



Globalization, Poverty Reduction, and Economic Rights

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Many students of global studies are interested in global human rights, especially economic rights, and they often oppose globalization because they believe that it has caused an increase in world poverty, especially as industrialization and capitalism spread.¹ Yet most studies show significant decreases in poverty over the

East Asia & Pacific	77.7	54.7	35.5	16.8	95.4	87.3	71.7	50.7
Of which China	84.0	60.2	35.6	15.9	99.4	91.6	71.7	49.5
Eastern Europe & Central Asia	1.7	2.0	5.1	3.7	15.2	12.0	21.4	12.9
Latin America & Caribbean	11.5	9.8	10.8	8.4	29.2	26.0	28.0	22.1
Middle East & North Africa	7.9	4.3	4.2	3.6	39.0	31.2	30.8	28.4
South Asia	59.4	51.7	44.1	40.3	92.6	90.3	86.7	84.4
India	59.8	51.3	44.8	41.6	92.5	90.2	87.6	85.7
Sub-Saharan Africa	53.7	57.9	58.2	51.2	81.0	82.5	83.8	80.5
Total	51.8	41.6	33.7	25.2	74.6	70.4	65.9	56.6

Source: Chen and Ravallion 2008, Table 7, pp. 33-34.

The greatest reduction in poverty from 1981 to 2005 was in East Asia and the Pacific, including China. Poverty also fell in South Asia as a region, in India, and in the Latin American and Caribbean region. In contrast, the poverty rate in Eastern Europe and Central Asia rose in the 1990s but began to decline again in the 2000s. In Sub-Saharan Africa the poverty rate increased between 1981 and 1999, but began to drop in the 2000s. These regional figures show that globalization is not uniformly “global” in its impact; national histories, internal political forces, and current public policies must be considered when trying to determine the consequences of globalization for a particular region or country.

The question is, then, what causes either increases or reduction in poverty? What will be the likely effect of globalization in the future and what factors other than globalization will contribute to that effect? It is tempting for global studies students who oppose globalization to attribute all deterioration in economic rights to globalization and all improvements to resistance to it. Yet countries that did not participate in globalization generally did worse than countries that did participate.

Combined with the proper public policy measures, globalization improves the economic human rights of many hundreds of millions of people.

Notes

¹ This entry is abstracted from chapter 2 of Rhoda E. Howard-Hassmann, *The Second Great Transformation: Human Rights Leapfrogging in the Era of Globalization*.

² Shaohua Chen and Martin Ravallion, "The Developing World is Poorer than We Thought, But No Less Successful in the Fight Against Poverty," Washington, D.C.: World Bank, 2008.

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