

The World Bank
Essay Competition

Building a Secure Future
Seeking Practical Solutions

“Progress and Poverty, the unfair development”

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Abstract

Seeing the enormous sum that comes out of adding the wealth and development accomplished by our society, it just baffles anyone who tries to make a comparison with the most affluent times of our history. Not even Greece or the marvelous Roman Empire could put with the progress that we have today. But to our shame, there is a distinct contrast between some Harlem neighborhoods and some Manhattan boroughs. Of course, let's not even mention the extreme contrasts that occur in Less Developed Nations such as my own nation, the Dominican Republic.

In an inquisitive spirit, this essay asks and answers some perplexing questions, such as: We are we headed? What kind of future are we hoping for? What kind of future can we secure through practical means today?

In order to correctly answer those questions, this essay will start analyzing a short history of progress, which is needed in order to fully understand our current position. Then it deals with the current uncertainty that exists within progress itself. Afterwards, it goes to the root of any insecurity concerning the future, individual freedom and why the lack of it promotes unfair development.

Finally, the practical solutions proposed are subdivided into their social position, such as youth and gender. With all this, it is claimed that we, the world's youth have an appealing but tough task, that of paving the road to a safer, more secure future for everybody without discrimination.

1. Before progress, history.

The live television programs that are created in a nation like Japan and can be seen in another one like Dominican Republic by kids in their dinnertime. That in many places, public latrines are a thing of the past. The act of obtaining vast amounts of (mostly dubious) information from a computer over the Internet. The ability to look behind and reflect over history, and reach the conclusion that we have much better quality of life than that of our ancestors. That is progress.

When Economics as a science started giving its first steps, the then quality of life would be considered by today's standards to be inhumane. Economist (and pessimist) Rev. Thomas Malthus conceived what we call the Population Principle. This explained that 'passion between the sexes' will make people grow in a geometric progression: 2, 4, 8, 16, 32, etc. Meanwhile resources (like food) will only grow in arithmetic progression: 1, 2, 3, 4... From here we can comprehend something, that an unrestrained growth of population will eventually lead to hunger and famine, which in it's own right can (and has) provoked wars over the scarce resources, effectively reducing the quality of life.

But luckily, we live in times were we can grow food in the desert (as in Israel) and we can create semi-synthetic food that could prevent hungers and famines, right?

About this obvious paradox that we have in front of us, Henry George once wrote: "If poverty is less profound in San Francisco than in New York, isn't it because San Francisco is still behind New York in that which both cities strive for? When San Francisco reaches the point in which New York stands, who will doubt that there will also be deprived and poor kids in its streets?"¹

Without a doubt, both New York and San Francisco have reached a point in development so as to become two of the most important cities in the whole U.S.A., but there are still many deprived and poor persons in its streets. Despite the effort to prevent it, there will still be needy persons until we can effectively eliminate that selective progress which invariably transmits a burden of misery to those unprivileged.

¹ Henry George, Progress and Poverty (Robert Schankelbach Foundation, Spanish 9th Edition, 1972, page 10)

2. Within progress, uncertainty.

Let's define progress as the improvement of society as a whole, and poverty as the misery and scarcity that reverts progress. Now, let's think about the problems that come with improving only certain parts of society. Community Colleges, they are a great example for this occasion, they are an easy access to higher education to those who can't or don't want to spend 4 years or more to join the educated workforce. Because their premise is, that in just a couple of years of studying, anybody can obtain a technical or associate degree. The problem comes when this type of opportunity only presents itself in select cities (which tend to be the most developed ones), something which is common in Less Developed Countries. These type of 'incomplete' measures to eradicate poverty, create something of which economist Henry George was complaining about in 1879!

If we only advance our culture in one part of society, we will invariably create a social and cultural breach between the fortunate ones to live in those cities and those unfortunate who don't.

Let's see if economic data backs me up on this one:

Latin America & Caribbean Data Profile			
Click on the indicator to view a definition	1998	2001	2002
Economy			
GNI, Atlas method (current US\$)	1.9 trillion	1.8 trillion	1.7 trillion
GNI per capita, Atlas method (current US\$)	3,860.0	3,560.0	3,280.0
GDP (current \$)	2.0 trillion	1.9 trillion	1.7 trillion
GDP growth (annual %)	2.1	0.3	-0.8
Value added in agriculture (% of GDP)	7.9	6.3	7.0
Value added in industry (% of GDP)	29.0	25.3	25.6
Value added in services (% of GDP)	63.1	68.5	67.4
Exports of goods and services (% of GDP)	14.5	17.5	21.3
Imports of goods and services (% of GDP)	17.6	18.5	18.5
Gross capital formation (% of GDP)	21.7	19.8	18.9
Current revenue, excluding grants (% of GDP)	20.0
Overall budget balance, including grants (% of GDP)	-4.8
Technology and infrastructure			
Fixed lines and mobile telephones (per 1,000 people)	138.5	260.6	294.4
Telephone average cost of local call (US\$ per three minutes)	0.1	0.1	0.1
Personal computers (per 1,000 people)	33.5	58.7	67.4
Internet users	6.0 million	25.4 million	41.8 million
Paved roads (% of total)	24.3
Aircraft departures	1.7 million	1.8 million	1.6 million

The Latin America & Caribbean Data Profile for 2004 by the World Bank teaches us that from 1998 to 2002 there was an astonishing population growth of %, almost 30 millions of persons, while GNI per capita dropped US\$580. That means that GNI dropped US\$200 billion while Internet users skyrocketed from 6 million in 1998 to 41.8 million. What can we understand from all this? That either from 1998 to 2002 there was a massive clearance in computers and Internet services in all Latin America & Caribbean or that the inherent progress that came with the jump in Internet users was strictly directed towards specific sectors of Latin American society. But since we saw how GNI sharply plummeted, there must be an impoverished class that must be praying for miracles.

3. After progress, individual freedom.

Nobel receiver Professor Amartya Sen wrote: “Development can be conceived...as a process of expansion in which real liberties are enjoyed by all”.² In these times, nobody can deny that each day, the most basic and human rights are denied: the freedom to academically achieve a goal, the freedom to have access to personal hygiene, the freedom to obtain food, and my personal favorite, the freedom to switch social classes and by it’s own, progress oneself (of course, through the combined efforts of working and seeking lawful opportunities).

Going back the Community Colleges initiative, if these type of measures only cover specific parts of a nation’s population, which, by the way, more often than not tends to be marginal, aren’t we denying the due progress to the vast majority of the population? It is true that measures start somewhere, but they also end in another place. So, what happens with the rest? The majority? The disabled? Those lacking the desire to work? That abandonment is what I call unfair development.

² Amartya Sen, Development as Freedom (Editorial Planeta, Spanish Edition, 2000, page 19)

4. Unfair development

Prof. Sen states: “Development demands the elimination of the principal freedom depriving sources: tyranny and poverty, scarce economic opportunities and systematic social deprivation...”³ If we see development as the eradication of freedom depriving sources, then we understand that freedom, is the ultimate goal of progress. How can we face a world in which the life expectancy of Sub-Saharan Africa is 45.8 years and that of the High income nations is of 78.2 years?⁴

5. Analyzing and considering the problem.

Sir William Arthur Lewis, another Nobel laureate economist, said in his famous book, *The Theory of Economic Growth* that the objective of development is to increase “the variety of human options”.⁵ By this we can easily infer that social choice has an enormous influence in what we, as human beings, provide for the attainment of progress, first for our own nations, but ultimately for the world. This is a social compromise given the fact that if unfair development had been abolished, then there wouldn't be a single class progressing but society as a whole, effectively eliminating the need to recur to negative practices, such as a crime, to ‘advance’ in the social ladder.

According to a not so recent poll in the World Bank web page, if corruption would be wholly eliminated, the World GNP would increase in about 400%. Of course, it is but a dream to effectively eliminate corruption as a whole in the World, but, just to show how much we are losing as of this minute to corruption, I made some calculations. According to the World Bank, in 2002 the World GNP was of US\$31.7 trillions with a 1.9% annual growth, with all corruption eliminated, it would be about US\$126.8 trillions with an annual growth of God-knows-how-much!

³ Amartya Sen, *Development as Freedom* (Editorial Planeta, Spanish Edition, 2000, page 19)

⁴ World Bank 2002 Sub-Saharan Africa Data Profile & 2002 High income Data Profile

⁵ Quoted by Amartya Sen in *Development as Freedom* (Editorial Planeta, Spanish Edition, 2000, page 347)

But still, GNP is but one of many measures of well being, one of the best I have found is the UN Human Development Index. This index measures poverty, literacy, life expectancy, education, among other factors. It is also very efficient at measuring child welfare. By closely watching the top thirty countries in the tables presented by the 2004 UN Human Development Index Report, we can see that the past top countries are always nations that try to correct unfair development by the means extensive social security, gender related laws and adopting almost any premise that contributes to the well being of the majority over the well being of a minority, without being unjust of course. That is why the social and economic policies of nations such as Norway, Canada and the Netherlands are nothing short of ideal. In nations like the ones I mentioned or related ones, any individual can strive to belong to any profession just for the love of it, and still be capable of obtaining a decent job. But in some nations, like most of the ones located in the Geographical South, it is an utopia to even talk about it.

6. Proposing tailored-made solutions.

▪ For the youth:

In the early 19th century, New Lanark was the stage for the “most famous experiment concerning child labor in industries.”⁶ Everything was started by a gentleman named David Dale, a famous capitalist and philanthropic Scotsman, who, seeing as how the majority of men emigrated from Nova Scotia in Canada, used children and women as his laborers. In his time, Prof. Galbraith tells us that Dale’s project was seen as full of moral and almost divine, since after grueling 13 hours shifts, the 2000 children were imparted classes in the night. For those times, it was an righteous model only because Dale took the initiative of teaching these children when nobody else did.

In these days, hundreds of thousands of kids are malnourished and abused in many ways. These atrocities take their lives and leave them without hope, all due to the lack of proper development.

⁶ John Kenneth Galbraith, *The Age of Uncertainty* (Plaza & Janes, Spanish Edition, 1981, page 29)

What can we do about our youth? Provide universal primary education, eradicate extreme poverty and hunger, reduce infant mortality (a good way to start here is through the addition of resources to state run health departments and thus the creation of free medical assistance to deprived persons and vaccination programs) and guarantee the expansion of every kids liberties. Through social government programs in conjunction with private overseeing and/or participation, financed by whichever means are necessary as long the goals are reached, the financial cost of doing so will be minimum compared with the social and economic outputs that will result of achieving these goals that without a doubt will secure their future.

▪ **For the women:**

We know that women tend to receive treatment that is far from equal to that of men. How many times have I not heard that men will be men and they will always carry the pants in the house. I confess myself as a feminist, sometimes going to the point of betraying my male friends, because I have regularly considered as true the philosophical argument that women, being the givers of life, are of primary importance to human life and without us, men, they would have evolved into hermaphrodite beings. The point is clear; seeing as how we both are humans and both deserve the same concept of justice and equality, we need the same individual freedoms so we can develop ourselves and ultimately, progress.

For those staunch male conservatives who only go by figures, Prof. Sen stated: “There are abundant proofs that women’s education...tend to lower infant mortality rates...”⁷

It is also true that the female activity rate in almost any measurable area is far lower than that of men. It is clear that there is an enormous efficiency loss that needs to be at the very least, greatly diminished.

What can we do for women? First and foremost is that every government run center in the name of their development needs to search for what women want. Not what we may believe they want. Examples of common needs for women are: judicial, legislative, corporate, and

⁷ Amartya Sen, Development as Freedom (Editorial Planeta, Spanish Edition, 2000, page 240)

social equality. Second, that the search for progress and social welfare includes in every aspect both genders, since it is more than clear that development concerning women's agency leads to an overall increase in social welfare. And third, that we, men of the world do not berate at these actions, since women represent roughly half of the world's population.

▪ **For the environment:**

Simple enough is to put it, hard it is to promote it. We only have but one world and we can't recycle it. The Kyoto Protocol and Pollution Permits are but a few of the many solutions on the global agenda, the only problem is, that most governments tend to be lax about their support to said initiatives. This is because of the lack of social pressure, more often than not, due to the lack of vocal outputs for the population so they can express their true feelings.

The only way we can secure our environment is through political means. That is a subject of the next proposal.

▪ **For the government:**

I have always believed that it is abusive and offensive to try to impose a certain political system or certain laws due to personal interest, whether it is by force or by lobbying, whether it is a socialist or a capitalist one. But, after having explained in this essay the main causes of poverty and misery, we can safely say that government must promote individual freedom and the right to choose. Democratic governments are basic examples of this. To the question of how much liberty and individual freedom to give, the answer is simply that which suits its population as long as it doesn't endanger the quest for progress. So we can safely say that that the Representative Democracy that is a feature of the U.S.A. is a good platform for achieving progress but also that the Swiss Direct Democracy is another good example of a way to achieve just progress, always remembering that it is essential for a nation to have a true democracy in order to achieve justice in the way it develops.

- **For the economy:**

Through certain economic measures, individual freedom can greatly be increased. The most practical ways are ensuring property rights, as a means to assure the proper development of economic ventures. Issuing private and public (perhaps jointly done) economic efficiency (which deals with the size of the pie) and income distribution studies, as to ascertain the probability of success of different already-proven economic measures, such as: trade liberalization, different degrees of protectionism and different taxation systems.

Of course, those nations that have already achieved a certain degree of progress can greatly enhance their own welfare by helping increase the general welfare of the world. How? By helping other nations achieve the already stated goals which will invariably create enormous economic opportunities while establishing a new era of peace, equality and security concerning our own future. Examples of this way of helping is the pardoning of certain debts to the Least Developed Countries which are buried in international debt; also the establishment of the International Development Association and the granting of interest-free loans (also called credits) to the Least Developed Countries.

Conclusion

It is indeed a very hard task, but an attractive one nonetheless. But there is a huge window of opportunities for actions to be taken, and it is our responsibility to take those actions. Only we can secure the future of our youth, of our governments and in general, of human freedom. Only through the way of individual liberty can we certainly be on the way of equitable and just development and of progress without misery.

We are the architects of our destiny and the leaders of the future. So be it that by example we lead and by example propagate the ideal of a secure future, through the attainment of individual freedom.

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