



## UN SDG #1 : Poverty & Wealth Inequality:

(Please bring this to the attention of your students, vis-à-vis social justice and sustainability, as promised in our JHBC-PRME commitment to responsible management education in 2012.)

### THE UN's SUSTAINABILITY

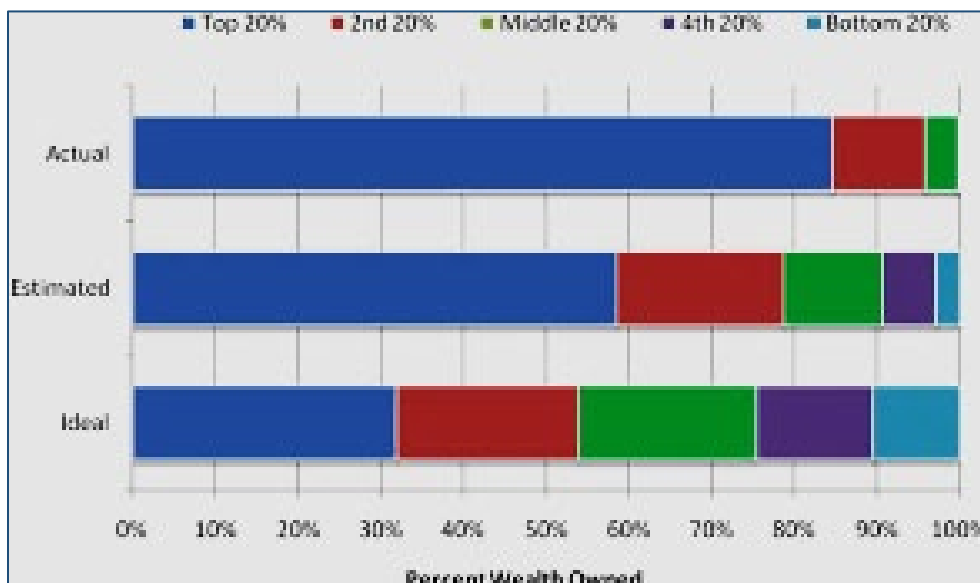
**DEVELOPMENT GOALS (SDGS)** were once again addressed in COP-26, in Glasgow, Scotland, November 2021.

However, these goals, slated to be met by 2030, were found to be disappointingly lagging in progress in all nations. The first **SDG** of the UN will be discussed here; it lists global poverty as a growing pandemic in and of itself.



END POVERTY IN ALL ITS FORMS EVERYWHERE

**POVERTY IN AMERICA:** Poverty in America is visible, and it impacts the poor in many ways—health, housing, food, security, etc. Poverty restricts *wealth creation*. A tiny snag in the environment can wipe out a poor person; and equally important importantly, poverty also impacts the nation as a whole in terms of taxes, crime, democracy, voting, etc. It is helpful to look at some statistics on wealth inequality in America, as a starting point before looking elsewhere. (It should be noted that economists can argue about the validity of such studies. The poor do not. After all, to them, poverty is palpable.) Michael Norton, Harvard University, and Dan Ariely, Duke University, asked Americans how they thought about poverty in the U.S. For a dramatic visual presentation, see: “*Wealth Inequality in America*” <https://youtu.be/QPKKOnijnsM>



Building a Better America—One Wealth Quintile at a Time,  
Perspectives on Psychological Science 6(1) 9–12, 2011, Norton & Ariely

This chart shows that Americans want a more **ideal** distribution, but even the **estimated** distribution and the **actual** distribution were far apart. On the actual distribution, the poorest Americans do not even register on the chart.

### **IMPACT OF NEW POVERTY ON THE AMERICAN MIDDLE-CLASS:**

Many of the middle class have suffered major **income reduction** mostly through job loss. Many, older Americans, can no longer afford to live in their homes, or have been evicted. A growing demographic live in cars and vans which they adapt for sleeping, cooking, cleaning, personal hygiene, and driving to work—often at risk to their lives or serious injury, especially when parked at night.<sup>1</sup>



### **WHAT DO THE STATISTICS MEAN FOR LOWER INCOME AMERICANS, AND THE DESTITUTE?**

Economists point out that the economy is getting bigger, but those who live out their days in poverty do not see this advantage. As income inequality widens, it's calcified into some at the top accumulating larger and larger assets – money, but also property, stocks, bonds and other kinds of capital. In the United States, the distribution of wealth is more severely unequal than income. Since 1979, wealth gains at the top have grown even faster than income; those in the top 1% now control about 40% of all wealth in the US economy, and the top 0.1% control more than 20% – three times as much as the late 1970s. [Source: The *Guardian series on Broken Capitalism*].

**CAN GOVERNMENT PRIME THE ECONOMIC PUMP?:** The **American Rescue Plan Act** of 2021, also called the COVID-19 Stimulus Package Pub L. No. 117-2 (March 11, 2021), is a US\$1.844 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by President Joe Biden on March 11, 2021. Its purpose is to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. President Biden's "*Build Back Better Agenda*" continues with the **Build Back Better Bill** (currently being debated). It is a bold initiative that will create jobs, cut taxes, and lower costs for working families – all paid for by making the tax code fairer and making the wealthiest and large corporations pay their fair share. The President believes that this framework will set the United States on course to meet its climate goals, create millions of good-paying jobs, enable more Americans to join and remain in the labor force, and to grow our economy from the bottom up and the middle out. Most Democrats (with the

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<sup>1</sup> Sources for Pictures: Eastbaytimes.com; Mirror.co.uk; Sfgate.com; Morningchores.com

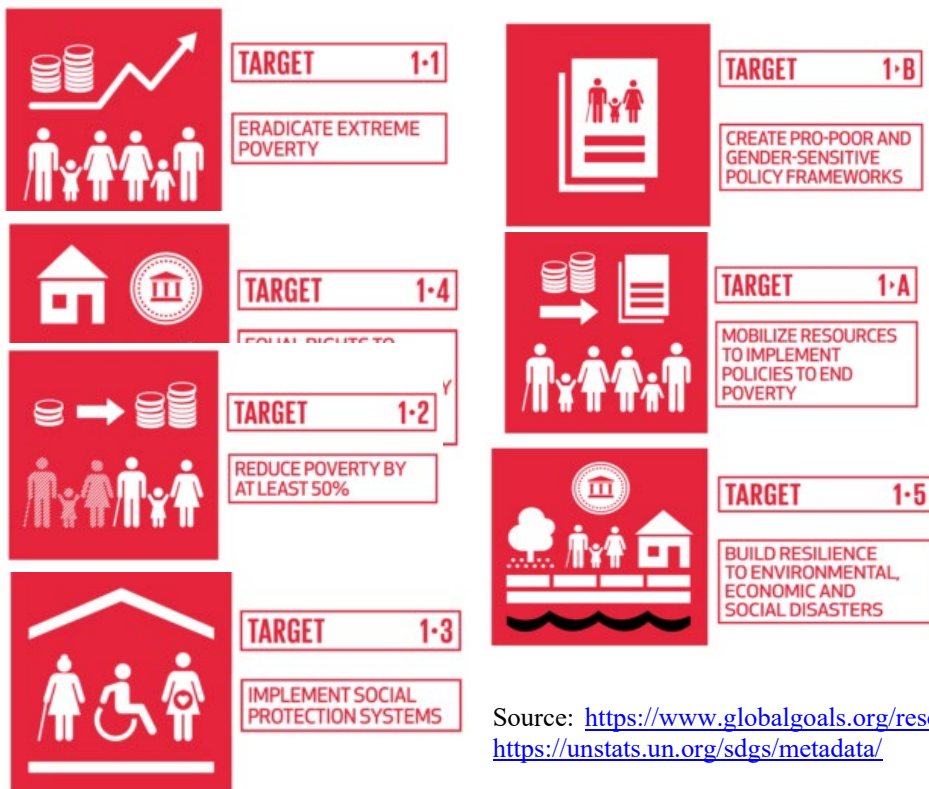
exception of 2 Senators) agree with the plan, but most Republicans do not. Consequently the **Build Back Better** Plan has stalled as of January 2022.

**A NEW ECONOMICS BEYOND THE PARETO PRINCIPLE--THE 80/20 RULE--**

**-NEEDED?:** The Pareto Principle was postulated by Italian economist Vilfredo Pareto who found it disquieting that 80% of Italy’s property was owned by 20% of the population. He applied this principle to a range of different things--in particular to economics. But in the 21<sup>st</sup> century mitigating ethical and spiritual components are essential components--rarely considered. The economics’ field’s miserly models of winners and losers leave us with the most impoverished Americans living wretched lives. The United Nations’ SDGs alert us to this pressing issue and say that it is not sustainable anymore if the planet is to survive.

Is a radical new economics is needed? The benevolent Buddhist economics is one alternative. Economist and Rhodes Scholar E .F. Schumacher, was of the view that humanity needs an economics that creates *wealth* for all people, just not *money* for privileged people and corporations. (*Eight Ways to Reduce Income Inequality*, BillMoyers.com).

**THE U.N.’s SDG, GOAL #1--“END POVERTY IN ALL ITS FORMS”:<sup>2</sup>**



Source: <https://www.globalgoals.org/resources>; <https://unstats.un.org/sdgs/metadata/>

<sup>2</sup> Not all sub targets shown; and targets are not shown in the order shown by the U.N.

