

***Should Rich Nations Help the Poor?* (2016, Polity Press) by Professor David Hulme – Summary**

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Why should people in rich nations worry about the distant poor?

People in rich nations enjoy many of the advantages of globalisation, but in our increasingly globalised and interconnected world, it is impossible to ignore what's happening to people in poorer countries.

Despite recent progress, 3 million are deprived of at least one basic need – food, potable water, sanitation, primary education, shelter from the elements and others. 800 million people went to bed hungry last night, 19,000 children will die today of easily preventable causes.

Yet we live in an affluent world. We produce enough food to feed the entire planet and we have the resources to meet everyone's basic needs. Reallocating just 1% of global wealth would eradicate extreme income poverty at a stroke.

The question we need to ask is not simply 'Should rich nations help the poor?' but 'What are the best ways for rich nations to help the poor?' We need to look 'beyond aid' at the broader ways in which rich nations can help or hamper their prospects: trade, finance, migration, patterns of consumption, climate change, state building and inequality.

Rich nations should help the poor, for two main reasons:

1. Morally, it's the right thing to do. Our common humanity means that those of us who are doing well (often doing too well as we consume too many calories and create health problems with obesity) should help those whose basic needs are not met. And, in part, our personal and national wealth has often been created by the exploitation of poor people – colonial extraction of resources, the slavery and opium trades, unfair international trade and finance practices and others. Reallocating just 1% of global wealth would eradicate extreme income poverty at a stroke.
2. Those of us who are 'better-off' would be stupid not to help the poor. If we want a prosperous, politically stable and environmentally sustainable world for ourselves (and our children and grandchildren), then we have to help poor people in faraway lands. Issues such as international migration, new pandemics (like Ebola), organized crime, terrorism and climate change are having an increasingly global impact, which we need to deal with through global action.

While things have been 'getting better' for most of humanity over the last 25 years, the rate of progress is too slow and inequality is rising. There is an unacceptable amount of preventable human deprivation and suffering given our aggregate levels of wealth.

When it's spent effectively, international aid can help - but the idea that development can be achieved largely through foreign aid alone has been discredited.

We know that aid does work (in some forms, in some places, at some times) and also that aid fails (in some forms, in some places, at some times). Aid-financed campaigns have eradicated smallpox globally and polio is close to eradication; insecticide-treated bed-nets have driven down infant mortality rates in sub-Saharan Africa; and millions of AIDS sufferers are alive and well today because of aid-financed access to retroviral

medicines. We should be taking action to make aid as effective as possible, whilst recognising it's not sufficient to create inclusive and sustainable development across a country.

Looking beyond aid, the debate on the role of the state versus the market in development has taken a new turn. There has been a convergence in thinking that in low-income countries (and emerging economies), structural transformation (higher productivity and new jobs) is not possible if it is left to the market – both state and market are essential for sustained economic growth. The state has an important role to play in the technological upgrading of economic activity and in providing infrastructure (roads and ports) and schooling that modern sectors need to expand.

At the same time, structural transformation is not possible without a dynamic capitalist sector and the growth of modern private firms with entrepreneurial and management abilities and skilled workers to compete in a globalised economy.

If rich nations are serious about helping the poor, they need to go beyond aid and:

1. Reform **international trade** policies so that poor countries and poor people can gain a greater share of the benefits derived from trade.
2. Recognize **international migration** as a highly effective means of reducing poverty, achieving inclusive growth and meeting the needs of ageing populations.
3. Take action against **climate change** (mitigation and supporting adaptation) and take responsibility for the historical role of rich nations in creating global warming.
4. Reform **global finance** to stop the illicit and illegal siphoning off of income and assets from poor countries to rich countries by corporations and national elites.
5. Limit the **arms trade** to fragile countries and regions and carefully consider support for military action in specific cases (Sierra Leone provides an example of such action).

Continuing with present-day policies is not an option for two main reasons:

1. **Climate change.** The material foundation of humanity's improved living standards over the last two centuries has been and is being achieved by economic growth processes that are carbon profligate. This cannot continue as the world's climate is warming and a set of poverty-creating environmental changes are already underway. Already, the people living in low lying and low income states are bearing the brunt of the increasing impacts of climate change. We have to move to an environmentally sustainable economic model.
2. **Inequality.** Contemporary capitalism is generating income and wealth inequalities on a previously unimaginable scale – the richest 1% of humanity will soon own as much wealth as the remaining 99%. Those with excessive wealth are able to shape national and international public policies so much that they can ensure that they get wealthier. High levels of inequality raise the likelihood of growth collapsing, undermine education and health, exacerbate income poverty and lead to political decline in rich nations. As even the IMF acknowledges the promise of 'trickle down' economics to 'raise all boats' has been disproven.

Social policy around the world is not simply about helping the poor and disadvantaged whilst incurring public 'costs'. It is about redistributing wealth into services that are public investments in creating sustained national economic growth, social cohesion and improved welfare for all citizens.

Concerted efforts by rich nations to help the poor would improve local and national social cohesion; reduce the threat of excluded social groups undermining social and economic stability; create economic opportunities; reduce the likelihood of public health problems and pandemics; and reduce the rates of migration and population growth

We need an all-out war of ideas to raise levels of citizen understanding of the reasons why rich nations should help poor people and poor countries and to put real pressure on political leaders to do things differently.

The over-arching principles that have to be pursued must be clear. We live in 'one world', and if we want good lives for ourselves, for our children and for future generations, then social justice and environmental sustainability must be actively pursued.

Campaigning cannot just be left to the professionals: to make progress it needs to have social roots – in churches and mosques, student societies, trade unions, women's institutes, farmer associations, cooperatives, consumer societies. Out of such roots, coalitions can emerge to create a civic voice and mobilize political action.

The rich nations have to move 'beyond aid' and systematically reform international trade rules, climate change, migration, access to finance and technology, while genuinely promoting social justice as a global social norm. This may seem unlikely, but so did abolishing slavery, winning votes for women, creating international humanitarian law and, most recently, reducing the share of humanity mired in extreme poverty from around 47% in 1990 to 14% in 2015.

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