

**ENOUGH IS ENOUGH****Peter Schwartzman**

# Times are bad?

I am not an expert on economics, in fact, I am just a beginner. But, it is clear that things are bad in the U.S. and much worse in many other places. How did we get here? Was it because, as we are led to believe, banks engaged in predatory lending to people who could afford the houses they purchased? Was it because financial institutions participated in derivatives trading (essentially creating loans that had no monetary backing)? Or was it, as a banker pinpoints, "inflation-driven malinvestment" (whatever that means)? Would any of these things be enough to cause this big of a collapse of the economic system? Are these things very many of us understand well enough to say with any confidence? Isn't our lack of understanding one of the real problems? Most of us accept what we hear on the news with mere faith in those that speak eloquently using big words and catchy phrases. What can we take from our present situation?

Looking at the big picture, the world is replete with "rich" countries and "poor" countries. Economists refer to the per capita Gross Domestic Product (GDP) as a measure of a country's wealth—it actually measures economic exchange (everything bought and sold)—which puts a great deal of emphasis on material goods and very little attention on social goods (including, health, low crime rates, strong familial relationships, etc.). As such GDP is limiting as a tool for measuring well-being. For instance, prisons are considered good in GDP terms (because of the all employees and capital layouts associated with running such a facility) while volunteer efforts (e.g., community child sitting, cleaning the house) are not included at all. In the end however, since GDP is used so often to indicate which nations are doing well and which are not, it is worth understanding better.

According to GDP, the United States is in the top ten (behind much lower populated countries such as Luxembourg, Norway, Denmark, and oil-rich Qatar). Comparatively, on this scale, African nations are way behind. For example, Egypt's GNP per capita is only 13% of the U.S.'s and Somalia's is only a mere 1% of the U.S.'s. So it is quite obvious that things are worse off elsewhere. We all know this at some level, but it is not until you go to other lands that you realize how materialistic we are (kids with cell phones, mp3 players, video game consoles; parents with full closets of clothes, plasma TV screens, and two—or more—cars in their driveways). Certainly, there are very wealthy people all over the world, even in the most desperately poor regions, however, the epidemic of poverty worldwide is staggering. Some authoritative sources project that nearly half of the world's people live on less than \$2 a day. This is a level of extreme poverty that almost none of us can imagine and this is how HALF of all humans live. A statistic of this magnitude suggests that our current economic crisis isn't something that is temporary but rather something much more commonplace than we realize.

As hard as it may be to stomach, those of us that live in one of the most prosperous nations in the world have benefitted from the misfortune of others. Historically, England became a powerful nation because of its ability to extract (some

would say "steal") resources from distant lands (i.e., colonies) and the United States owes some of its current grandeur to the long period of slavery that existed on its soil. Today, the underpaid workers in sweatshops all over the developing world make designer clothing (and many other consumer products) affordable to our nearly insatiable materialistic appetites. One only needs to read the labels on our shirts and pants to see from how many countries our garb emanates. The "Wal-Mart" mentality, i.e., expecting products dirt cheap and therefore easily disposable (and replaceable), that pervades our culture feels no remorse for the inequities that stem from it. In fact, rather than being told to buy things for the price that they are worth (i.e., something espoused by the "fair trade" movement), we are motivated to do the exact opposite—get things for as little \$\$ as possible. (I suffer from this as much as anyone.) Given our history, this mentality, and the actions which it reinforces, will continue to perpetuate great inequalities on a global (and national) scale.

However, rather than dealing with some of these socially-charged, historically-rooted contributors to our current economic plight, our government, and its economic advisors, takes the position that we can remedy things by giving huge amounts of our money to big corporations and financial institutions. Even if this was true, and it doesn't seem that it is, the bulk of the world's other people suffer miserably. Some may argue that prosperity in our country improves the lives of others elsewhere. One can point to cell phones, genetically-modified (GM) foods or large hydroelectric projects (i.e., dams) in distant lands. While these "improvements" may represent some of our greatest technological breakthroughs, they don't necessarily improve lives. Cell phones change social relationships and the speed at which people operate, both of which can have negative consequences (just look what they have done to our youth). GM foods replace natural seeds and crops with monocultures with unknowable outcomes. And dams displaced (and destroyed) many cultures and peoples during the 20<sup>th</sup> Century. Therefore, even when things appear to be getting better here, we shouldn't assume (actually we should assume the opposite) that people are doing better in other parts of the world.

So what has to change? We have to be more global in our perspective. We have to be willing to pay a fairer price for goods (while consuming less) in order that others also have access to nutritious food, clean water, and health care. We have to find non-militaristic forms of engagement with other peoples (which by the way costs us dearly in excess taxes—interesting that you don't hear this mentioned as a way to cut taxes). We must begin this more peaceful route as soon as possible. Our current malaise is serious and we must address it at a local and national level (many of our neighbors are hurting), but we cannot ignore history and the fact our relative wealth has often comes at the expense of others. If others are hurting, then so are we.