

Pre-writing

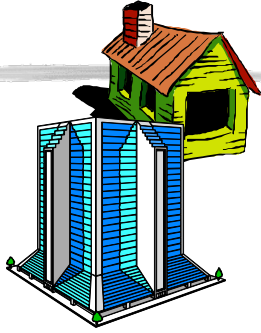
■ Using your own knowledge (or perception), describe a(n) 4-6 sentences each (what would it look like?) :

- Excellent standard of living
- Average standard of living
- Poor standard of living

** Make sure you provide examples for each comment/justification

Rich and Poor

- We do not all share the same standards of living.
- There are huge differences between nations, and also within them.
- In its 1997 Human Development Report, the UN development agency



"Human development is more than income poverty --- it is a denial of choices and opportunities for living a tolerable life."

First, Second & Third Worlds

First World

Industrialized countries where businesses operate independently of governments

Second World

Communist countries, where governments plan the economies.

Third World

Poor, less developed countries, where businesses operate independently of governments.

- Various terms are used to differentiate between rich and poor countries.
- One that is still cited, but now seems dated, distinguishes countries by economic systems.

First, Second & Third Worlds II



- Since the collapse of the Soviet Union and most of its dependent economies, the term Second World has largely lost its usefulness.
- China remains communist in name but has freed large parts of its economy from government control as has Vietnam.
- Only North Korea remains a truly Stalinist nation while Cuba tries to maintain its system unchanged despite the fall of its Soviet financiers.

Developed and Developing

- Most analysts now prefer to talk of developed or less developed economies – regardless of their political style.
- Countries like Canada, the USA, Britain and Japan are regarded as developed because of their industrialized and diverse economies.
- Countries like Indonesia and Egypt are regarded as developing or less developed (LDC' s).
- The world' s least developed countries, which often lack resources – like Chad or Laos – are often described as least less developed (LLDC' s).



Road to Development

North and South

- In a very simple division of the world, some observers note that most of the developed countries lie in the Northern hemisphere and many of the developing countries are in the southern.
- They refer to the rich countries as the North and the poor as the South.



The yellow countries represent the North - the Developed World
 The overall status of the former Soviet areas is somewhat unclear.

The Newly Industrialized


- In a further division of the world, some observers note that a number of countries, particularly in East Asia, have rapidly industrialized and have now, or soon will, catch up with the developed world.
- These are referred to as Newly Industrialized Countries – NIC' s.
- Those in East Asia are sometimes called the New Dragons.

The New Dragons



Problems of Comparison

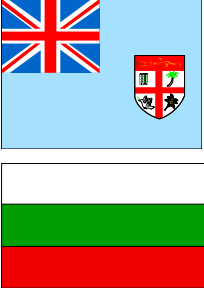
Needs and Wants



- Comparing standards of living between countries is not easy.
- Needs and wants differ enormously from place to place.
 - Air conditioning is highly desirable in the tropics, but not in higher latitude areas.
 - In colder countries good heating systems are essential.
 - Beyond the essentials of life – food, drink, clothing, security and shelter – needs are determined more by societal expectations than by biological requirements.

Comparing Countries II

Comparing the standards of living of Fijians and Bulgarians is not a simple task.



- Should one look primarily at income levels? How can this be computed?
- Can levels of happiness be evaluated?
- Can the health of people be compared?
- Is literacy an important factor?
- What about huge variations in income levels within individual countries? Should these be considered?

Comparing Countries III

- Comparing incomes using per capita figures seems reasonable, but:
 - how can currencies be compared? Conversions to US dollars or some other currency may be misleading. Currency values rise and fall through trade imbalances or speculation.
 - The cost of necessities varies enormously from place to place. Basic food and shelter is expensive in the developed world, but cheap in less developed countries.
 - Per capita GNP (Gross National Product) may actually mislead. If most of the money in a country is in a few hands, the poverty of the masses will not be indicated.

Purchasing Power Parity



- A reasonably effective way of comparing currency values is by employing some measure of purchasing power parity.
 - This is arrived at by examining the cost of a basket of necessary goods in terms of local currencies and comparing this to national income levels.
 - This results in a more accurate measure of what a currency actually buys.

The Big Mac Index



- *The Economist* Magazine uses one item in its "basket of goods."
- Since Macdonald's Restaurants are nearly universal, and since a Big Mac has the same ingredients everywhere, the Economist compares the costs of this burger from country to country and then says precisely how much a currency is overvalued or undervalued compared to the US dollar.
- Economists verify that this measure is as accurate as any other.

The Physical Quality of Life Index

- In a 1998 report, the UN notes that "income is certainly one of the main means of expanding choices and well-being. But it is not the sum total of people's lives."
- More comprehensive comparisons of countries have also been attempted.
- In the late 1970's M.D. Morris employed three indicators in compiling his Physical Quality of Life Index.
 - These were
 - ┆ Life expectancy
 - ┆ Infant mortality
 - ┆ Literacy



These measures allow comparisons independent of the cash economy.

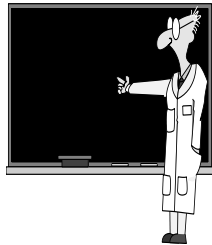
The Human Development Index

Human development is a process of enlarging people's choices. Enlarging people's choices is achieved by expanding human capabilities and functioning. At all levels of development the three essential capabilities for human development are for people to lead long and healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living.

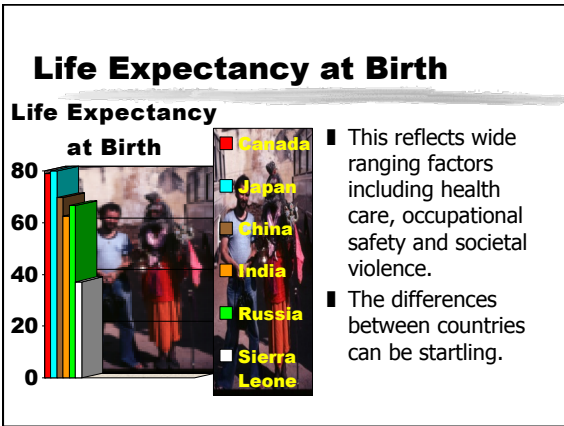
*What is Human Development?
The United Nation's Human Development Report. 1998.*

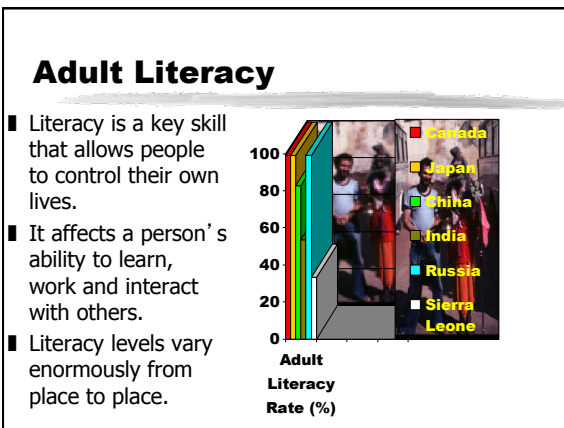
The Human Development Index II

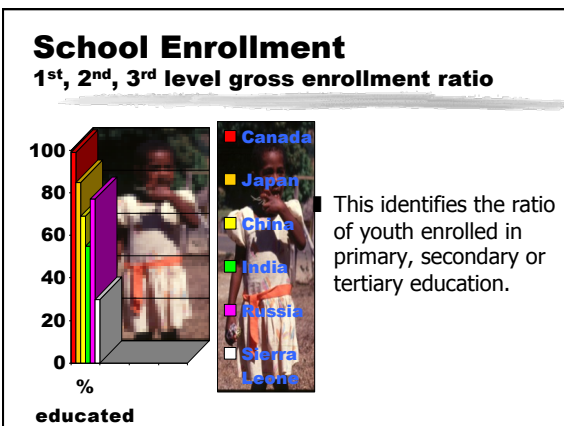
- In a further refinement of the use of indicators, the United Nations Development Programme uses a measure known as the Human Development Index.
- Since 1990 a new report has been issued every year.
- Countries are compared in terms of:
 - ┆ Life expectancy
 - ┆ Adult literacy
 - ┆ School enrollment
 - ┆ GDP (Gross Domestic Product) per person (at purchasing power parity)



These items are weighted and an HDI figure assigned.









The Human Development Index 1999

<u>Top 5 Countries</u>	<u>Bottom 5 Countries</u>
1. Canada (.932)	170. Burundi (.324)
2. Norway (.927)	171. Burkina Faso (.304)
3. USA (.927)	172. Ethiopia (.298)
4. Japan (.924)	173. Niger (.298)
5. Belgium (.923)	174. Sierra Leone (.254)

A score of over .904 is considered high A score of under .416 is considered low.

The Human Development Index 2015 - average in the world 2014 = .702

<u>Top 5 Countries</u>	<u>Bottom 5 Countries</u>
1. Norway (.944)	184. Burundi (.400)
2. Australia (.933)	185. Chad (.392)
3. Switzerland (.917)	186. Eretrea (.391)
4. Denmark (.923)	187. Central African Republic (.350)
5. Netherlands (.922)	187. Niger (.348)
...	
9. Canada (.913)	

A score of over .890 is considered high (21 countries) A score of under .493 is considered low. (26 countries)

Human Development Index

- Where is Canada?
- 2015 findings
- HDI value = .913
- Life expectancy at birth = 82 (increased by .5 years since 2014)
- Mean years of schooling=13 (increased from 12.3 in 2014)
- Expected years of schooling = 15.9
- Gross National Income per capita = \$42,155 (\$41,887 in 2014)

Additional UN Measures of Human Development

- While most attention is focused on the HDI, the UN also notes additional measures of development.
- The Human Poverty Index measures the distribution of progress and what deprivations exist.
 - ┆ It is measured one way in developed countries – HPI-1, and another way in the developing world – HPI-2
 - ┆ The difference reflects different social norms in each.
- The Gender Development Index (GDI) examines inequalities in achievement between genders.
- The Gender Empowerment Measure (GEM) examines the active participation of both genders in the economy and in decision making.

Human Development



East & West

- Huge variations in standards of living exist between and within countries.
- These inequalities are a source of instability in the world.
 - ┆ The poor understandably want the comforts of their richer neighbours.
 - ┆ The rich must help them achieve some of these goals or face the threat of losing what they have through criminal acts, political action, or violence.

The Drive to Consume

- In the developed and developing worlds, one thing is constant – human beings want to improve their lives.
- This improvement is invariably linked to the use and consumption of goods and services.
- For us in the developed world to expect those in the less developed world to want any less than what we have now is naïve.

*Less is not more.
More is more*

Miss Piggy



Review: Living Standard Indicators

- Education (formal)
- Literacy (reading/writing)
- Access to safe drinking water
- Shelter (home of some sort)
- Infant Mortality Rate
- Dependency ratio
- Health Care
- Food Supply
- Employment
- Physical quality of life index

Let's make a tree!

- <http://www.zolabo.com/projects/hdi/>

Videos

- Water PSA:
<https://www.youtube.com/watch?v=-AqLLyLeJuQ>
- Insects!
■ <https://www.youtube.com/watch?v=O6GimGZz6a8>

Mid-Assignment

- Plan of Action
 - Identify 5 specific "ways" that you could ensure that all Canadians would have access to a good standard of living
 - Discuss how your method would help the people whom do not currently have the same standard of living as others
 - Include possible obstacles you might run into when trying to implement your strategy
 - 3 paragraphs minimum

Consumption

Consumption



Ever-expanding consumption puts strains on the environment – Emissions and wastes that pollute the earth and destroy ecosystems, and growing depletion and degradations of renewable resources that undermines livelihoods.

United Nations Human Development Report 1998

Consumption II



World consumption has expanded at an unprecedented pace over the 20th century, with private and public consumption expenditures reaching \$24 trillion in 1998, twice the level of 1975 and six times that of 1950. In 1900 real consumption expenditure was barely \$1.5 trillion.

United Nations Human Development Report, 1998

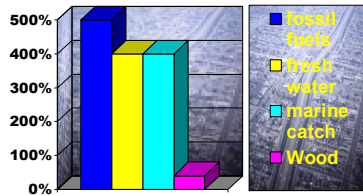
Consumption III



- Such consumption is more than simply a reflection of increased numbers.
- Much of the increase reflects rising material expectations in the developed and developing worlds.

Consumption IV

■ The UN notes the following increases in consumption over the past 50 years:



Consumption V



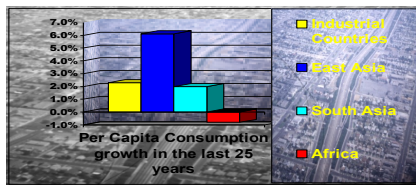
■ Though population increases in the Third World are having an impact on global consumption, rising consumption in the First World and the developing countries is having an even greater impact.

"A child born in the industrial world adds more to consumption and pollution over his or her lifetime than do 30-50 children born in developing countries."

Human Development Report 1998

Consumption VI

■ In 1998 the United Nations Human Development Report noted that changes in consumption per capita vary widely.



Consumption VII

- The UN report notes that the world's poorest have been left out of the consumption explosion.
- Over 1 billion people lack basic needs.
 - 3/5 of the 4.4 billion people in developing countries are without basic sanitation.
 - 1/3 lack clean water
 - 1/4 lack decent housing.
 - 1/5 of children are unschooled.
 - 1/5 are without adequate nutrition in the form of dietary energy and protein.



Consumption VIII

- The United Nations also notes the following discrepancies in consumption between the richest 1/5 & the poorest 1/5 of humans.

	Richest	Poorest
Fish & Meat	45%	5%
Energy	58%	4%
Telephone lines	74%	1.5%
Paper	84%	1.1%
Vehicles	87%	1%

Consumption IX

- In its 1999 Human Development Report, the United Nations notes that the world is experiencing "*shrinking space, shrinking time and disappearing borders.*"
- Indian and African villagers watch American television and develop a desire for western goods.
- Diets in China now contain more animal protein than ever before as prosperity allows more consumption.
- Could the world also support a car in every Chinese household?

Living Standards

FOOD FOR THOUGHT

Discuss:

How much do you spend on food per week?

*** Take a good look at the family size & diet of each country.**

*** Note the cost of what is eaten in one week.**
