It's not crazy to think we can eradicate poverty [1]

Written by **Tim Worstall** [2] | Monday 6 May 2013

The New York Times asks us [3]:

Is It Crazy to Think We Can Eradicate Poverty?

The answer is, of course, no. It's not crazy in the slightest. This does assume that we're talking about actual poverty of course, not that inequality which is disguised as relative poverty. So how do we do this?

> Fortunately, this deadly and cyclical form of poverty is already on its way toward obsolescence, and much faster than many development economists expected. The first Millennium Development Goal ? to halve the proportion of the world population living in dire poverty by 2015 ? was met five years early, as the rate fell to an estimated 21 percent in 2010, from 43 percent in 1990. Some economists had feared that the recession would arrest or even reverse the trend, given how interconnected the global economy is, but the improvement continued, unabated. Annual growth dipped for developing economies in 2009 but has since rebounded to about 5.3 percent a year, a figure dragged down by weaker peripheral European economies.

Yes, it's our old friend, economic growth again. If we have more economic growth then there is more value that can be shared among the various people on the planet. Thus more growth will lead to less of this absolute poverty. This really isn't rocket science.

Which brings us to the question of how we should have more of this economic growth? Two pointers come to mind.

The first being that the last 30 years have been a vast explosion of capitalist/free market globalisation. This has halved global poverty. It is again not rocket science to assume that more capitalist/free market globalisation will continue the process.

The second is that we do actually have a report from thousands of chin strokers about the possible paths of the global economy over the next century. I refer of course to the IPCC. Yes, the climate change people. In their economic forecasts, the ones they use to work out what emissions will be, they put forward this possible family of scenarios [4]:

> The A1 storyline is a case of rapid and successful economic development, in which regional average income per capita converge - current distinctions between "poor" and "rich" countries eventually dissolve. The primary dynamics are: Strong commitment to market-based solutions. High savings and commitment to education at the household level. High rates of investment and innovation in education, technology, and institutions at the national and international levels. International mobility of people, ideas, and technology.

It's not only possible, we've actually assumed that it is when creating the case about climate change. You know, this is the scientific consensus?

I would also note that this family, the A1 one, also produces an emissions path that means that climate

change isn't actually a major problem. The forecasts are basically that the 21 st century will be very like the 20th. Economic growth will be about the same, increases in energy efficiency about the same, solar and other renewables will continue to get cheaper at about the same rate.

And we do end up with, in A1T at least, one scenario in this family, climate change not being a problem and we entirely beat absolute poverty right around the globe. All from a capitalist/freemarket globalisation. The only fly in the ointment is that none of us free market liberals currently advocating this approach are going to around in 2100 to dance on our opponents' graves. Better have the party now, eh?

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