

GLOBALIZATION OF POVERTY

Is Poverty an Ethical Issue?

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Introduction

When addressing poverty from an ethical perspective, utilitarian ethics views the minimization of poverty to be profitable to the giver and the receiver, therefore morally right (Gordon 2022). In circumstances of extreme poverty, with less than \$1.90 per hour wage, both the giver and the 689 million people living in excessive poverty gain (Peer 2021). The receiver gains freedom from poverty. The giver gains because any decrease in poverty increases economic and social stability. This position also supports ethical egoism where the decrease in poverty serves a person's self-interest by promoting peace, economic prosperity, and stability (Rae 2009). Through the 20th century, globalization has and will continue to change the perception of the world; reshape career paths; alter how personal resources are managed, and define how a multicultural world communicates and co-exists. There are impacts of globalization greater than the humanitarian goal to reduce poverty. These impacts change our world economically, technologically, culturally, and politically (Ehrenfeld 2012). In review, the impacts of globalization can be seen as both positive and negative. Knowing there are negative repercussions from over-utilizing and redistributing the world's resources, one should question if reducing poverty through global initiatives is ethical.

Poverty an Ethical Issue

The United Nations Copenhagen world summit on development defined absolute poverty as “a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education, and information. Poverty is not only measured by income but also considers access to social services” (UKEssays 2019). The absence of primary human needs supports poverty as an ethical issue from both utilitarian and

egoism perspectives. Peter Singer, an act-utilitarian who believes the correct moral choice is based on consequences (Rae 2009), proposes that “if we can prevent something bad without sacrificing anything of comparable significance, we ought to do it” (Singer 2011). This position, when accompanied by the universal belief that poverty is a bad thing, requires all citizens of wealthy, industrialized nations to assist in reducing extreme poverty. Likewise, an egoism ethical perspective is best described by Adam Smith in *The Wealth of Nations*. Smith suggested that “when individuals pursue gratification of their insatiable desires single-mindedly, then they unintentionally benefit society as a whole” (Regoli 2019). This substantiates Smith’s invisible hand theory, “individuals have more motivation to work hard to benefit themselves than to achieve any other goal” (Regoli 2019).

Reducing Poverty – Positive Impacts of Globalization

Globalization and the resulting efforts to decrease poverty have been partially effective. According to the World Bank, the world poverty rate is measured by a wage of \$5.50 per hour or less. Since evolving into a global community in the 1980s, the world poverty rate has fallen 23% from 66.5% to 43.5% of the population in 2019 (macrotrends.net 2022). According to World Vision, since 1990, more than 1.2 billion people have risen out of extreme poverty. Recently, impactors such as the Middle Eastern and African crises (UNHCR USA 2021), and COVID have adversely affected those numbers as education, health, health services, and living conditions have been impacted (Peer 2021). COVID-19 impacted “labor supply, psychological effects of social distancing, shifts in demand from services involving close contact, increases in the cost of logistics in food and other supply chains, and reductions in savings and investment” (Laborde, Martin and Vos 2021). Market research suggests the global recession caused by COVID-19 will

be greater than the financial crisis in 2008-2009. COVID-generated increases are concentrated in South Asia and sub-Saharan Africa where urban regions suffered greater than rural regions. One hundred fifty million people are expected to return to extreme poverty due to food uncertainty (Laborde, Martin and Vos 2021).

Globalization, by definition, is the connection of different parts of the world where the increased flow of goods, services, capital, people, and ideas, can raise the standard of living across world populations (Stovierski 2021). The United Nations have embraced this description through initiatives of a global body. Headed by the United Nations Development Programme (UNDP) Sustainable Development Goals, a community of focus has been established to work with 170 countries and territories. This organization helps countries to “develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience to achieve sustainable development goals” (UNDP 2022). UNDP concentrates on poverty reduction by targeting resource utilization, education, health care, water pollution, and food scarcity. UNDP also focuses on safety, such as land mine removal and natural disaster training. There has been a vast improvement in quality of life and increases in global relocation, trade, and communication through these efforts. Efforts have moved billions of people from Third World poverty into the world middle class, in places like China, India, and much of South America and sub-Saharan Africa (Massner and Neril 2022).

Reducing Poverty - Negative Impacts of Globalization

There are detriments to globalization. Originating from western countries, free trade agreements have allowed successful corporations to move to underdeveloped countries. Instead of promoting quality of life, the workforce has been oppressed by lower wage rates and

substandard safety procedures. Many countries have created a workforce characterized by long hours and cheap labor to keep up with production by selling low-cost products. These practices “increase income inequality and substandard working conditions in developing countries that produce goods for wealthier nations” (Stovierski 2021).

Globalization also compromises the environment. Free trade with third-world countries allows migrating corporations to exploit the environment by purposefully relocating to countries where environment protection policies do not prohibit contamination of land and waterways. Pollutants such as plastic in the oceans, carbon, toxic chemicals, and nuclear waste, will erode ecosystems too quickly. As pollution is spread to coral reefs and rainforests, the variety of species on earth is endangered, as these areas contain the majority of the different species on earth (Massner and Neril 2022).

Unplanned impacts have emerged also. As goods are required to move greater distances to market areas, increased emissions and habitat destruction have occurred as more ocean lanes, roads, bridges, and highways are needed. As cargo moves from country to country, living plants, animals, and fungi are relocated to unnatural habitats and become hazards (Stovierski 2021). There is also the issue of specialization where a region focuses only on strengths. These nations produce and export the most prosperous and efficiently grown goods and import other goods. This can lead to depletion of fertile soils, overfishing of waterways, and over-dependence on other nations (Stovierski 2021). The current Russian Ukrainian war is a perfect example of world over-dependence on Russia for oil and titanium (Shih 2002). The price of oil and aerospace titanium shortages affect the pocketbook of every consumer as prices increase, transportation costs rise, and jobs are threatened.

The cost of globalization will always be a trade-off. Prosperity will be exchanged for resources. The question is, is more gained from globalization than lost. Without globalization would resources be consumed at a lesser rate. The consumption of resources may not be limited to global trade. A loss of resources could occur regardless of globalization because men will fight to survive and prosper. This goal would also cause environmental depletion to occur. “Many of the worst environmental impacts, from strip mining to overfishing, result from people making economic decisions driven by scarcity, desperation, or ruthless profit-seeking” (Massner and Neril 2022). Haiti’s deforestation supports Massner and Neril’s position. Driven by small-scale farming and charcoal production, Haiti’s deforestation has placed native populations at risk forcing reliance on global assistance. Forty-two of Haiti’s fifty largest mountains have lost primary forests. As a result, animal species are near extinction, and the lack of roots to hold the soil has resulted in catastrophic flooding. Deforestation is a result of people fighting for food and the need to have fuel sources for heat (Sharples and Erickson-Davis 2018).

Poverty a Global Responsibility

Anti-global protectionists believe American nationalism is jeopardized by a world economy. A world community weakens America by making a nation indebted to other nations for prosperity. Protectionists believe immigration and the resulting multiculturalism tears down the morality of the nation (Ehrenfeld 2012). Whether or not this “our preservation, our nation first” philosophy is reasonable, there are regions of the world where people die because they do not have the resources to live. Charitable organizations have made local group, short-term impacts; however, despite billions of dollars in donations, charitable organizations have been unsuccessful in conquering the root cause of poverty – inequality and climate change. Lack of

political control limits the effectiveness of resource distribution and the ability to provide the economic training nations need to survive in a global climate (The Guardian 2019).

Pro-globalists believe free trade creates a distribution of wealth (Ehrenfeld 2012). As global markets expand, wealth spreads across countries as international trade promotes easier distribution of resources. As each country exchanges goods and services, there is an overall gain. Unfortunately, the gain is not equal to both parties and man's corruption by money often enters the picture. This is where the position of profit becomes influenced by what is morally right. Some believe those who gain the most have a moral obligation to the losers (Ehrenfeld 2012). Giving to a person in need is an expectation. Society expects the wealthy to provide aid to the poor. This includes wealthy nations and wealthy people. As the wealthy have few needs and the amount sacrificed is small compared to overall wealth, an act-utilitarian would support this position as a correct moral choice. In contrast, the utilitarian position does not agree with giving just because one can. Utilitarianism is devoid of our moral foundation - human kindness and empathy - unless something of value is gained. The utilitarian objective is to do the greatest good for the greatest number of people. Increasingly, the value of giving to the poor seems to be rooted in the economic consequence. "The greatest good has become synonymous with the greatest wealth, as measured by personal prosperity, regional economic development, or the value of national economic output" (CSRWire Blogs 2013).

The Religious Approach to Global Ethics

In the book *Spiritual Perspectives on Globalization*, Ira Rifkin writes, "On an individual level, globalization is about the promotion of consumer values that feed on the perception happiness is

rooted in material progress, choice equals the highest freedom, and being well connected is more important than being deeply connected” (Massner and Neril 2022). This position has merit in both utilitarian and ethical egoism positions. The biblical teachings of King Solomon in Proverbs 22:9 NIV refutes this position, “The generous will themselves be blessed, for they share their bread with the poor.” Deuteronomy 15:7-10, commands to “open wide your hand to your brother, to the needy and the poor”.

The Bible best supports the deontological ethics viewpoint as moral absolutes, i.e., rules, guide in defining standards for behavior. The Ten Commandments are an example of these absolutes. “In moral absolutism, some actions have moral value in and of themselves. Absolutism is not dependent on circumstance, cultural mores, or the result of any action. It does not attempt to define which acts are moral and which are not; it simply teaches some acts are always good, and some acts are always bad” (Compelling Truth 2011-2022). While 86% of people in the world identify with some religious belief, the values and moral code described in the Bible as moral absolutes have not been merged into global responsibility and new ways of communication. Therefore, religion is a major resource for positive change. Change that makes people feel valued and builds relationships of trust that can support a prosperous world economy (Massner and Neril 2022).

Conclusion

Ethical viewpoints such as utilitarianism, ethical egoism, and act utilitarianism are a representation of today's moral code. Each one is based upon someone gaining something, a determination of whose interest is served, or how much sacrifice is required to do good. While it is evident that “Eradicating poverty and rectifying extreme levels of inequality go hand in hand

with economic growth” (Georgetown University 2015), the elimination of poverty will not be accomplished without an investment of the heart. God’s creation is in jeopardy, both human and ecological. The loss of what God values not only affects individuals or remote nations. The loss from poverty affects the world. Is poverty an ethical issue? Yes, from many ethical positions whether self-serving or not. Helping others rise above the desperation of poverty is critical to communities making choices that promote the welfare of citizens. Success will motivate nations toward economic growth.

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