

Golden age poverty reduction: the story the world bank and other agencies

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Golden Age Poverty Reduction: The Story the World Bank and Other Agencies Don't Want You to Know

Date

Introduction

Based on historical facts and figure as well as the impact of globalization around the world, the question behind whether or not the poverty worldwide has been reduced or not arises. After reading " Today's Golden Age Poverty Reduction written by Surjit Bhalla (2006), the researcher will discuss whether or not poverty worldwide had been reduced. Eventually, the factors that contribute to the increase in worldwide poverty will be elaborated.

Thesis Statement

" The Truth behind the Worldwide Poverty"

Has Poverty been Reduce Worldwide?

The number of people who were considered experiencing poverty decline from 1.3 billion individuals back in 1980 down to approximately 500 million in 2000. (p. 22) Despite the hardship that many people are experiencing today, this figure shows that poverty worldwide has reduced by 33.33%.

Factors that Contribute to Decrease in Worldwide Poverty

There are quite a lot of economic factors that contributes to the reduction in worldwide poverty. First, India and China - two of the biggest countries around the world that chose not participate in the global economy started to open its market outside the country since 1980s. (p. 23) The active participation of Chinese and Indians in the global market contributes a lot in the reduction on the number of people who are experiencing poverty. In fact, as much as 1 billion individuals were moved out from the list of global

poverty. (p. 23)

Political factors such as the reduction on tariff rates or the practice of political liberties also contributes to the increase in the economy of the used-to-be poor countries like China and India. (p. 23) Since tariff rates' low in developing countries, there is a higher possibility of increase global demand for its products and services. On the contrary, developed countries maintain a much higher tariff rates as compared to developing countries. For this reason, developed countries become less competitive in a globalized market.

Social factor such as the decline in the population rate in developing countries like China and India because of the fact that most of these men and women have become busy building their own career rather than getting married and starting a family at a very early age. (p. 24) For this reason, the number of individuals who are poor have greatly declined over the years.

Conclusion

The secret behind the global poverty reduction between the years 1980 to 2000 is caused by the narrowing of economies between the rich and the poor countries. The narrowing of the economic inequalities between developed and developing countries was partly caused by globalization.

Given that developing countries would charge a much lower tariff rates as compared to developed countries, the global demand for products and services offered by developing countries increases over time. This factor makes the products and services offered by most developed countries become less competitive in the global market. Therefore, there is a strong sign of narrowing down the inequalities between developed,

developing, and under developed countries.

In other words, the World Banks' effort to lobby with rich governments to financially aid those individuals who live in poor countries such as sub-Saharan and Latin America in order to effectively narrow down the global poverty rate.

*** End ***

References:

Bhalla, S. S. (2006). Today's Golden Age Poverty Reduction: The Story the World Bank and Other Agencies Don't Want You to Know. *The International Economy*, (Spring 2006): 22 - 26.