. Analyze the advantages and disadvantages of the program for poverty reduction in a particular developing country. What features of the developing country you chose might influence the success or failure of the program?
8. Assume you are the concerned citizen of a high income country in 2011. You are trying to convince your reluctant government to approve a development grant not requiring repayment to one of the least developed countries: Burkina Faso or Zambia. (Choose one or the other.) On what main points – economic, moral, political, religious, or other – would you base your argument? What opposing arguments would you expect from your government, and how would you counter them?
9. **This question could serve as assessment.** Identify the advantages and disadvantages of any two of the poverty-reduction methods described in Student Handout 3.2, Documents A to D.
10. **This question could serve as assessment.** Imagine that you have been asked by the government of a developing country to recommend which of the four methods of poverty-reduction described in Student Handout 3.2, Documents A to D, the country should undertake. Your recommendation should identify in what way(s) the advantages of your chosen method outweigh those of the alternatives and how the disadvantages of your choice are less serious. What features of the developing country you are investigating did you have to consider to make your recommendation realistic?

### Lesson 3

#### *Student Handout 3.1—Causes: What Contributes to Making or Keeping Countries Poor?*

##### Document A

##### Legacies of colonialism

**Arbitrary boundaries** drawn by colonizers resulted in diverse ethnic, cultural, and religious groups being thrown together into a single country. Contrariwise, more homogeneous groups found themselves being distributed among different countries. These situations both threatened and created conflict.

**Reliance on primary resources.** Colonial economies were based partly on export of primary resources to the colonizing country or other foreign states. These raw commodities included, depending on the colony, cocoa, bananas, palm oil, rubber, copper, gold, or tin. In return, the colonies were obliged to import relatively expensive manufactured goods, such as textiles and housewares. Colonizing governments discouraged industrialization in their colonies to avoid competition with homeland manufacturing.

**Raw material exports and a lack of variety both in exportable raw goods and manufactured products** posed serious problems when a colony achieved independence and had to compete in the world market. Because the governments of Europe, the US, and Japan subsidized farming, those farmers could sell more cheaply abroad than farmers in young developing countries. Poor farmers living on the edge of survival sometimes had to sell their agricultural products at a loss just to make tax and debt payments. Moreover, it meant that there were usually not enough profits from the exports of raw materials to finance start-up of industries. And countries that had a limited variety of products to sell abroad suffered lower incomes when prices for their exports dropped.

**Debt and structural adjustment.** On becoming independent some ex-colonies started out already burdened by debt. In the 1970s those countries often took on more debt by accepting loans from the World Bank or the International Monetary Fund. During the same decade, political developments in the Middle East caused the price of oil to soar, prompting developing states to make even more loans to get the oil they needed for any sort of development. Rising oil prices also triggered general global inflation. Consequently, interest on loans rose fast. The debt of non-oil producing countries increased fivefold between 1973 and 1982. Many developing countries could not keep up with loan repayments. This led international lenders to impose structural adjustments on debtor countries. They demanded that debt repayment be a priority for loan recipients. This meant that debtor states had to reduce spending on other things, such as food subsidies, education, public health, and development projects. To attract foreign investment, poor countries often felt that they were forced to enter a race over which of them could provide the fewest regulations on foreign firms, the lowest wages, and the cheapest resources. While development loans have in individual cases been helpful to low-income nations, structural

adjustments have resulted in continued indebtedness, lack of resources for development, and a worsening of poverty. Beginning in the 1980s, citizens' groups, churches, some governments, and international organizations have led campaigns to cancel or at least reduce the poorest countries' debt obligations because repayments were crippling their economies. Appeals for debt relief have continued. They have achieved some, though mostly limited success.

*Sources:* Text by the author, based on Wayne Ellwood, *The No-nonsense Guide to Globalization* (Oxford: New Internationalist Publications, 2001), 41-51; and various Internet sources.

## Document B

### High Birth Rates, High Death Rates

From 1950 to 2005 the rich world's population grew by some 50 percent; the developing world's by some 200 percent. Africa's overall birth rate averaged around five children per woman during 2001 to 2005. In a number of countries it was over six. In Niger it was seven and a half.

High birth rates have led to problems for fast-growing populations. Those populations outgrow their food supply. Where cultivable land is limited and farms are divided between the children inheriting in each generation, the size of farms and therefore the amount of food that can be produced on each farm shrinks over time. So does the product of individual fields, since farmers owning less and less land cannot afford to leave fields unplanted to recover their fertility. Living with the situation has often resulted in cutting down forests, overfishing lakes and rivers, famine, and conflict over food and land.

The Green Revolution, which had its start in the US and Mexico, involved development of high-yield varieties of cereal grain. From the 1950s on, it spread to farmers around the world, helping to raise yields per acre and therefore relieve hunger. But sometimes it worsened poverty, since marginal farmers had to go into debt to buy seeds and fertilizer.

In 1951 India's president Nehru began the first government family planning program to reduce the national birthrate. Family planning became a world-wide effort, sometimes with heavy government encouragement. It has been "one of the great success stories of modern times," though not in all countries. In India, the proportion of the population living on about a dollar a day was almost halved from 1985 to 2005, while the birthrate was also halved to three children per woman by 2008. But the poverty rate was still 37 percent in 2010.

China's one-child government policy, begun in 1978, fined those men and women who had more than one child. In 1970, the population growth rate was 5.8 percent per year. By 2010, it was between 1.6 and 1.9 percent. Between 1981 and 2005, the poverty rate in China fell from 85 to 15 percent. (Note that precise numbers are under dispute but not the general trend.)

In the Middle East, population quadrupled between 1950 and 2005. But in recent decades, the number of children born per mother was about halved to just under three by 1985.

In addition to government actions, the following factors are known to have helped slow population growth in many countries:

- The death rate of children has dropped significantly. Having many children to compensate for early deaths has been less important to family economic survival owing to modern farming technology. In other words, the labor of young children is less vital.
- The population living in cities has grown. But in cities, where workers earn wages rather than farm, children have less labor value. So families tend to be smaller.

- Increased emphasis on girls' education has led to their staying in school longer and marrying later. Learning has raised girls' value as potential earners. Women going to work for wages outside the home has reduced the number of children they have borne.

High death rates in the adult population have continued in many poor countries, owing to disease, persistent armed conflict, and occasional famine. Life expectancy in sub-Saharan Africa in 2008 was forty-seven years. Globally in the fifty-eight poorest countries it was fifty years. In high-income countries people could expect to live for seventy-nine years.

Illnesses widespread in developing countries, like malaria, tuberculosis, and HIV/AIDS, have resulted in problems besides early death. While ill, people suffer progressively from fatigue, loss of energy, reduced productivity, or inability to work. Health workers, financed mostly by developed-country foundations, public/private partnerships, and charitable organizations, are working with some success to reduce death rates by such measures as programs to reduce infections from the most widespread diseases.

*Sources:* Text by the author, based on Jeffrey D. Sachs, *Common Wealth* (New York: Penguin Press, 2008), 31, 162-4, 169-72, 179, 185, 225, 247; Frieden, *Global Capitalism*, 436; and various Internet sources.

## Document C

### Conflict

The inhabitants of some fifty-eight consistently poor countries have been called the “bottom billion.” Among them, hardcore poverty is a typical characteristic. Conflict contributes to this, and it is a two-way street. In 2007, nearly three-quarters of the bottom billion had recently been through a civil war or are still in one. In recent decades, about two new civil wars have started each year. Such conflicts cost, and not only in the heartbreak of people killed. They interfere with growth and add to poverty. War is expensive. Armies, even of child soldiers, have to be paid or at least provisioned. Looting makes for noncombatant losses. The consequences of armed conflict do not stop when the shooting does. A civil war typically comes close to doubling a country’s military budget. A substantial part of foreign aid money to developing countries intended to ease poverty is often diverted to financing the military.

Death puts an end to whatever a worker might have produced in his or her lifetime. Loss of life is high in combat and higher still as a result of war-related illness. In conflict situations, public health systems collapse, refugees spread infectious diseases, and agricultural disruption shrinks the food supply and weakens resistance to infection. Lawlessness typically increases during conflict and leads to civilian suffering. And the violence accompanying conflicts raises issues of morality, justice, and human rights.

Poverty increases the risks of conflict in several ways. Poor countries are more likely to have weak governments, making it easier for revolutionaries or regional warlords to grab land and vital resources. Resource scarcity (especially lack of water) can provoke migrations and displacements that result in conflicts between social groups and nations. Without productive alternatives, young people may turn to violence for material survival and out of despair and rage. Poor farmers who lack basic infrastructure such as roads, wells, irrigation, and access to agricultural markets may turn in desperation to narcotics production and trade, such as growing opium-producing poppies in Afghanistan or coca in the Andes. Gangs of drug traffickers, who create a vicious cycle of insecurity and poverty, may control urban slums. The lack of available economic choices other than criminal activity creates the seedbed of instability – and increases the potential for violence.

*Sources:* Text by the author, based on Paul Collier, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It* (New York: Oxford UP, 2007), 3, 17, 21, 28, 30, 32; and various Internet sources.

## Lesson 3

### *Student Handout 3.2—Who Has Tackled Poverty and How*

#### Document A

#### The United States War on Poverty

In 1950, 30 percent of American families lived in poverty. The official poverty rate in 1960 was 22 percent. When President Lyndon Johnson left office in 1969, it was 13 percent, the same as in 2008. Under Johnson's administration, federal social spending more than doubled. In a special message to Congress in 1964, he proposed a "nationwide war on the sources of poverty" and introduced the Economic Opportunity Act. This, he said, would "strike at the causes, not just the consequences, of poverty." Among other plans, the Act aimed to:

- Create a new national Job Corps aiming to enlist 100,000 young men, "drawn from those whose background, health, and education make them least fit for useful work. ..." They would get a blend of basic education, vocational training, and work experience.
- Provide federal funds to help 140,000 young Americans to go to college who otherwise could not afford to go.
- Offer loans and guarantees as incentive for those who would give jobs to the unemployed.
- Make available re-training to prepare workers for new jobs.

However, recognizing that "poverty is deeply rooted and its causes are many," the President warned against expecting poverty to yield to a "single attack on a single front," to be "conquered by government alone," or to be completely eliminated "in a few months or a few years."

The programs introduced in Johnson's war on poverty created a lot of controversy, which endured well beyond his presidency. During it, however, the US poverty rate was almost halved. How much of this was due to the programs he put in place cannot be determined exactly. By 2010, the program had served over 2 million youths. Some three-quarters of its graduates went on to jobs and another 10 percent to further education. Critics of the programs claimed that governmental assistance weakened poor families and contributed to an increase in welfare dependency, family break-ups, and illegitimacy. These claims continue to be disputed.

*Sources:* Text by the author based on various Internet sources.

**Document B****Microfinance: Small Loans Help the Poor Create Profitable Businesses**

Mohammed Yunus was an economics professor. He worked at a Bangladeshi university. In 1976, during visits to the poorest households in a village nearby, he discovered that very small loans could make a very large difference to a poor person. The local women who made bamboo furniture, had to buy the bamboo with loans from moneylenders at excessive interest rates, which ate up their profits. Yunus loaned US \$27 to 42 of the women out of his own pocket, on which they made small profits instead of increasing their debts. He then started a pilot lending project with a government bank loan.

In 1983 the project founded the Grameen (Village) Bank, making loans to the poor who could offer no collateral and were considered high repayment risks. Microfinance programs are funded by loans, grants, guarantees, and investments from individuals, local banks, foundations, governments, and international institutions. To ensure repayment, the bank uses a system of “solidarity groups.” These small informal groups apply together for loans. Its members act as co-guarantors of repayment and support one another’s efforts at economic self-advancement. For example, a woman can borrow \$50 to buy chickens so that she can sell their eggs. As the chickens reproduce, she can sell more eggs and eventually sell the chicks. As her business grows and diversifies, she begins to earn enough to improve living conditions for her family.

**Mohammed Yunus in 2006**

*Source:* “Mohammed Yunus,”  
Wikipedia, World Economic Forum,  
photo by Remy Steinegger

Microfinance clients boast very high repayment rates, usually within 6 to 12 months. Averaging between 95 and 98 percent, the repayment rates are better than those of student loan and credit card debts in the US. As of 2006, Grameen Bank branches numbered over 2,100, and they have inspired projects in more than 40 countries. As of 2007, they issued 6.38 billion \$US to 7.4 billion borrowers, over 90 percent of them women. There are a number of similar banks, some of them for-profit, devoted to microfinance in nearly two dozen developing nations. There is doubt about whether microfinance results in reduction in the percentage of poor in a country. But it seems clear that it can end poverty for many individuals, and reduce its severity for others.

Recently, critics of the popular micro-lending industry have accused lenders of cynically exploiting the poor by persuading borrowers to take out larger loans than they could afford to repay. Borrowers on the other hand are accused of cheating by spending their loan money on things, from televisions to healthcare, other than using it to help their business. The situation is still being debated.

*Sources:* Text by the author based on various Internet sources.

## Document C

### Cash Payments to the Poor – With Conditions Attached

In 1997 Mexico introduced a program that offered poor mothers in marginal rural communities cash to use however they wished. But they only got the money if their children went to school, missing no more than three days of classes a month. The women also had to turn up for regular checkups at a health center. Within several years this *Oportunidades* program covered 5.8 million families, roughly one third of Mexico's population. Families in the program with one child in primary and one in middle school, who fulfill all the conditions set, can get about \$123 in grants. The payment is more for older than younger children and for girls more than for boys. Students can also get money for school supplies and on graduating from high school a one-time payment of \$330. No repayment is expected.

The main aims have been education and health for disadvantaged children. But over a hundred research studies by independent academics indicate that the program, known as "conditional cash transfers," has been successful in reducing poverty. According to the World Bank, it has been introduced, with slight variations, in fourteen Latin American countries and some twenty-six others.

The Brazilian government introduced a program very similar to that in Mexico. It has technical and financial support from the World Bank. In 2011 it covered some 50 million Brazilians, about a quarter of the country. Between 2003 and 2009 poverty in Brazil has fallen from 22 percent of the population to 7 percent. However, not all of that change can be credited to this *Bolsa Familia* (Family Grants) program.

The amount of the grants is tied to grade level and gender. Students in primary school get \$70 a year in the third grade, \$135 in the sixth. In secondary school at the third level, the grants are \$220 for boys and \$255 for girls. The theory is that it takes more money to convince parents to keep older children and girls in school. The government payments work. They increase students continuing past primary into secondary school from 64 percent to 76 percent. Note however that 24 percent of the children who qualified for the program and were offered the payment failed to participate.

Outside of Mexico and Brazil, conditional cash transfer programs are newer and smaller, but there is some research evidence that they too lower poverty, and increase school enrolment, use of health services, and consumption.

Analysis of the program's treatment in the media suggests very little criticism of or opposition to it. Issues that did get mentioned concerned insufficiency of schools and teachers, the possibility of grantees developing welfare dependency, and whether the use of funds some other way might not be more valuable or effective.

*Source:* Text by the author based on various Internet sources.

### Document D

#### International Aid to Developing Countries – Charity or Investment?

After 1950, various national governments, international bodies, and non-governmental organizations introduced policies and programs concerned with poverty. Some targeted countries, some individuals. Various aspects of poverty were tackled by individual governments for the benefit of their own people, by rich countries to aid poor ones, and by international organizations. Some aid was temporary relief to people experiencing time-limited emergencies like earthquakes, floods, or hurricanes. Development aid was different, a larger and longer commitment intended to bring about major, lasting changes in the country aided. The aim was to help countries become well-enough off that they no longer needed aid.

Economic and social development has been understood since World War II to produce economic growth, increases in per capita income, and progress toward an average standard of living comparable to that of industrialized countries. Development typically results in improvements in life expectancy, poverty rates, and literacy rates. To achieve it, a shift from agriculture to manufacturing and service industries has often been recommended, along with increasing foreign trade, greater variety in a country's products, more competitiveness, more education, and more attention to making profits.

Aid, “a voluntary transfer of resources from one country to another,” has been used not only as poverty relief or stimulus for development. It has served among other things to show diplomatic approval, to strengthen a military ally, and to reward a government for behavior favorable to the donor. In return for aid, recipient countries have made promises to fight corruption, reform government, reduce economic regulations, improve education, protect the interests of labor, and install environmental safeguards. Fulfillment of these promises has been uneven and difficult to verify precisely. Much development aid has gone mostly to more successful developing countries rather than to the poorest ones. This is because aid has been more effective where governments are relatively stable, policies relatively reasonable, and risk of violence relatively low.

Large-scale systematic aid for development began in 1948 with the United States' European Recovery Program. This program also became known as the Marshall Plan after John Marshall, the American Secretary of State who received the Nobel Prize for building and promoting the endeavor. The plan was meant to help war-torn European countries reconstruct their economies. It also aimed to contain the influence of the Soviet Union by strengthening Europe's capitalist economies. In 1949, President Truman extended this aid beyond Europe. When funding ended after three years, the economies of all the states in the program were better than they had been before the war.

In 1964, the concerns of developing countries over the international market, multinational corporations, and the great inequality between developed and developing nations led to the

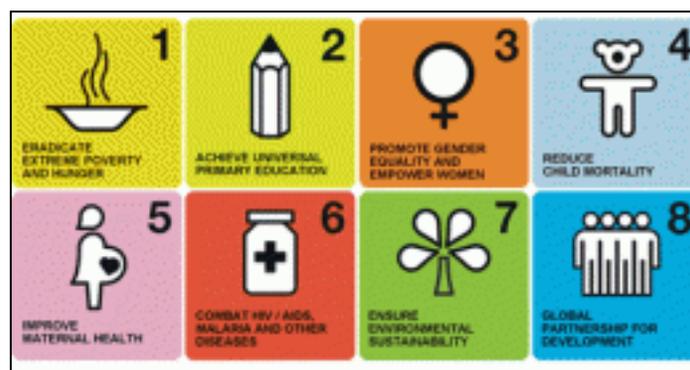
creation of the United Nations Conference on Trade and Development. As a permanent intergovernmental body with 193 members, its goals continue to be to “maximize the trade, investment and development opportunities of developing countries and assist them in their efforts to integrate into the world economy on an equitable basis.”

In a 1970 U.N. General Assembly resolution, most developed countries agreed to give 0.7 percent of their GDP as aid to developing states. But by 1990, contributions ran at only about 0.35 percent, and by 2000 were down to 0.2 percent. In 2005, only five countries met or exceeded the target 0.7 percent of GDP contribution: Denmark, Norway, Sweden, Luxembourg, and the Netherlands. Adding up all the development aid from all countries during the last fifty years or so, the average aid recipient among the billions of poor people in low-income countries received an estimated \$15 a year.

To mark the arrival of a new century, the U.N. Secretary-General called together a summit of member-states in September 2000 to adopt the Millennium Declaration, which set out eight goals to improve the lives of the world’s poor. The Millennium Development Goals, endorsed by 189 members, set out the following priority development targets to be achieved by 2015:

- End extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Reduce mothers’ death rate
- Combat HIV/AIDS, malaria, and other diseases
- Ensure environmental stability
- Build a global partnership for development

### United Nations Millennium Development Goals



Source: United Nations Millennium Development Goals,  
<http://www.un.org/millenniumgoals/>

In 2002, the U.N. Secretary-General commissioned ten Task Forces to work out a concrete action plan for the world to achieve the Millennium Development Goals. Two hundred and fifty experts from around the world served on the Task Forces, which included U.N. agencies, researchers and scientists, policymakers, representatives of non-governmental organizations, the World Bank, the International Monetary Fund, and private businesses. The same year, world leaders met and agreed on a global development partnership in which developed and developing countries would take joint actions for poverty reduction.

The Millennium Development Goals are the most broadly supported poverty reduction targets ever set by the world. The joint responsibility of developing and developed nations for achieving them increases the likelihood of their success, though it does not ensure it.

Positive results of the goals' general adoption have been to rouse world attention, mobilize support for reducing poverty, and to put a discussion of global development needs on the agenda of the world's leaders.

But progress towards achieving the goals has been mixed. In general, overall success is behind schedule. From the start, inability to hold both rich and poor countries accountable has been a problem. Increasingly important is under-funding. In 2007, only five countries met the official target for development assistance that they had agreed to. Since about 80-85 percent of foreign aid for development comes from government sources and the rest from private organizations, foundations, charities, and money sent home by emigrant workers, the recent global financial downturn further reduced overall contributions to development aid. Some countries, especially China, have made great progress toward many of the goals. Others, especially in Africa, are not so far on track to realize any of them.

Yet worldwide, there has been substantial success towards the objective of reducing by half the number of people living in extreme poverty. In developing regions overall, that percentage declined from 46 percent in 1990 to 27 percent in 2005. Much less progress has been achieved, though, on other goals, such as reduction of the mortality of both infants and their mothers. For example, a woman living in sub-Saharan Africa has a 1 in 16 chance of dying in pregnancy; a woman in North America a 1 in 3,800 risk.

The Millennium Development Goals have also provoked criticism on several points:

- Important issues, including human trafficking, political equality, and security of life and property, were not included in the goal.
- Not enough justification for the choice of goals.
- The difficulty of tracking progress toward the goals.
- Too much emphasis on aid and not enough on long-term development.
- Aid and development have sometimes been more appealing to project managers from developed countries than to local farmers and workers.
- Aid has often found its way into the pockets of the elite class or diverted for military

purposes. About 40 percent of Africa's military spending is estimated to be financed with aid money.

- Monitoring and enforcing progress toward the goals have been difficult. Any fulfillment of the promises made by recipients in return for the aid received had a poor track record.

Independent evaluations of aid programs in general suggest that the following are “usually highly effective forms of aid in normal circumstances:”

- Grants given to families to be spent on children's education and health.
- Education vouchers for school uniforms and textbooks.
- Literacy education for adults.
- De-worming drugs and nutritional supplements.
- Vaccination and HIV/AIDS prevention programs.
- Indoor sprays against malaria and supply of anti-mosquito bed netting.
- Suitable fertilizers.
- Clean water supplies.

*Sources:* Text by the author based on Sachs, *Common Wealth*, 48, 342; and various Internet sources.

## This unit and the Three Essential Questions

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|---|---|
|  <p>HUMANS &amp;<br/>the ENVIRONMENT</p> | <p>In what ways have both high material consumption in industrialized countries and poverty in developing countries contributed to environmental problems?</p>  |
|  <p>HUMANS &amp;<br/>other HUMANS</p>    | <p>How have governments influenced the processes whereby some become rich or stay rich, and others become poor and stay poor?</p>   |
|  <p>HUMANS &amp;<br/>IDEAS</p>           | <p>Some people approve the trend toward economic and cultural globalization, and others oppose it. Construct three arguments in favor of globalization and three against it. Debate these standpoints in class.</p> |

## This unit and the Seven Key Themes

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This unit emphasizes:

Key Theme 2: Economic Networks and Exchange.

Key Theme 3: Uses and Abuses of Power.

Key Theme 4: Haves and Have-Nots.

## **This unit and the Standards in Historical Thinking**

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### Historical Thinking Standard 1: Chronological Thinking

The student is able to (F) reconstruct patterns of historical succession and duration in which historical developments have unfolded, and apply them to explain historical continuity and change.

### Historical Thinking Standard 3: Historical Analysis and Interpretation

The student is able to (C) analyze cause-and-effect relationships.

### Historical Thinking Standard 5: Historical Issues-Analysis and Decision-Making

The student is able to (A) identify issues and problems in the past.

## **Resources**

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### ***Resources for teachers***

Collier, Paul. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It*. New York: Oxford UP, 2007. Insightful presentation of interesting information in support of theses about causes of problems and suggested solutions in unusually readable prose.

Ellwood, Wayne. *The No-nonsense Guide to Globalization*. Oxford and London: New International Publications, 2001. Emphasizes the negative consequences of corporate-led globalization and the focus of “haves” on maximizing profits often at the expense of the “have-nots.” Useful however for dealing with causes and consequences factually, in detail, and with flashes of biting humor.

Frieden, Jeffrey A. *Global Capitalism: Its Fall and Rise in the Twentieth Century*. New York: W.W. Norton, 2006. Formidably thorough and insightful economic and political history, only about half of it about the post-World War II period. Heavy on detail.

Lardner, James and David A. Smith, eds. *Inequality Matters: The Growing Economic Divide in America and Its Poisonous Consequences*. New York: New Press, 2005. Twenty-three essays present factual information and personal views about the rich/poor divide in America. Sometimes outspokenly indignant, it raises relevant economic and moral issues. Easy reading.

Nair, Kusum. *Blossoms in the Dust: The Human Factor in Indian Development*. New York: Frederick A. Praeger, 1961. Sensitive reporting on the lives, attitudes, and concerns of

women and men from various regions, castes, and economic levels in rural India of the 1950s. Striking excerpts from her recorded interviews.

Reich, Robert B. *Aftershock: The Next Economy and America's Future*. New York: Vintage Books, 2011. Argues that “concentration of income and wealth at the top continues to be the crux of America’s economic . . . social and political predicament.” His book undertakes to “identify the central choice we will face . . . and how we should respond.” Unusually clear, thorough, and readable account of the American economy since the end of World War II.

Sachs, Jeffrey D. *Common Wealth: Economics for a Crowded Planet*. New York: Penguin Press, 2008. Summarizes a mass of data into an organized and lucid report on the current state of the world and its major challenges. He covers the standard issues of population growth, sustainable development, climate change, and economic inequality. He concludes with succinct recommendations on ways to meet the challenges.

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\_\_\_\_\_. *The End of Poverty: Economic Possibilities for Our Time*. New York: Penguin, 2005. Specific, concrete examples are used to illustrate arguments. Enlightening chapter-long case histories on Russia, China, and India. Account of non-developing Africa discusses causes of poverty there and actions against it.

Wilkinson, Richard and Kate Pritchett. *The Spirit Level: Why Greater Equality Makes Societies Stronger*. New York: Bloomsbury Press, 2009. Abundant factual information illustrates that economic inequality has wide-ranging consequences. The authors show that the greater the inequality in a country the worse are a wide range of social problems, such as poor school performance, teenage births, and mental illness. An intriguing thesis, thoroughly argued and persuasively supported.

## **Correlations to National and State Standards**

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### ***National Standards for World History***

Era 9: The 20<sup>th</sup> Century Since 1945: Promises and Paradoxes. 2B: The student understands how increasing economic interdependence has transformed human society. 3: The student understands major global trends since World War II.

### ***California: History-Social Science Content Standard***

Grade Ten, 10.9.3: Understand the importance of the Truman Doctrine and the Marshall Plan, which established the pattern for America’s postwar policy of supplying economic and military aid to prevent the spread of Communism . . .

### ***Michigan High School Content Expectations – Social Studies***

World History and Geography. Contemporary Global Issues. CG3 Patterns of Global Interaction. Define the process of globalization and evaluate the merit of this concept to describe the contemporary world by analyzing distribution of wealth and resources and efforts to narrow the inequitable distribution of resources.

## Conceptual links to other teaching units

### Big Era 9 Panorama Teaching Unit Paradoxes of Global Acceleration 1950-Present



One of the great paradoxes of world history since the end of World War II is that humans have created wealth and achieved economic productivity on levels unimaginable even a century earlier. At the same time, however, the gap between the richest and poorest populations, as well as between the richest and poorest countries, has continued to widen.



### Big Era 9 Landscape Teaching Unit 9.4 Wealth and Poverty since 1950



A large part of the world's population enjoyed rising prosperity and life expectancy for several decades after World War II. However, high population growth rates in some regions; governments that serve the interests of elites above all others; continuing degradation of soil, forest, and water; international and civil wars; instability in the world marketplace, and the increasing concentration of wealth in the hands of huge corporations and super-rich groups and individuals have retarded the best efforts of progressive governments, humane organizations, and scientists to end poverty. Many leaders understand that in the long term the economic and social inequality gap must be closed or else the quality of life for our entire species will deteriorate.



### Big Era 9 Landscape Teaching Unit 9.4 The World at Warp Speed: Science, Technology, and the Computer Revolution

Science and technology, especially the continuing electronics revolution, have contributed immensely to human betterment. Communications systems have potentially put everyone in touch with everyone else, greatly enlarging the possibilities of collective learning—the uniquely human ability to accumulate and share complex knowledge and to transmit it from one generation to the next. Economic development in the world is of course dependent on scientific and technical advances, but in recent decades these advances have benefited some far more than others. How can science and technology serve all humankind?