

Actually, global society has got a lot better off over the last 30 years

by Stephen Howes
12 July 2013

I was surprised to see a recent [article](#) on the Crawford web site making the depressing claim that “over the last three decades global society has grown richer but not better off.” According to the latest World Bank poverty [report](#), the number of people living lives of extreme deprivation (with consumption below \$1.25 a day) had fallen from over 1.9 billion in 1980 to about 1.2 billion in 2010. This is particularly impressive given the growth in the world’s population over this period. The global poverty rate has more than halved from 43% to 19%.

The 2013 [Human Development Report](#) gives an even more positive message. Writing about the last 20 years, it argues: “Never in history have the living conditions and prospects of so many people changed so dramatically and so fast.” (p.11)

Over summer, I read Charles Kenny’s recent book *Getting Better*. This tells a number of interesting, very positive stories about progress in global welfare over the last few decades:

- 80% of countries for which we have data have seen infant mortality more than halve between 1960 and 2005 (p. 78)
- Literacy rates in sub-Saharan Africa increased from 28% to 61% between 1970 and 2000 (p. 80)
- The global trend is away from autocracy towards respect for civil and political rights. (p.87)
- The number of major civil and international wars being fought declined from 26 to 4 between 1991 and 2005. (p. 88)

So where does this idea that global society has not got better off over the last three decades come from? The claim on the website is based on research recently published in *Ecological Economics* by my respected colleagues, Ida Kubiszewski and Robert Costanza. With their co-authors, they use an indicator of welfare called the Genuine Progress Indicator. GPI adjusts GDP per capita for various quality of life and environmental factors such as intra-country income distribution, crime and pollution. What they show is that “By this measure, economic welfare at the global scale has not been improving since 1978.”

Whether GDP or GPI per capita is a better measure of economic welfare or welfare more broadly is a matter of debate. My colleagues think GPI per capita is better.

DEVPOLICYBLOG

One test is to look at which measure better captures the revolutionary improvements in global welfare over the last few decades. By that test, GDP per capita comes out a long way ahead.

Author/s:

Stephen Howes

Stephen Howes is Director of the Development Policy Centre and Professor of Economics at the Crawford School of Public Policy at The Australian National University.

Link:

<https://devpolicy.org/actually-global-society-has-got-a-lot-better-off-over-the-last-30-years-20130712-3/>