



Everything You Need to Know about Global Poverty

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In 2015, YouGov, an international market research firm, conducted a [poll](#) on the state of the world, in which 71 percent of respondents said they were convinced that the world was becoming a worse place, and only 5 percent thought that living standards were improving across the world.

In an [interview](#) with the newspaper La Stampa, Pope Francis gave a similarly pessimistic account of the situation of the world by claiming that “in absolute terms the world's wealth has grown, but inequality and poverty have arisen.”

Both testimonies are included in Johan Norberg's new book *Progress: Ten Reasons to Look Forward to the Future*.

In *Progress*, Norberg, a Swedish economist and Senior Fellow at the Cato Institute, tries to debunk a widely-accepted myth of our days, namely that the globalization process that started to emerge in the late eighteenth century with the Industrial Revolution and that has accelerated since the 1990s has resulted in a decline in global living standards.

Norberg draws upon a large amount of data to show that conventional wisdom on this issue is misleading and inconsistent with the facts: no matter which measure you employ to analyze the living standards worldwide (poverty, undernourishment, violence, life expectancy, etc.), the world has never been a better place in which to live.

Undernourishment and Poverty

The scourge of starvation has been a constant in the history of humankind. Undernourishment was a chronic condition for the vast majority of the population since the emergence of Homo Sapiens. This started to change in the nineteenth century thanks to the Industrial Revolution, which lifted the living standards of the masses in a way that nobody could have imagined a few centuries before. However, it was not until the twentieth century when undernourishment underwent a steep decline on a global basis.

In the period between 1947-2015, undernourishment dropped by 37 percentage points, from 50 to 13 percent of the world population. This decline seems even more astonishing when one considers that the world population has doubled since the 1950s. As pointed out by Norberg, this

drop is in part due to the huge increase in agricultural productivity that took place in the nineteenth and twentieth centuries.

When it comes to poverty, the picture is no less impressive. Since 1990, extreme poverty, defined by the World Bank as earning less than \$1.90 a day (adjusted for purchasing power), has declined from around 40 percent to 10 percent of the world population.

Nonetheless, percentages can be sometimes misleading. After all, the fact that the percentage of people living under the poverty line has dramatically decreased does not necessarily entail that, in absolute terms, there has been a reduction in the number of people living in extreme poverty (especially if one takes into account that the world population has increased by two billion since 1990).

Yet this is exactly what happened. Despite the large increase in population, the absolute number of women, men and children suffering from extreme poverty went down by 1.25 billion people. China is largely responsible for this reduction in poverty rates. The Asian country has experienced a radical decline in extreme poverty in the last 35 years from almost 90 percent to around 10 percent of its population.

Literacy and Life Expectancy

Literacy and life expectancy have also seen considerable improvement over the last 100 years. In the period 1900-2015, the global literacy rate has moved from 21 percent to 86 percent, a 300 percent increase in little more than a century. The ratio of female to male literacy has also experienced a dramatic increase. This ratio grew from 59 percent in 1970 to 91 percent in 2010.

The improvement in life expectancy is another reason for optimism about the future of humankind. Back in 1900, the world's average life expectancy was 31 years. Nowadays, it has climbed up to 71 years. Among the factors that have contributed to increased life expectancy, Norberg mentions better sanitation, access to clean water, and improved medical conditions.

Freedom from Violence

When discussing the impact of violence in modern society, people tend to react by pointing out that we are living in a tremendously violent era. In a time when information flows so easily, news about terrorist attacks, wars, migrants' deaths in the Mediterranean or gender-based violence shapes our minds to believe that violence has not decreased significantly over the last centuries. However, data shows otherwise.

The European homicide rate declined from 11 per 100,000 in the seventeenth century to 3 per 100,000 in the eighteenth century and less than 1 per 100,000 nowadays. In the 1950s, 86,000 people were killed in the average interstate war; today, less than 3000.

However shocking this may sound, the twentieth century was not the most violent period in history. The Mongol invasions during the thirteenth century killed around forty million people. In relative terms, that was one-eighth of the total world population at that time. As stated by Norberg, "the fall of the Ming [Dynasty] in the seventeenth century was proportionally twice as big as the Second World War, and so was the fall of Rome in the third to fifth century."

The reasons behind this historical decline are varied. The emergence of agriculture (hunter-gatherer societies were extremely violent), justice systems, and the link between the rise of capitalism and the origins of humanitarianism and moral individualism have all contributed to this decline.

Social and Environmental Justice

In terms of freedom, the world is also improving. According to Freedom House, the number of free countries (countries with strong political rights) increased from 29 percent in 1973 to 45 percent in 2017, whereas the number of countries that are considered not free decreased from 46 to 26 percent.

Women and minorities have also benefited from the expansion of civil liberties across the world. Voting rights are now granted to women in 190 countries (in 1900 no country allowed it) and homosexuality is legal in 113 countries.

Child labor has also declined, especially in those countries that have opened their economies to free trade and foreign investment. The proportion of child labor in Vietnam went down from 40 percent in 1993 to under 10 percent in 2006. Globally, the number of children that work to sustain their families declined from 25 to 10 percent over the period 1950-2015.

Contrary to conventional wisdom, there is also good news about the current situation of the environment. As reflected by the Environmental Performance Index, most countries improved their environmental scores between 2004 and 2014. Oil spills in the oceans have declined by an astonishing 99 percent since the 1970s, and the annual loss of forest land at a global level has almost halted, declining from 0.18 percent 1990 to less 0.01 percent in 2015.

Not Out of the Woods Yet

Jane Jacobs once said that poverty has no causes; only prosperity has causes. The vast improvements in global living standards that Johan Norberg insightfully analyzes in *Progress* have been made possible thanks to globalization and free markets reaching those countries that had never had access to their benefits.

Yet there are many challenges ahead that still must be addressed: 700 million people still live under the poverty line; climate change and the policies undertaken to prevent it might pose a potential threat to economic growth and stability in developing countries; life expectancy in sub-Saharan Africa is still 30 percent lower than that in the European Union; numerous governments do not respect basic liberties and human rights; and many other issues that will need to be tackled in the following decades.

Nonetheless, if the right economic and political recipes are applied, the evidence shows that there are good reasons to be optimistic about the future of humankind.