

A poor person's guide: Some misinformation

on economics, social science and UN goals

Needs translation into simpler language. Draft 10 July 2018 by Matt Berkley



Some examples:

"Poverty" - Often misleads. Most people think poverty is where your needs are more than resources.

But: 1. Needs and resources are matters of **opinion**, so just saying "poverty rose or fell by x%" is ridiculous.

2. The main **UN/World Bank claims are clearly not on poverty** (if that means where needs are greater than resources) because they **ignore changing need**. The same may apply to national "poverty lines", and economic research methods claiming "benefit" to poor people from different **policies**. According to the most influential method in large-scale economics, you "escape poverty" if you are forced to spend more.

"Poverty"/"Hunger" and other claims about "**deprivation**" - Usually based on an idea which is clearly wrong. How can you judge people's deprivation during a period without a good idea of **survival rates**? If you do include survival, then you have a "measure" which involves another matter of opinion - the value of longer life against "welfare" while alive. But generally, is it better to focus on what happens in real people's lives or **statistics which look worse if people live longer and better if they die**?

"**Average rise** in income/GDP/**average rise for the poor**" - There is **no such thing as an "average" rise unless survival rates are reasonably constant**. Economists have traditionally confused the "average rise" with "the rise in the average".

"**Consumption**" in economics. Misleading. In reality a) people (who often cannot read or write) guess **what they spent** over the previous weeks - which does not tell economists what they got in return, because economists have not studied prices faced by poor people on a large scale - and b) researchers **guess** a money value of what people grow, gather, hunt or fish for themselves. Under this method, if you now need to spend money on the bus to work, or on child care, schools or medicine, an economist says your "consumption" or your "income" has gone up.

"**Purchasing power parity**"/"the equivalent of a US dollar" - Economists have **not** estimated, on a large scale, **prices faced by the poor**. What to include is a matter of opinion, since poor people are prevented from buying some things. "Equivalent" items for different places (as with inflation) also have to be based on **opinion**.

"**Cost of living**" - Economists often confuse cost with **prices**. In reality "cost" = price x need, so a price index does not measure the "cost of living".

"**Cost of basic needs**" 1. Does this mean "**after other necessary costs** - for water, school, medical services, transport and so on, have been subtracted, and after allowances made for subsidised food and low-cost or free public services not available at other times or places", which make a difference to how much money is available for the "basic needs"? Does the "basic needs basket" include facilities free from contamination (water, sanitation and hygiene) which affect nutritional status and so affect what the economist may be claiming to measure in the first place - the meeting of basic survival or health needs?

"**Real income**/GDP growth" - There is no such thing as "real" income or GDP growth. One factor is inflation. The idea that there is a "real" rate of inflation is usually a misleading fantasy, in the present era of changing patterns in what people use or buy - partly as a result of technological change. Inflation rates are usually a matter of **opinion**, because as people buy different things across time, there is no "right" or "real" answer to what quantities of items are "equivalent".

"Gross Domestic **Product**" - Is the first step "beyond GDP" not to **stop calling it "product"**? It is an estimate - from incomplete information - of particular transactions chosen by people - money going round the system and some other items, not what is "produced". Similarly "output" and "growth" are misleading, as may be "degrowth".

"**Inequality**" - Income ratios cannot measure what may be meant here - economic inequality. How can I "measure" economic "inequality" without thinking about **what people need or how many survive**? Even many more sensible economists make these errors.

"Achievements in **education**" - may just be **enrolment** in the last usual year of primary school. Completing a course is something different - reaching a level of ability. That could be achieved earlier than the last year, or not at all.

"**Undernourishment**" - Misleading. The UN uses this to refer to calories, which clearly do not measure "nourishment".

"**Improved water/improved water source**" - Often refers to type of supply, when water is improved is unknown.

"**Millennium**" Development Goals - The actual Millennium Declaration has **more ambitious targets**. In 2005 and 2010 leaders reaffirmed these along with **other** Internationally-Agreed Development Goals which made the UN Development Agenda. **Comparing "MDGs" and "SDGs"** can mislead about commitments both before and after 2015.

"**The Sustainable Development/Global Goals**" - Easily misleads because there are other agreed UN targets and principles. Leaders in 2015 reaffirmed **all relevant conference and summit agreements**. Some include **more ambitious targets** than in the "SDGs". See the UN goals for water and sanitation for all by 2020 or 2025. The 2020 and 2025 goals are in the "Least Developed Countries" programme which leaders in 2015 said was "an integral part of the new Agenda", and Agenda 21 which UN members reaffirmed in December 2017. Adequate water and sanitation for all by 2020 or 2025 would need, and cause, progress in other areas. Also, we might think **other resolutions** still hold.

"**SDGs are a new approach, the most ambitious...**" - Misleading. See for example "**human rights**" agreements since the 1940s, the 1992 Rio agreements, "**Health for all by the year 2000**", and **current UN goals for 2020 or 2025**.

"**2030** Agenda" - It is fact an agenda for some "urgent" action, and for **2020, 2025 and 2030**. See above; and there are more than 20 "SDG" targets for **2020 and 2025**.

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