

## *GDP and Poverty*

### - GDP: “**Gross Domestic Product**”

- how much a country is worth
  - the total value of all the goods and services produced in a country in on year
- if you want to compare countries (because these numbers are huge, and size/population skews the results):
  - divide the number of people by the GDP and you get a ‘per capita GDP’
  - this is how we rate the relative wealth of countries
  
- Canada’s GDP per capita - \$ **53, 247**
- Sierra Leone’s GDP per capita - \$ **670.00**

### - the UN rates countries for something called ‘The UN Human Development Index’

- Life Expectancy – how long people usually live
- Adult Literacy Rate – how many people can functionally read and write
- GDP per capita – how much relative wealth people have from country to country

- these are ‘living standards’ and you want to live in countries that rate well

- Canada, most recently (2023) ranked as the 2<sup>nd</sup> best country in the world to live in – DOWN from 1<sup>st</sup> in prior years

## *Poverty*

- wealth distribution is one of the world’s most pressing issues
  - the 200 richest people in the world have a combined \$1,000,000,000,000 (thousand billion)

- this is greater than the combined income of 41% of the world's population
- an estimated 1.3 billion people live below the poverty line (less than \$1 a day)
- by far, this is the largest social problem in the world today
- in Canada, 17.2% of people (~5.1million) live below the CDN poverty line
  - living in poverty is defined as:
    - "spending more than 56% of a person or family's income on the necessities of life: food, shelter, and clothing"
    - what might that amount to monetarily?
    - how many of us could leave school right now and live above this line?
  - in Canada, the largest factor leading to poverty is a lack of education...
- worldwide, the causes of poverty are much different
  - crop failures, droughts, economic downturns, debt...
    - for example, to help Africa with poverty, foreign countries lend them money (like Canada)
      - high interest loans...
      - Africa already owes a combined \$227 billion, and interest is accruing every day
    - we also set the prices of their goods on the world market (Structural Adjustment Programs)
      - this helps them to sell, but it ensures that they can never gain profit
    - also, for the money, we encourage Africans to grow cash crops for export
      - does that feed their people?

- Canada has been a world leader for foreign aid of this type, but does it really help?
- people have been protesting/lobbying for the removal of African debt
  - o even if it was for 10 years...
  - o maybe if Africa didn't have to worry about paying its interest to countries like us, they could actually try to pull themselves out of poverty
  
- countries like Canada don't want to do this, not because we don't want to help, but because money is money
- this whole mindset doesn't make people happy, and every day that goes on, the worse poverty gets
  
- are there any easy answers?

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