



Minderheiten

IfS Standpunkte

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All over the world: "2 Dollars per day per person"

An Argument in favour of a World Minimum Allowance

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Abstract: About one billion people in this world suffer from hunger. Ulrich Hemel does some simple calculations in order to reduce this number: If there would be a world-wide program to give two dollars per day to those people, this would cost less than much of the efforts for overcoming the present Euro crisis. A "World Minimum Allowance Fund" and respective quality norms could be a solution to significantly reduce hunger and to overcome such problems as a just distribution of the money and corruption.

Capital is urgently needed - for saving banks, for saving the Euro, for investing in renewable energy, for States, for companies... and how about poor and hungry people?

"Occupy Now!" gives a sentiment but there is no clear programme. Why don't go ahead for responsible action for the poorest part of the world?

Poverty evokes a lot of sentimental feelings. And there are many definitions of poverty. One of the accepted definitions is the situation where you have to live with less than 60% of the average income in a country. In rich countries, social welfare pays more than the average income of people in poor countries. I shall never forget the answer of some Burkina Faso cotton workers in December 2006 when I visited that country. Burkina Faso is a West African country with an average income of 400 dollars per year. And those cotton workers, asking me for a tip as a compensation for taking photos, told me "our workforce is too expensive - cheaper cotton is being imported from the United States". Now, there was no bitterness in their answer, and this is not intended to be the place to discuss agricultural export programmes.

Relative and absolute poverty are quite different from each other. My choice is a very simple one: hunger. If the FAO, the Food and Agricultural Organisation of the UN, is right, more or less 1 billion persons world-wide suffer from physical hunger, malnutrition and poor health connected to hunger. Other statistics tell us that around one billion people world-wide have to live with less than two dollars per day.

Now, let us have a small cross-check. These people do not live from zero but their income is limited to something below two dollars per day. Let us take an average of one dollar per day. In this case, they have to eat and to drink on 365 days per year, 366 in 2,012! The simple result of this common sense exercise is a need of 365 billion dollars per year for a strong reduction of hunger in this world.

First of all, this is much less than the European Stability Mechanism (ESM) and all the other European and U.S. liquidity enhancing financial tools for overcoming the present crisis. Individual banks such as the German Hypo Real Estate needed more than 100 billion Euros for being saved, being "of major relevance to the financial system".

A child that dies from hunger is of no systemic relevance. It is a human person, though, and it is a shame that we all live in a world where strong forms of hunger still exist. A programme intended to give everybody on this world a minimum of two dollars per day, is also a programme to give back dignity to all of humanity!

Second, you might argue that hundreds of programmes to combat hunger have failed, so why should we bother to have another try? Beyond the fact that such an argument would be close to a cynical attitude, the idea here is different: Take the financial transaction tax, add some international funds and create a World Minimum Allowance Fund.

How would this work? If we need 365-500 billion dollars, the task is affordable as compared to saving banks of systemic relevance. But what is the difference as compared to all the existing social and humanitarian programmes? I think, it should be the financial and in the end deeply humanitarian approach.

The point of the World Minimum Allowance is to give money in kind to needy persons. They will be responsible how to spend it, they will administer it. They will experience an increase of their purchase power, independent of their age, their nation, their religion and their sex. For children below 14, the money could be given to the mothers. Social entrepreneurship programmes such as the microfinance initiatives have shown the high degree of responsibility once you really trust persons on their own.

The next objection is corruption, and the sad truth is that a lot of corruption may occur in poor and not always less in rich countries. So there must be some control of who gives what to whom. Now, in the field of companies, we have a whole and powerful industry dealing with quality control, certification and structured processes.

What we need, is therefore a quality norm - let us call it "ISO 99.99" for the proper, transparent and safe distribution of world minimum allowance money to those who need it. Probably, we should not think of one big world organisation but rather regional world minimum allowance funds or authorised organisation such as e.g. Churches, Foundations, Trade Unions or other trustworthy social bodies, controlled by certification institutions and authorised by the local governments to do their job.

Finally, how can we be safe against the abuse of such a system? This is a serious topic, and again, it involves a certain degree of control, creativity and stable processes. I have an example from my country, Germany: Unexpected as it may be, there are really poor people in Germany, too. And country-wide, there is an initiative called "Tafelladen" ("Over the Counter Shop") where they can buy food and non-food articles simply cheaper than anywhere else. They have to show a document which proves that they are registered within low income categories.

Again, we could argue that such a bureaucratic control works well in Germany and much worse in Burkina Faso, India, Nigeria or Haiti. Even if this may be true to a certain extent, fairly good statistics concerning the average income of people in a given region exist, even for poor countries. And here I would go for the benefit of the doubt: It is much better to have a radical programme for eradicating hunger than to step aside due to the danger of a certain extent of abuse. And programmes evolve: This is why certification is needed for the practical work of World Minimum Allowance Funds.

Think about it twice. It is an initiative connected to human dignity. It can make you proud of being a part of it. It can be solved by proper organisation. And it is cheaper than saving the Euro, system-relevant banks or the growth of the U.S. economy, important as they are. And it would be a perfect fit for giving "Occupy Now" a programme. "Just two dollars a day per person- worldwide"!



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