

## ASSAULTING GLOBAL POVERTY – SHORTFALLS AND A PROPOSED REMEDY

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Over the past half-century or so, the international community's strategies for coping with global poverty have evolved through several stages. Each retains its partisans. Each in its own way has advanced the agenda of promoting economic growth and reducing extreme global poverty. But insufficiently.

In stylized fashion, we can for convenience review these strategies under the following headings: (1) Growth Alone, (2) Growth and Infrastructure, (3) Growth, Infrastructure, and Jobs, (4) Growth, Infrastructure, Jobs, and Services, (5) Growth, Infrastructure, Jobs, Services, and Transfers.<sup>1</sup>

Despite global economic progress, the extent and severity of human poverty remains an affront to the world's conscience. This is not likely to change in the coming decades unless antipoverty strategies evolve further. A straightforward but comprehensive remedy for extreme global poverty is a guaranteed minimum income. This paper concludes with a proposal for implementing that remedy internationally.

### *Growth Alone*

In the 1950s and 1960s, Growth Alone was the prevailing view. A rising tide would lift all boats. For developing countries the key was capital investment, industrial development, urbanization, and periodic infusions of foreign aid and foreign advice.

Developing countries adopted a variety of growth strategies built around low interest rates, favorable currency exchange rates, and trade policies — notably, in the case of the latter, import substitution — to foster domestic industrialization and promote internal capital investment. The expectation was that industrialization would attract and eventually absorb rural labor forces into higher paid and more productive urban employment. This scenario “failed to materialize in most developing countries.”<sup>2</sup>

It was accepted that rural areas, where most of the world's poor were concentrated, could suffer disproportionately for a while as a country industrialized and urbanized. Women, children, seniors and various racial and ethnic population subgroups might lag behind for a time in the general exodus from poverty. But not to worry. Over time, the benefits would work their way down to those at the bottom of the income ladder.<sup>3</sup>

Is Growth Alone sufficient to reduce global poverty? The neoliberal view is unequivocal. “Growth is sufficient, period.”<sup>4</sup> And growth is best achieved by open markets, elimination of government deficits and reduced welfare expenditures. The needs of the poor are best met through the efforts of individuals, families and private sector organizations.

Others have begged to differ. Factors like high fertility rates, landlessness and illiteracy kept hundreds of millions of people ensnared in poverty. Impressive growth rates only accentuated the shortage of skills and appropriate technology in developing countries, thereby widening the gap between rich and poor. Private voluntary efforts to overcome these conditions fell dramatically short.

Growth tended to expand the pool of unemployed and unskilled members of the labor force. Alarming, the young made up a high proportion of this structurally unemployed group.

Thus, even under conditions of strong economic growth and declining poverty rates, such as occurred in the 1980s, the number of people in poverty could continue to rise. The very factors contributing to the growth in society's resources hindered the absorption of the least skilled groups into the world of work or adequate distribution of new wealth to society's poorest. Poverty rates might fall but population growth would keep the number of people mired in extreme poverty unacceptably high. Most vulnerable were women, seniors, racial and ethnic minorities, persons with disabilities and residents of rural areas.

### *Growth and Infrastructure*

Clearly, the benefits of globalization were failing to trickle down to the least advantaged, at least on any acceptable timetable. Policy planners decided that something more was needed to accelerate the process. The answer was Growth and Infrastructure.

Deprived urban and, more especially, remote rural communities needed the underpinnings of growth in the form of roads, bridges, power plants, schools and hospitals. So these were built. "Between fiscal years 1961 and 1965, 76.8 percent of all [World] Bank lending was for electric power or transportation."<sup>5</sup>

Much good was done. Roads made it possible for poor villagers to travel to markets. They also made it possible for marketers to travel to poor villages. School enrollment and use of health care facilities went up. Rural electrification fostered business startups. Rural water systems brought potable water and improved overall sanitation to remote communities.

In some cases, the new infrastructures sat until they deteriorated. The money for road maintenance and the managerial and technical skills for running power plants were lacking. New funding tended to go toward new roads and power plants than maintenance of the existing ones. Those with entrepreneurial and other skills profited. Those without the requisite education and skill base stayed on the sidelines. Doctors, nurses and teachers — all were in short supply.

In other cases, communities benefited overall but the benefits bypassed their poorest and most isolated members. A road serves no useful purpose if the poor cannot afford the means of transportation. Wells and other rural water systems located close to the houses of wealthier and more politically influential households work to the detriment of their poorer neighbors.

Questions about the target efficiency of Growth and Infrastructure as an antipoverty strategy began to surface. For example, investments in agricultural infrastructure disproportionately favored big landowners over the peasantry. Agricultural marketing boards squeezed the profit margins of small farmers in order to lower food prices for urban residents. Subsidized mechanization raised yields but reduced the demand for labor.<sup>6</sup>

As rural areas began to enjoy some of the benefits of globalization, the extremely poor continued to suffer from their lack of two critical assets, land and education. Weak governance structures opened the door in some areas to corruption, unwise local

investments and neglect of maintenance. Once again the few benefited but the many remained marginalized.

Perhaps something more than unalloyed growth was needed. Perhaps that something had to do with enabling people to tap into the benefits of growth through their own economic activity. Perhaps it was time to expand the scope of the world's antipoverty agenda.

### *Growth, Infrastructure, and Jobs*

For policymakers, the problem was that Growth and Infrastructure did not routinely expand employment opportunities on a large enough scale to alleviate poverty significantly. High fertility rates diminished the average size of landholdings in countries operating on the principle of equal inheritance. Hence, marginal farms (less than one hectare) grew as a percentage of all farms. Job creation in both rural and urban areas fell behind expanding labor forces.

The solution? Growth, Infrastructure, and Jobs. Or, if you prefer, labor-intensive growth. In the 1970s, the International Labour Organization launched the World Employment Program. This focused on making growth work for the benefit of all, regardless of race, ethnicity, gender, or other characteristics. The ILO differentiated among people willing to work at prevailing wages but unable to obtain jobs, younger people holding out for jobs more commensurate with their education and training, and the working poor — those whose earnings were insufficient to lift them out of poverty.

The notion of poverty as a function of unemployment shifted policy discussion from growth alone to job creation. Indeed it was argued that employment should supersede growth as a primary development objective. The ILO has advocated, for example, that large infrastructure projects like road building be carried out using labor-intensive methods that provide employment to the poor.<sup>7</sup>

Development was increasingly seen as having a social as well as an economic dimension. One major cause of global poverty is gender-based discrimination in many societies and particularly in their labor markets. Women find it more difficult to get jobs, especially well paying jobs with career prospects.

Similar discriminatory attitudes diminish economic opportunities for racial and ethnic minorities, as well as indigenous peoples who in some countries are the majority. Some five thousand indigenous and tribal groups are spread among seventy countries. "The world's highest infant mortality rates, lowest income levels, most widespread illiteracy and slimmest access to health and social services are to be found among the world's 300 million indigenous people, half of whom live in Asia."<sup>8</sup>

A labor-intensive approach to growth was intended to address these problems. The ILO highlighted the role of the informal sector, the network of small enterprise and ad hoc job creation that developed among rural migrants living at the urban margins. It emphasized the critical importance of education as an economic investment. It advocated "appropriate" technologies that accommodated the scarcity of capital but the abundance of labor in many developing countries.

The World Employment Program was embraced by other elements of the United Nations system. For its Second Development Decade, the United Nations emphasized rural development as a key to combating poverty and narrowing the income gap between

rural and urban families. It promoted labor-intensive growth through the establishment of employment targets and absorption of more of the labor force into modern non-agricultural jobs. Large-scale industrial and infrastructure projects should make way for small-scale job-creation projects.

Developed and developing countries alike have used public employment programs to counter widespread poverty and unemployment. The idea is that poor people, otherwise unemployed, can do socially useful work like road building, construction of public facilities (schools, hospitals, clinics), ditch digging and park maintenance. While targeted on the extremely poor, the evidence indicates that they are as likely to reach less vulnerable households as the most vulnerable.<sup>9</sup>

Public employment programs have been criticized as stigmatizing, administratively costly, and prone to political corruption. Since the jobs often entail heavy manual labor, participation rates are higher among men than women. Extremely poor people find it hard to take part due to associated costs like child or elder care and transportation. For advocates of unrestricted private sector expansion, public employment programs drain away scarce resources for low productivity work.<sup>10</sup>

With respect to growth strategies, developing countries had to decide whether to invest in creating a large number of less skilled, lower paying (and shakier) jobs or a smaller number of more skilled and higher-paying jobs geared to emerging technologies.

The former would increase employment and reduce poverty in the short run. This was attractive to countries with few resources and high population growth rates. However, labor-intensive growth strategies might work to their long-run disadvantage. To remain competitive, “[m]any companies in third-world countries have been forced to invest heavily in automated technologies.”<sup>11</sup>

Developing countries, which pursued economic autonomy and self-sufficiency, found themselves confronting technology-intensive growth trends in the developed world and a globalizing market place. The long shadow of the multinational corporation was falling over more and more lands.<sup>12</sup> Advanced technologies were moving the world closer to a stage of “near workerless production” with fewer job opportunities while the populations of developing countries continued to rise.<sup>13</sup>

### *Growth, Infrastructure, Jobs and Services*

By the 1970s the World Bank was pushing its loan portfolio beyond large infrastructure projects to include the human aspects of development, such as education, health and sanitation. This departed from the Bank’s prior focus on strictly defined economic activity with a higher probability of return on investment than the riskier realm of social lending.

Social lending was justified on grounds that it would accelerate the development process. To maximize growth and employment required a new element to the set of antipoverty strategies. To deal with the world of work in a capital intensive, technologically grounded global economy, the poor needed a network of supportive social, educational and health services to meet their basic needs.

The basic needs approach adopted in the late 1960s and early 1970s included basic education, health care, food and housing subsidies augmented by skill training, childcare, and transportation. As part of labor-intensive growth strategies, newer aid projects

highlighted food security, adult literacy, public health (for example, inoculations), credit for small farmers and technical assistance.

The arsenal of global antipoverty strategies now included Growth, Infrastructure, Jobs, and Services. But simply adding services on a project-by-project basis was insufficient and not infrequently counterproductive. Social assistance programs like subsidized health care disproportionately benefited middle and upper income groups. In some countries, food subsidies went to the more well-off residents of urban areas rather than the destitute rural poor. Housing projects tended to serve as political showcases for governments while barely making a dent in national housing crises.<sup>14</sup>

Devils lurked in the details of implementation. Social service organizations tripped over one another. International donors overwhelmed national governments and local communities alike with burdensome grant conditions and excessive reporting requirements. Determining who should be counted as “poor” proved controversial.

Developing countries were induced to undertake reforms in “sectors” like health care, education and housing. Reforms foundered due to inadequate coordination across sectors, insufficient funding and political realities. Education, for instance, was characterized by a tug of war over whether to invest more in universal primary schooling or post-secondary and university-level graduate programs. With decisive political support from wealthier classes, the latter tended to win out. Basic education for the poor took a back seat.

Subsidized housing benefited urban workers and civil servants while either ignoring the poor or harming them through the clearance of shantytowns without adequate relocation plans. Food subsidies were allocated mainly to civil servants, police, families of members of the armed services and factory workers. Health care programs, being concentrated in urban areas, tended to benefit middle and upper income groups far more than the poor.<sup>15</sup>

Many local projects proved innovative and effective. The dedication of aid workers, both domestic and international, was inspiring. Individuals and communities benefited. Yet, in general innovative local projects were not widely replicated or scaled up to the national level even when recognized as models.

Donors tended to fund innovation, not replication. And host governments lacked the resources to rigorously evaluate local projects and replicate those deemed successful. One notable exception was the expansion of microfinance to support budding entrepreneurs in poor communities. But even here the aggregate impact on global poverty reduction has remained depressingly small.

Microcredit programs like the pioneering Grameen Bank in Bangladesh typically make loans to groups of poor people operating a small business. These programs have had demonstrable success. They have been touted as a means of empowering women. However, for all the good they do, they are not the complete answer to extreme poverty.

First, in rural areas where they predominate, it would require restructuring of the economy to raise productivity and boost wages generally. The microcredit programs are not large or extensive enough to have such an impact. Most microcredit programs are not self-sustaining but depend on outside subsidies.

Second, in the “mini-economy” where the extremely poor live, transactions are small, informal and irregular. This makes it harder for microcredit programs to monitor activities or charge standard administrative costs. The more entrepreneurial members of a

community tend to self-select into the programs. And there is the natural tendency for such programs to seek out those whose creditworthiness is higher.

To have a large effect on extreme poverty, microcredit schemes need to function as part of more integrated approaches involving literacy, health care, housing and other support systems. In some cases this occurs (for example in rural Bangladesh), in others not.<sup>16</sup>

With advances in mechanization, information and communications technologies, and biotechnology, both developing and developed countries will witness productivity gains in the future. In the former, the declining demand for unskilled labor accompanied by high population growth rates means that creative new solutions are required to avert economically bifurcated societies and a worsening poverty situation for those left out of the economic mainstream.

### *Growth, Infrastructure, Jobs, Services and Transfers*

At the outset of this new century, there were welcome signs that the number of people in extreme poverty is dropping. However, the vast number of those still stuck in poverty — minimally in the hundreds of millions, possibly a billion or more — tempers the cause for celebration. It is axiomatic in social welfare systems that the hardest cases remain until the last. The blend of Growth, Infrastructure, Jobs and Services has proven insufficient.

Migration is sometimes touted as a path to economic opportunity. Rural to urban migration has not always alleviated poverty. “The option of migrating is not available to all poor people, least of all the chronically (long-term) and severely (poorest) poor.”<sup>17</sup> This is due to the cost of moving and the risks of losing whatever small assets they possess.

For those who do migrate, urban jobs often proved scarcer than expected and migrants lost touch with community-based kinship networks that provided them with an informal social and economic safety net. The beneficial effects of remittances notwithstanding, poverty and income inequality in sending rural areas can be exacerbated insofar as communities lose their most productive members to migration.<sup>18</sup>

The role of transfers in alleviating poverty has begun to attract more attention. The poor are most affected by shocks to the economic and social systems of their countries. Such shocks include crop failures, high inflation rates, natural disasters, civil conflict, crime, illness and disability, unemployment and the adversities of aging. Transfers are a means of reducing the risk of such shocks or at least softening their impact.

Social protection schemes take many forms including food subsidies, means-tested welfare payments, unemployment insurance, subsidized housing, universal health care and social security benefits. Such schemes are commonplace in rich countries but are often unaffordable in the poorest countries. “Less than ten percent of the population in the poorest countries have adequate social protection.”<sup>19</sup>

Hence a pilot project by the International Labour Organization to establish a Global Social Trust. Rich countries would voluntarily contribute about five dollars per person per month to the Trust, which would be used to “jump start” social protection systems in the least developed countries.<sup>20</sup>

The World Bank has increased its involvement in the social protection sector. “Lending [in the sector] has increased more than six-fold since 1994.”<sup>21</sup> In fiscal year 1999, lending reached \$3.76 billion or thirteen percent of the World Bank’s total.<sup>22</sup> The World Bank has concluded that, while individual social protection programs serve a useful purpose, a “more holistic approach” is needed to achieve significant poverty reduction in the developing world. It advocates a flexible approach to the design and implementation of social risk management strategies, depending on the nature of the particular risk (natural disaster versus economic downturn, for example) and the characteristics of the affected populations.<sup>23</sup>

Despite such policy frameworks, however, social protection systems in practice tend to be categorical, that is, targeted not on the population as a whole but on selected subsets. Thus there are separate systems for the unemployed, seniors, and persons with disabilities. Different types of benefits and services are administered differently. Each demands the specification of its particular eligibility criteria, certification and periodic recertification of an applicant’s entitlement to benefits, determination of benefit levels, and in some cases monitoring of how benefits are used (e.g. food stamps).

Social protection systems require the establishment of large and often intrusive bureaucratic structures. Expenditures must be audited to make sure that only eligible persons receive benefits and that benefits are pegged to the appropriate level and duration.

The systems lose popularity in periods of economic downturn and rising government deficits. Complaints of waste, fraud and abuse grow louder. More basically, conservative critics contend that social protection fosters widespread dependency on government largesse and impedes prospects for economic growth. Beneficiaries tend to be stigmatized as unproductive drones.

Despite the criticism, social protection systems are more likely to expand than contract. The displacements created by the global economy will fuel such expansion. More and more international attention is being directed not only to growth strategies but also to the scope and financing of social protection in developing countries.

According to the World Commission on the Social Dimension of Globalization, “A minimum level of social protection for individuals and families needs to be accepted and undisputed as part of the socio-economic ‘floor’ of the global economy....Donors and financial institutions should contribute to the strengthening of social protection systems in developing countries.”<sup>24</sup>

At the same time, the downsides of social protection persist, including such factors as administrative complexity, rising costs, stigmatization of recipients, perpetuation of dependency and potential work disincentives. The search to minimize these downsides and reduce reliance on social protection goes on.

### *Globalization and Equity*

The relationships among economics, social structures and political power affect the ways policy is developed and implemented in poor countries. Yet these relationships are not well understood. History remains the best available guide to what does and does not work to foster growth and alleviate poverty and what role a global guaranteed income scheme might play in the process.<sup>25</sup>

Recent history reveals a pattern of unregulated capital flows and unfettered market access by global economic powers that have generated unbalanced outcomes within and among societies. While poverty reduction has become a central development theme, old ideologies and inflexible nostrums have proven inadequate.

Around the world people seek decent jobs and promising futures for their children. Despite the growth in global wealth, hundreds of millions of people remain in the shadows of the informal economy without rights or benefits. They are unable or unwilling to function as part of an open private economy. They tend to live in “a swathe of poor countries that subsist precariously on the margins of the global economy.”<sup>26</sup>

Unsurprisingly, globalization has provoked a rise in global tensions. Too few people influence its shape, affect its course, or share in its benefits. There is no reason to hinder the advance of globalization. There is every reason to make sure that it enhances freedom and opportunities for all.

And just why should anyone be left behind?

In the developed world, and most notably in North America and Western Europe, a variety of social protection schemes has evolved incrementally from country to country. New schemes emerged to promote social objectives (e.g. family formation) or in response to adverse conditions (poverty, unemployment, disability, etc.) affecting particular categories of people (women, children, single parents, seniors, racial and ethnic minorities).

Collectively the schemes comprise a crazy quilt of protection, with gaps in some areas, overlaps in others, unwelcome disincentives, and administrative complexity. In developing countries, where extreme poverty is concentrated, social protection schemes are generally less extensive, less generous, and more vulnerable to mistargeting and outright corruption.

As their economies grow and the disparities between rich and poor widen, these countries will face a choice. Their social protection schemes can follow the haphazard evolutionary path of the developed countries. Alternatively, they can skip past piecemeal solutions and respond to extreme poverty in a more integrated and technologically advanced manner. To borrow an analogy from telecommunications, they can install telephones in homes and string the landscape with copper wires. Or they can skip immediately to cell phones and other wireless communications devices.

With financial and technical assistance from the international community, they could instead opt for a simplified but comprehensive remedy for anyone in extreme poverty — a guaranteed minimum income. A floor under the incomes of the world’s poorest people is a logical first step for alleviating global social tensions and tapping into latent human capabilities.

### *Guaranteed Minimum Income*

For the most part, proposals for a guaranteed income are limited to individual nations. International forums advocate the concept, track progress in implementing it, and compare various approaches adopted by governments. Here and there, calls are heard for a global guaranteed income.<sup>27</sup> Many globally oriented proposals are utopian so that even their advocates do not foresee their implementation within any reasonable timeframe. Something more realistic in the changing global environment is called for.



A more affordable and potentially more politically palatable alternative is a negative income tax that takes the form of a refundable tax credit. People with incomes below the extreme poverty threshold (e.g. \$1 a day) would qualify for the credit. The amount of the credit would be the difference between an individual's actual income and the extreme poverty threshold. A reimbursable tax credit is less stigmatizing than other forms of social protection.

The initiative to provide the credit would lie with individual developing countries. The international community, acting through the United Nations, would assist with cost-sharing and technical assistance. This approach would entail a partnership among developing countries, donors and international organizations.

The approach is not fault-free. For example, it would operate through the tax collection systems of participating countries. The deficiencies of these systems in many developing countries are well known. Implementation would be gradual and far from perfect. Some extremely poor people will fail to apply for the credit or be wrongly denied it. Other people whose incomes are above the extreme poverty threshold will fraudulently receive it. Inefficiency, inequity and corruption are ever-present risks.

The rewards, however, outweigh the risks. The forces of globalization are already putting pressure on countries to modernize their tax systems. Participating governments would seek to improve these systems in order to qualify for international assistance (financial and technical) with their tax credit initiative. While it will never be one hundred percent target-efficient, the credit will reach many of the hundreds of millions of people trapped in extreme poverty.

Like democracy as a form of government, reducing extreme global poverty through a reimbursable tax credit can be excoriated as a bad idea – until one considers the alternatives.

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Note: This article is adapted from a chapter in a new book I am writing, provisionally titled *Giving Credit Where Due: A Path to Global Poverty Reduction*. In it I make a more extended case for a reimbursable tax credit administered by developing countries with financial and technical assistance from the United Nations. To see a draft of the manuscript, go to: [members.cox.net/rclark41/BobClark.htm](http://members.cox.net/rclark41/BobClark.htm), scroll down to “Book in Progress” and click on the link. Comments on the draft are welcome at [rclark41@cox.net](mailto:rclark41@cox.net).

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#### END NOTES

<sup>1</sup>This article is in the nature of an essay. For a more historically grounded review of international antipoverty strategies, see among others Clark, Robert F. 2005. *Victory Deferred: The War on Global Poverty (1945-2003)*. Lanham, Maryland: University Press of America.

<sup>2</sup>United Nations Economic and Social Council. 1995. *Poverty Eradication and Sustainable Development: Report of the Secretary-General*. (March 20) Commission on Sustainable Development, Third Session, April 11-28, 1995. E/CN.17/1995/14. New York: United Nations. P. 4.

<sup>3</sup>Nobel prize winning economist Simon Kuznets (1901-85) hypothesized that, in a traditionally agricultural economy with a low level of income inequality, the shift toward industrialization would lead to an increase in income inequality for a period of time. At some critical point, income equality would start to decrease. This was represented by the famous U-shaped Kuznets curve. See his original paper, Kuznets, Simon. 1955. “Economic Growth and Income Inequality”, *American Economic Review*, 45(1): 1-28. Despite much subsequent research, scant empirical evidence has been uncovered to fully substantiate the hypothesis.

<sup>4</sup>Bhalla, Surjit S. 2002. *Imagine There's No Country: Poverty, Inequality and Growth in the Era of Globalization*. Washington, DC: Institute for International Economics. P. 206.

<sup>5</sup>Ayres, Robert. 1983. *Banking on the Poor: The World Bank and World Poverty*. Cambridge, Massachusetts: MIT Press. P. 2.

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<sup>6</sup>United Nations Economic and Social Council. 1995. *Poverty Eradication and Sustainable Development: Report of the Secretary-General*. (March 20) Commission on Sustainable Development, Third Session, April 11-28, 1995. E/CN.17/1995/14. New York: United Nations. P. 4.

<sup>7</sup>International Labour Organization, Regional Office for Asia and the Pacific, "Roadways to Employment: Linking Infrastructure to Jobs," press release, 10/26/99. [www.ilo.org/public/english/region/asro/bangkok/newsroom](http://www.ilo.org/public/english/region/asro/bangkok/newsroom).

<sup>8</sup>International Labour Organization, Regional Office for Asia and the Pacific, "Indigenous People Still the Poorest of the Poor," press release, 8/8/01. [www.ilo.org/public/english/region/asro/bangkok/newsroom](http://www.ilo.org/public/english/region/asro/bangkok/newsroom).

<sup>9</sup>One example. In the wake of the Asian financial crisis of the late 1990s, Indonesia expanded its public works program. In the ILO's People's Security Survey, 2.4% of households with incomes *sufficient* for their food needs were engaged in public works schemes. One would expect the percentage to be higher for households with incomes that were not sufficient for food needs; in fact, the percentage was 2.6%. See following note for reference.

<sup>10</sup>International Labour Organization. 2004. *A Fair Globalization: Creating Opportunities for All*. Final report of the World Commission on the Social Dimension of Globalization. ISBN-92-2-115426-2. Geneva: International Labour Organization. P. 371-372.

<sup>11</sup>Rifkin, Jeremy. 1995. *The End of Work: the Decline of the Global Labor Force and the Dawn of the Post-Market Era*. New York: Tarcher/Putnam. P. 204.

<sup>12</sup>In 1999, of the world's one hundred largest economies, only forty-nine were countries; the rest were corporations. The top five corporations, General Motors, Wal-Mart, Exxon Mobil, Ford Motor and Daimler Chrysler, ranked number 23 (just ahead of Denmark), 25, 26, 27, and 28 respectively. (The study directly compares the sales of corporations with the Gross Domestic Product of countries.) See Anderson, Sarah and John Cavanagh (2000) 9.

<sup>13</sup>Rifkin, Jeremy. 1995. *The End of Work: the Decline of the Global Labor Force and the Dawn of the Post-Market Era*. New York: Tarcher/Putnam. P. 207.

<sup>14</sup>Bird, Richard M. and Susan Horton, editors. 1989. *Government Policy and the Poor in Developing Countries*. Toronto: University of Toronto Press. P. 11-16.

<sup>15</sup>United Nations Economic and Social Council. 1995. *Poverty Eradication and Sustainable Development: Report of the Secretary-General*. (March 20) Commission on Sustainable Development, Third Session, April 11-28, 1995. E/CN.17/1995/14. New York: United Nations. P. 5.

<sup>16</sup>The preceding discussion on microfinance draws on International Labour Organization. 2004. *A Fair Globalization: Creating Opportunities for All*. Final report of the World Commission on the Social Dimension of Globalization. ISBN-92-2-115426-2. Geneva: International Labour Organization. P. 373-376.

<sup>17</sup>Waddington, Hugh and Rachel Sabates-Wheeler. 2003. *How Does Poverty Affect Migration Choice? A Review of Literature*. Development Research Centre on Migration, Globalisation and Poverty - Working Paper No. 13 (December). Brighton, United Kingdom: University of Sussex. [www.migrationdrc.org](http://www.migrationdrc.org). P. 18.

<sup>18</sup>Op. cit.: 9-10.

<sup>19</sup>International Labour Organization. 2003. *Working Out of Poverty*. Report by Juan Somavia, Director-General to the International Labor Conference, Geneva 91<sup>st</sup> Session. Geneva: International Labour Organization. P. 11.

<sup>20</sup>Ibid. For the United States, for example, the contribution would be \$5 times 12 months times 280 million people or \$16.8 billion a year.

<sup>21</sup>World Bank. 2001e. *Social Protection Sector Strategy: From Safety Net to Springboard*. Washington, DC: World Bank. P. vii.

<sup>22</sup>Ibid.

<sup>23</sup>Ibid.

<sup>24</sup>International Labour Organization. 2004. *A Fair Globalization: Creating Opportunities for All*. Final report of the World Commission on the Social Dimension of Globalization. ISBN-92-2-115426-2. Geneva: International Labour Organization. P. xiii.

<sup>25</sup>Bird, Richard M. and Susan Horton, editors. 1989. *Government Policy and the Poor in Developing Countries*. Toronto: University of Toronto Press. P. 15-22.

<sup>26</sup>International Labour Organization. 2004. *A Fair Globalization: Creating Opportunities for All*. Final report of the World Commission on the Social Dimension of Globalization. ISBN-92-2-115426-2. Geneva: International Labour Organization. P. x.

<sup>27</sup>Two cases in point: Basic Income Earth Network, founded (as the Basic Income European Network in 1986) and the newer Global Basic Income Foundation. Both are vehicles for open, lively discussion on the merits, design and feasibility of basic income schemes.