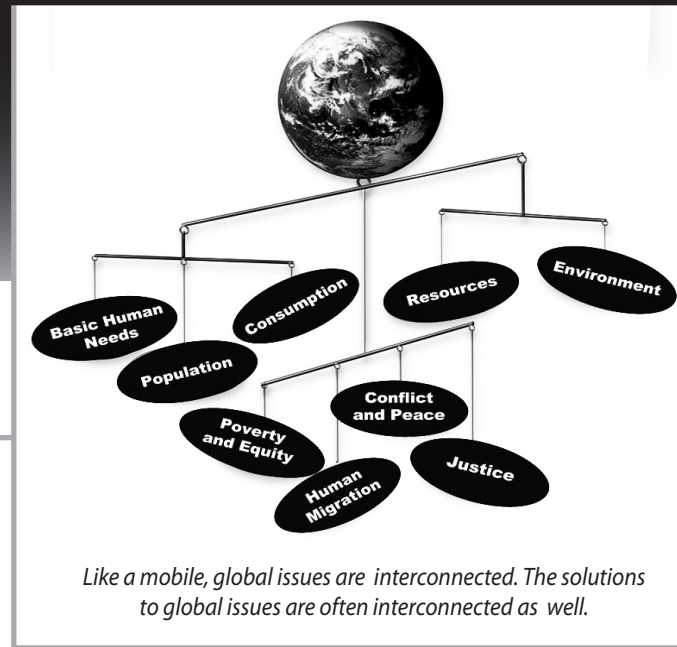


Global Issues and Sustainable Solutions

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Join us on Wednesdays and Fridays for Skills for Everyday Living, a series that goes beyond the classroom to prepare students for the many challenges of the real world. Our current topic is **Global Issues and Sustainable Solutions**, developed by *Facing the Future*. Series ends June 13.



It's Not Just About Money

Poverty is a problem that affects people all over the world, including people here in the United States. Poverty affects every aspect of life and interconnects with many other issues including migration, conflict and violence, hunger, education, health and community well-being. How do you think poverty affects the issues just listed?

When we think about poverty, we often look at economic factors such as the number of people who live on less than \$2 a day or how much money people make in a year. But poverty is much more than an issue of money (or the lack thereof). Being poor means being deprived not just of food, shelter or safe drinking water, but also of things such as the opportunity to learn and to engage in meaningful work. Poverty is both an economic and a social issue.

Of course, economic growth is one key to reducing poverty. Another key is improving people's quality of life — ensuring that people have opportunities for long and healthy lives, education, a sufficient income and the ability to make personal life decisions. Without tools of empowerment such as health and education, an extra \$2 per day may provide an extra meal but may not break the cycle of poverty and improve quality of life in a lasting way.

What Does Prosperity Look Like?

What do you think a world without poverty looks like? While everyone may envision different details, all people want an environment in which we can develop our full potential and lead productive lives according to our needs and interests.

How we measure poverty and progress also affects how we work toward reducing poverty and increasing prosperity. Effective targets need to reflect human and ecological well-being. Most countries already measure the *quantity* of economic activity generated by their citizens through indicators such as average income or "gross domestic product." Gross domestic product (GDP) is the total value of goods and services produced by a country. "GDP per capita" is the average amount of money a person earns during one year.

It is also important to examine the *quality* of economic activities through indicators such as how long people are expected to live, how clean our air and water are or how many people can read and write. These indicators are missing from traditional economic measures such as the GDP. Effective solutions to poverty must promote both economic and social progress.

Microcredit: A Powerful Solution

In 1976, an economics professor named Muhammad Yunus was visiting very poor households in Bangladesh when he realized that very small loans could lift people out of poverty. In 1983, Yunus helped found the Grameen Bank to provide loans to poor Bangladeshis. Since the Grameen Bank was founded, it has loaned money to more than 7 million people.

This system of providing very small loans to poor people, often poor women, is called "microcredit." Microcredit is a powerful tool for helping break the cycle of poverty. As with any other form of credit, borrowers pay back the loaned money, with interest. A microcredit borrower might buy the materials to open a small store selling basic household supplies or buy a pot and bulk ingredients for selling simple snack foods on the street. Some borrowers take

out additional loans to expand their businesses — buying a second cow to sell even more milk in their village or building a simple hut with a tin roof to house a store.

The resulting income transforms borrowers' lives, enabling better nutrition, education, housing and health. Successful microcredit programs improve the economic well-being of whole communities. Women, who receive the majority of these loans, often use their earnings to support their families and community projects such as schools. In a 1998 study, the World Bank found that extreme poverty fell 70 percent within five years among borrowers of the Grameen Bank's microcredit program in Bangladesh.¹ Microcredit programs have branched out to reach rural and urban borrowers on nearly every continent, as well as in the United States.

You Can Create Change

Individuals can have a big impact on poverty. Here are a few actions you can take:

- Vote with your dollars. Support businesses that are environmentally sustainable and that provide workers with fair wages, safe working conditions and benefits such as health insurance.
- Become familiar with the Millennium Development Goals and support organizations that work to address poverty at its roots, both locally and worldwide.
- Volunteer with homeless shelters, food banks and other social service organizations that work to reduce the impact of poverty locally.

¹ RESULTS website, "Microcredit," February 13, 2008, <http://www.results.org/website/article.asp?id=244>.

Activity

- ❖ Visit www.kiva.org, click on *Lend* and read about three or more entrepreneurs and how they plan to use their loan money. Then answer these two questions:

- Do any of these projects surprise you?
- How do you think these loan amounts compare to traditional loans for small businesses in the United States?

Take Action!

- ❖ Help people in your community that are struggling with poverty by holding a food drive. Consult with Northwest Harvest at www.northwestharvest.org to learn which foods are needed most and to coordinate your food drive. You can also download a Food Drive Kit from their Web site.