Realizing the Right to Development

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Among 7+ billion human beings, about

842 million are chronically undernourished (FAO 2013),

2000 million lack access to essential medicines
  (www.fic.nih.gov/about/plan/exec_summary.htm),

783 million lack safe drinking water (MDG Report 2012, p. 52),

1600 million lack adequate shelter (UN Special Rapporteur 2005),

1600 million lack electricity (UN Habitat, “Urban Energy”),

2500 million lack adequate sanitation (MDG Report 2012, p. 5),

796 million adults are illiterate (www.uis.unesco.org),

218 million children (aged 5 to 17) do wage work outside their household — often under slavery-like and hazardous conditions: as soldiers, prostitutes or domestic servants, or in agriculture, construction, textile or carpet production. ILO: *The End of Child Labour, Within Reach*, 2006, pp. 9, 11, 17-18.
At Least a Third of Human Deaths

— some 18 (out of 57) million per year or 50,000 daily — are due to poverty-related causes, in thousands:

- diarrhea (2163) and malnutrition (487),
- perinatal (3180) and maternal conditions (527),
- childhood diseases (847 — half measles),
- tuberculosis (1464), meningitis (340), hepatitis (159),
- malaria (889) and other tropical diseases (152),
- respiratory infections (4259 — mainly pneumonia),
- HIV/AIDS (2040), sexually transmitted diseases (128).

Years

Events

- Worldwide Poverty Deaths 1990-2013: 416
- World War Two 1939-45: 60
- Mao's Great Leap Forward 1959-62: 30
- Stalin's Repression 1924-53: 20
- World War One 1914-18: 17
- Russian Civil War 1917-22: 9
- Congo Free State 1886-1908: 7.5
- Korea and Vietnam 1951-54, 1965-74: 5.5

Deaths 1951-54, 1965-74
The Human Right Least Realized

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services....”

Article 25(1), *Universal Declaration of Human Rights*, 1948
Global Household Income Distribution 2008

- **top 5%**
- **next 15%**

**Quintiles:**
- Fourth
- Middle
- Second quintile
Global Private Wealth Distribution 2013

**top 0.68%**

- >$1m
- 41%

**next 7.74%**

- >$100k, <=$1m
- 42.3%

**last 68.73%**

- <=$10k
- 3%

- >$10k, <=$100k
- 13.7%

**next 22.85%**
“Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.”

Article 28, *Universal Declaration of Human Rights*, 1948
Supranational Institutional Architecture

Pollution Rules
Pharmaceuticals
Protectionism

Four Privileges
Arms Trade
Labor Standards

Illicit Financial Flows

Exploitation
Repression
Corruption
Civil War

Poor and Vulnerable Citizens in the Less Developed Countries

National Institutional Schemes of the Various Less Developed Countries
Inequality Spirals

Regulatory capture makes competitive systems vulnerable to inequality spirals:

The strongest participants have the greatest opportunities and incentives to achieve the expertise and coordination needed for effective lobbying.

They use these opportunities to expand their relative position; then use their increased influence to shift the rules or their application even more in their own favor.
The investment research firm Strategas selects each quarter the fifty S&P 500 companies that spend most on lobbying as a percentage of their assets. The Strategas Lobbying Index based on this exercise has outperformed the S&P 500 by an amazing 11 percent per year over the 2002-2011 period.
Beat you in the lobby

Share prices, January 1st 2001=100

Lobbying index* relative to S&P 500

Sources: Strategas Research Partners; Thomson Reuters; The Economist

*50 most intensive lobbyists in the S&P 500
Measuring Rates of Return for Lobbying Expenditures: An Empirical Analysis Under the American Jobs Creation Act

ABSTRACT

Raquel Alexander*, Susan Scholz, Stephen Mazza

The lobbying industry has experienced exponential growth within the past decade. ... In this paper we use audited corporate tax disclosures relating to a tax holiday on repatriated earnings created by the American Jobs Creation Act of 2004 to examine the return on lobbying. We find firms lobbying for this provision have a return in excess of $220 for every $1 spent on lobbying.
Supranational Rule Shaping

offers especially high returns from lobbying because such rules emerge in a bargaining environment where

there is no democratic counterweight or revolutionary danger zone,

there is little transparency even *ex post*,

and moral restraints are easily dispelled by doubts about their international acceptance.
The Most Cost-Effective Lobbying

seeks to shape the design of supranational/global institutional arrangements (WTO, G20, EU…) while also aiming to shift governance upward from the national to the supranational/global level; is done by the very wealthiest banks, corporations, industry associations and individuals by way of influencing government officials of major powers, esp. the US (softest target).
## Evolution of US National Household Income Distribution (Top 10%)

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<thead>
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<tbody>
<tr>
<td>Richest 0.01 Percent</td>
<td>5.02</td>
<td>0.86</td>
<td>6.04</td>
<td>+5.18</td>
<td>+602%</td>
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<tr>
<td>Next 0.09 Percent</td>
<td>6.52</td>
<td>1.79</td>
<td>6.24</td>
<td>+4.45</td>
<td>+249%</td>
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<tr>
<td>Next 0.9 Percent</td>
<td>12.40</td>
<td>6.30</td>
<td>11.23</td>
<td>+4.93</td>
<td>+78%</td>
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<tr>
<td>Next 4 Percent</td>
<td>14.62</td>
<td>13.09</td>
<td>15.17</td>
<td>+2.08</td>
<td>+16%</td>
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<tr>
<td>Next 5 Percent</td>
<td>10.73</td>
<td>11.45</td>
<td>11.07</td>
<td>-0.38</td>
<td>-3%</td>
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<tr>
<td>Segments</td>
<td>1988</td>
<td>2008</td>
<td>Change in %</td>
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<tr>
<td>Poorest Tenth</td>
<td>0.337</td>
<td>0.251</td>
<td>-25.3%</td>
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<tr>
<td>Second Tenth</td>
<td>0.514</td>
<td>0.414</td>
<td>-19.5%</td>
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<tr>
<td>Third Tenth</td>
<td>0.668</td>
<td>0.587</td>
<td>-12.0%</td>
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<tr>
<td>Fourth Tenth</td>
<td>0.850</td>
<td>0.840</td>
<td>-1.2%</td>
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<tr>
<td>Fifth Tenth</td>
<td>1.154</td>
<td>1.244</td>
<td>+7.7%</td>
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<tr>
<td>Sixth Tenth</td>
<td>1.689</td>
<td>1.993</td>
<td>+18.0%</td>
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<tr>
<td>Seventh Tenth</td>
<td>2.902</td>
<td>3.442</td>
<td>+18.6%</td>
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<tr>
<td>Eighth Tenth</td>
<td>6.056</td>
<td>6.340</td>
<td>+4.7%</td>
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<tr>
<td>80-95th Percentile</td>
<td>42.958</td>
<td>39.137</td>
<td>-8.9%</td>
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<tr>
<td>Richest 5 Per Cent</td>
<td>42.872</td>
<td>45.751</td>
<td>+6.7%</td>
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</tbody>
</table>
Global Household Income Distribution 1988

top 5%

next 15%

fourth  middle  second quintile
Global Household Income Distribution 2008

- top 5%
- next 15%

fourth  middle  second quintile
In just 20 years, the richest *five percent* of human beings have gained about as much (3%) as the poorer *half* had left at the end of this period.

Had the poorest 30% held steady, its 2008 share of global household income would have been *21% higher* (1.52% instead of 1.25%).

Had it been allowed to gain the 2.9% of global household income that was in fact gained by the richest five percent, the poorer half would have nearly doubled its share — sufficient to end severe poverty.
Alternative Global Income Distribution

- top 5%
- next 15%

Quintiles:
- fourth
- middle
- second quintile