COMPARISONS OF GLOBAL WEALTH

By Rod Matthews

Let's think about how we fit in; how we compare with the rest of the world's population in terms of poverty and affluence, because global inequity presents us with quite a challenge.

Making the comparison
When discussing the distribution of wealth across the globe we are forced to make comparisons, and when we do this, we use a number of different preferences to filter the information – both on its way in and as we make decisions. The filters that we use, while often unconscious, will increase the likelihood that we arrive a certain conclusion and belief. So before we can draw any conclusions about how we are living now, let us first examine the filters through which we can view the issues.

Global – Specific
Looking at the *statistics* of poverty creates a different response to looking at an *individual's struggle* with poverty. When we read that there are one billion people living in poverty, and that 29,000 children die from poverty every day, it is easy to dissociate ourselves from it because the numbers create a distance between us and the issue. When you see tears in a mother's eyes as she holds her malnourished, diseased and dying baby, you would have to be sociopathic to not feel something. Mother Theresa is attributed (possibly incorrectly) as saying, 'If I look at the mass I will never act. If I look at the one, I will.'[i]

Past – Present – Future
When Matt Ridley examines the issue of poverty[ii] he uses vast swathes of time to make his case. Ridley compares the price of an hour of light – he looks at the amount of time an average worker has to work for an hour of light today compared with an average worker in the 1800s. His comparison leads us to the inescapable conclusion that the quality of life has improved.

Not-for-profit organisations that are looking to help people who are starving focus on the present – the situation now – and this leads us to the inescapable conclusion that something needs to be done.

Average – Best selves – Worst others
Matt Ridley compares the average of others to the average of others over time, which also leads to a dissociated, objective, dispassionate, perspective on the issue of poverty.

When we compare 'best selves' (a rich person in a developed western nation) with 'worst others' (a starving child in a poverty stricken area), this leads to feelings of sympathy, compassion, guilt and anger at the injustice and inequity.

What are the statistics of wealth distribution?
According to the 2006 World Institute for Development Economics Research Study of World Distribution of Household Wealth in the year 2000, we know the following:

- the richest 1% of adults in the world own 40% of the planet's wealth
- the richest 10% own 85% of the wealth
- half of the world's population owns 1% of the wealth

- Europe, the US and some Asia-Pacific nations account for most of the extremely wealthy
- the study valued total global financial wealth as being $125 trillion.

Some might look at these statistics and suggest that the solution is to redistribute the wealth, while others might suggest that the solution is to provide opportunities for the poorer countries to create wealth.

What is life like?
To only look at the statistics would be to deny what life is like for the vast majority of our fellow human beings. It could also be used as an argument, conscious or otherwise, for inaction.

In order to develop a fuller understanding of wealth distribution, let's look at two scenarios that illustrate the lives of people living in various parts of the world under a variety of wealth conditions. These stories are composite stories that I have built from research using the following resources:

- *Enrique's Journey* by Sonia Nazario[iii]
- *What Next?* by Chris Patten[iv]
- The SBS Series *Here Come the Chinese*[v]

Story 1: Ramesh
Ramesh lived with his wife and six children in Agra, India. He remembers meeting an employment agent who talked of being able to find him work in Qatar that paid 3000 riyals a month (about AU$810). In order to secure the job and accommodation he paid the employment agent around AU$80 and then left his family on the subcontinent for a job in Qatar.

Ramesh's plan was to work in Qatar for a time and send money back to his family, then return home when he had sent enough. But when Ramesh arrived in Qatar there was no job waiting for him and he had no money to return to India. He was told he had three months to find a job or he would be deported. He was transported to a compound that was surrounded by barbed wire, while 500 metres up the road he could see the air-conditioned glass and steel towers that contained all the things (and more) that he had seen on TV.

Ramesh found a job on a construction site where he now works 12 hours a day, six days a week for about AU$200 a month. He sends most of his money home and has very little idea of what the future holds, or how he will get back to India and his family.

Story 2: A Summary of Enrique's Journey, *by Sonia Nazario*
Enrique's father left the family when Enrique was a baby. His mother struggled to look after Enrique and his sister herself, and so when Enrique was five years old she left her children in Honduras and moved to the United States to find work. The theory was that she would be able to earn enough to send money home for her children.

Enrique's mother, however, struggled in the US and months turned into years. Meanwhile, Enrique had become increasingly anxious and distressed and had decided to look for his mother in the US.

The journey of an illegal immigrant is long and dangerous. After several attempts at riding on the top and sides of freight trains, being robbed, bashed and chased by gangs and locals along the train line, Enrique arrived in Mexico, only to be confronted with the problem of crossing the US border.

When Enrique eventually found his mother the relationship was strained by the baggage brought about by years of separation.

Enrique's is a story that is perpetuated – more and more people make the well-intended journey to the US, leaving behind families who follow, and so the cycle continues across generations.

The increasing availability of transport and communication means that more and more, people the world over are able to compare – and it is a stark comparison. Two hundred years ago I would not have been aware of what was happening in Africa, North Korea or the slums of South America. Similarly, there is an increased likelihood that people in those locations are more aware of the lifestyle that we enjoy in the developed democratic countries.

Like all knowledge, this knowledge is a double-edged sword – while it allows us to make better decisions, it also comes with a responsibility to action. True change usually comes from the periphery, rarely the establishment.

[i] http://www.motherteresa.org/08_info/Quotesf.html Last updated the 19th of July 2010
[ii] Ridley, Matt (2010), *The Rational Optimist*, Fourth Estate, London
[iii] Nazario, Sonia (2007), *Enrique's Journey*, Tandom House, United States
[iv] Patten, Chris (2008), *What Next?*, Allen Lane, London
[v] *The Chinese are Coming* (2011), BBC series