Poverty, Climate Change, and Overpopulation

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1.1

World Poverty
Deprivations of Poverty

Among ca. 6800 million human beings, about 1020 million are chronically undernourished (FAO 2009).

2000 million lack access to essential drugs (www.fic.nih.gov/about/plan/exec_summary.htm),

884 million lack safe drinking water (WHO/UNICEF 2008, 32),

924 million lack adequate shelter (UN Habitat 2003, p. vi),

1600 million have no electricity (UN Habitat, “Urban Energy”),

2500 million lack adequate sanitation (WHO/UNICEF 2008, p. 7),

774 million adults are illiterate (www.uis.unesco.org),

218 million children (aged 5 to 17) do wage work outside their household — often under slavery-like and hazardous conditions: as soldiers, prostitutes or domestic servants, or in agriculture, construction, textile or carpet production (ILO: The End of Child Labour, Within Reach, 2006, pp. 9, 11, 17-18).
At Least 30% of Human Deaths
— some 18 (out of 57) million per year or 50,000 daily — are due to poverty-related causes, cheaply preventable through safe drinking water, better sanitation, more adequate nutrition, rehydration packs, vaccines or other medicines. In thousands:

- diarrhea (2163) and malnutrition (487),
- perinatal (3180) and maternal conditions (527),
- childhood diseases (847 — half measles),
- tuberculosis (1464), meningitis (340), hepatitis (159),
- malaria (889) and other tropical diseases (152),
- respiratory infections (4259 — mainly pneumonia),
- HIV/AIDS (2040), sexually transmitted diseases (128)

Millions of Deaths

- Worldwide Poverty Deaths 1990-2009: >300
- World War Two 1939-45: 60
- Mao's Great Leap Forward 1959-62: 30
- Stalin's Repression 1924-53: 20
- World War One 1914-18: 17
- Russian Civil War 1917-22: 9
- Congo Free State 1886-1908: 7.5
- Korea and Vietnam 1951-54, 1965-74: 5.5
The Human Right Least Realized

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”

Article 25(1), Universal Declaration of Human Rights, 1948
1.2 The Economic Magnitude of World Poverty
## IPL Level and Global Poverty Gap

<table>
<thead>
<tr>
<th>IPL in 2005 int’l dollars per person per day</th>
<th>Poor People in 2005</th>
<th>Aggregate Shortfall from the IPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number in billions</td>
<td>Average Shortfall from the IPL in percent of gross global income in $bn p.a. at PPPs at current (2005) exchange rates</td>
<td></td>
</tr>
<tr>
<td>1.25</td>
<td>1.38</td>
<td>30%</td>
</tr>
<tr>
<td>2.00</td>
<td>2.56</td>
<td>40%</td>
</tr>
<tr>
<td>2.50</td>
<td>3.08</td>
<td>45%</td>
</tr>
</tbody>
</table>
Shares of Global Wealth
2000; poorest versus richest households

- Up to 60th Percentile ($645 average)
- 60th-80th Percentile ($4,277 average)
- 80th-90th Percentile ($17,924 average)
- 90th-95th Percentile ($59,068 average)
- 95th-99th Percentile ($156,326 average)
- Top One Percent ($812,693 average)

1.3

The Trend of World Poverty
What is the Trend?

Growth in *international* inequality (inequality in national average incomes) has stalled except with respect to the poorest countries (the “bottom billion”). Nonetheless, *global* inequality continues to rise, mainly because of mounting *intra*national inequality, which traps in severe poverty many more people (e.g., in India) than just those “bottom billion.”

Rising global inequality ensures that severe poverty persists on a massive scale even while the rising global average income makes such poverty ever more easily avoidable.

*Best source: Branko Milanovic, World Bank e.g. Worlds Apart, Princeton UP 2005.*
<table>
<thead>
<tr>
<th>Segment of World Population</th>
<th>Global Household Income 1988</th>
<th>Global Household Income 2002</th>
<th>Change in Income Share</th>
<th>Relative Change in Income Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richest Ventile</td>
<td>42.87</td>
<td>48.80</td>
<td>+5.93</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Next Four Ventiles</td>
<td>46.63</td>
<td>42.78</td>
<td>-3.85</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>6.97</td>
<td>5.44</td>
<td>-1.53</td>
<td>-22.0%</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>2.37</td>
<td>2.06</td>
<td>-0.31</td>
<td>-13.1%</td>
</tr>
<tr>
<td>Poorest Quarter</td>
<td>1.16</td>
<td>0.92</td>
<td>-0.24</td>
<td>-20.7%</td>
</tr>
</tbody>
</table>
## Changes in World Poverty

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>$1.00 PPP 2005</td>
<td>-42%</td>
<td>-35%</td>
<td>-29%</td>
<td>-32%</td>
<td>86% ahead</td>
<td>-29%</td>
<td>-21%</td>
<td>-24%</td>
</tr>
<tr>
<td>$1.25 PPP 2005</td>
<td>-27%</td>
<td>-24%</td>
<td>-20%</td>
<td>-24%</td>
<td>40% ahead</td>
<td>-23%</td>
<td>-17%</td>
<td>-19%</td>
</tr>
<tr>
<td>$2.00 PPP 2005</td>
<td>+1%</td>
<td>-2%</td>
<td>-3%</td>
<td>-7%</td>
<td>59% behind</td>
<td>-9%</td>
<td>-9%</td>
<td>-11%</td>
</tr>
<tr>
<td>$2.50 PPP 2005</td>
<td>+13%</td>
<td>+8%</td>
<td>+5%</td>
<td>+45%</td>
<td>103% behind</td>
<td>-3%</td>
<td>-5%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

http://econ.worldbank.org/docsearch, working paper 4703, Table 7, pp. 44-45
2.1
The “True Cost” of Fighting Poverty
Reductions in poverty increase human population as those who escape extreme poverty will enjoy longer lives. The effect is substantial as about half of current poverty deaths (9 out of 18 million) are children under 5. If we enable these children to survive, most of them will reproduce (and thereby aggravate ecological burdens).
Climate change and ecological burdens more generally (including depletion of non-renewable natural resources) are correlated with population. There is no reason to think that ecological footprint per person declines meaningfully with the number of persons. Therefore, more people means more rapid exhaustion of our planetary resources.
2.2 Some Benefits of Fighting Poverty
Correlation PovEcol

Very poor people do less ecological harm, but also more ecological harm *per unit of income*, than the rest of us.

Pro-poor policies and institutional arrangements entail ecological benefits insofar as economists are right to claim that they “sacrifice” aggregate growth.
As Sen was the first to point out (NYRB 1994), there is a very high correlation between poverty and total fertility rates. Since 1955, TFR has changed from 5.42 to 1.72 in East Asia, from 3.00 to 1.27 in Japan, from 3.04 to 1.38 in Portugal, from 3.18 to 1.83 in Australia – from 5.50 to 5.36 in Equatorial Guinea, from 6.23 to 5.49 in Mali, from 6.86 to 7.15 in Niger, and from 5.52 to 5.22 in Sierra Leone.

Currently, the 50 least developed countries have a TFR of 4.39 versus 1.64 for the more developed regions and 2.46 for the remainder.


Already some 90 of the richer countries have reached TFRs below 2.


Despite vastly higher mortality, the poor have rapid population growth, the better-off little or none.
2.3
The Moral Imperative to Stop Producing Poverty
Three Claims

Today, most premature human deaths and other deprivations are causally traceable ("but for") injustice in existing supranational institutional arrangements for which we (citizens of the more powerful countries) are co-responsible in violation of human-rights-correlative negative duties of justice.
Human Rights as Moral Claims on (Global) Institutional Arrangements

“Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.”

Article 28, Universal Declaration of Human Rights, 1948
3.1 Common Driver of Poverty and Ecological Harm
Competitive/Adversarial Systems

— e.g.: real economy, financial markets, politics and international relations, courts, academic research, media — can be highly efficient when they are properly framed. Proper framing is achieved when the rewards players seek from the system are highly correlated with the creation of social value. Proper framing requires that the rules of the game are appropriately designed and that these rules are administered in a transparent and impartial way.
Competitive/Adversarial Systems

... contain seeds of their own demise / deterioration insofar as they provide incentives to various reward-focused players to try to get ahead by affecting, in their own favor, either the rules or their impartial application. With such efforts, the rules and personnel organizing and constraining the competition become objects of the competition: “turf”.
... can lose much of their effectiveness when such efforts to corrupt are lucrative: resources invested in corruption are lost to the system; and, insofar as such efforts succeed, they diminish the degree to which the functioning of the system tracks its social purpose.
Competitive/Adversarial Systems

... can include rules forbidding and penalizing efforts to modify the rules or their application. But these protective rules and their application are themselves vulnerable to modification efforts. Example soccer: hidden and pretended fouls.
Competitive/Adversarial Systems

can, so long as countervailing temptations are not too strong, help stabilize their own proper framing by – only by? – sustaining a moral attitude toward certain rules and penalties (which then become punishments). To be effective, this moral attitude must be ingrained in the culture and internalized by many of the players and esp. by most of those who play a role in formulating or applying central system rules.
Such Moralization has Limited Potential

The moral character of certain rules and penalties is a matter of degree (how many disapprove, and how severely?), and is itself vulnerable to corruption as players have self-interested incentives to seek demoralization or moralization of some prescriptions. The success of such efforts depends on how morality is understood and lived in the wider culture.
Long-term Tendency

Money is becoming the pre-eminent universal reward, penetrating also the academic world (through grants, endowments), media (advertising), politics and international negotiations (campaign contributions), public administration (revolving door), and religion. The judicial system is the best hold-out but dependent for its rules on legislatures.
Systemic Problem: Regulatory Capture with Inequality Spiral

Often in concert, the richest players influence the rules and their application, thereby expanding their own advantage. Such run-away inequality strengthens, in each round, both the incentives and the opportunities for influence. Public facilities come under the influence of players with special and often near-term interests, who buy support from media and academics for this purpose (venality esp. of economists who live up to their *homo oeconomicus* paradigm). Special interests have been especially effective in influencing international agreements (WTO Treaty) and organizations (WIPO, World Bank).
3.2 Some Evidence from the United States
Rising Inequality in the US

In the last US economic expansion (2002-07), average per capita household income grew 16%.

In the top one percent this growth was 62%, in the remainder of the population 7%.

The top percentile captured 65% of the real per capita growth of the US economy (45% in the 1993-2000 Clinton expansion).

Saez “Updated”, elsa.berkeley.edu/~saez/, Table 1, from IRS Data
Rising Inequality in the US (1978-2007)

The income share of the bottom half declined from 26.4% to 12.8%. Meanwhile, that of the top one percent rose from 8.95% to 23.50% \((2.6\text{-fold})\); that of the top tenth percent from 2.65% to 12.28% \((4.6\text{-fold})\); and that of the top hundredth percent from 0.86% to 6.04% \((7\text{-fold}; \text{ Saez Table A3})\). The top hundredth percent (30,000 people) now have nearly half as much income as the bottom half (150 million) of Americans – and about two-thirds as much as the bottom half (3400 million) of world population.

Kuznets curve is the graphical representation of Simon Kuznets' theory ('Kuznets hypothesis') that economic inequality increases over time while a country is developing, then after a critical average income is attained, begins to decrease. One theory as to why this happens states that in early stages of development, when investment in physical capital is the main mechanism of economic growth, inequality encourages growth by allocating resources towards those who save and invest the most. Whereas in mature economies human capital accrual, or an estimate of cost that has been incurred but not yet paid, takes the place of physical capital accrual as the main source of growth, and inequality slows growth by lowering education standards because poor people lack finance for their education in imperfect credit markets. Kuznets curve diagrams show an inverted U curve, although variables along the axes are often mixed and matched, with inequality or the Gini coefficient on the Y axis and economic development, time or per capita incomes on the X axis. Wikipedia
4.1
Gathering Diverse Interests for Reform
Systemic Problem: Instability

Insofar as system rules and their application are privately purchased, the externalities for other players and the future are disregarded. Moreover, there is growing incoherence of the whole scheme of rules because its various components are shaped by different sets of players with diverse special interests. Both phenomena exemplify the structure of “collective action problems” (PD): The strongest players are impelled, by their self-regarding interests, to seek influence in ways that are detrimental and dangerous even to themselves collectively (and even more so, of course, to weaker players). Even the strongest are worse off in the long run than they would be if they abandoned their competitive efforts to manipulate in their own favor the rules and their application (but how can they?).
Hypothesis

Even the rich & mighty, interested in protecting their advantages, have an interest in the reduction of economic inequality, esp. at the top end. In the long run, they must expect more damage from manipulation efforts by other strong players than gain from their own such efforts.
Structural Reforms

Those with an interest in safeguarding our environment and/or protecting the poor should develop structural reform ideas that appeal to the generic interest in stability (in controlling regulatory capture) and to specific interests in private gain.
An Example of Reform

If inventors of green technologies are rewarded through patent-protected mark-ups, their inventions are bound to be underutilized.

Instead: offer to reward such inventors for a similar time period (15 years?) with payments proportional to the ecological harm their invention averts – on condition that they sell their invention wherever needed at a price no higher than the lowest feasible marginal cost of production.