



Capitalism: The root cause of global poverty

Poverty is the biggest challenge of our time. Millions of people are denied access to resources and opportunities, impacting severely on their wellbeing and excluding them from full participation in society. The gap between rich and poor is widening rapidly, with some groups, such as young people and women, disproportionately affected. Poverty is often invisible, those living in poverty are ashamed to talk about it or lack the means to ensure their voices are heard. The Volunteering Against Poverty project aims to give the invisible a voice and challenge people to contribute to social change, emphasising that poverty is not caused by the poor, and individuals alone cannot be held responsible for the situations they find themselves in.

‘Someone must be choosing to let others live in poverty’.

The VAP group discussed the causes and consequences of poverty at length, finding that they always came back to one root cause: global capitalism. The capitalist system is held up by the rich and powerful who benefit from its maintenance resulting in increasing inequality and poverty. Connie from Denmark, portrayed in the documentary, put this in strong words: “We have enough money in Denmark, so someone must be choosing to let others live in poverty. This is something I do not understand”. The group agreed on the following statement as the essence of their discussions and their perspective on the issue:

“Poverty is everywhere. It has many different faces in many different places. If I am poor, you are poor. If you are poor, we are poor. The root of change lies in all our communities. We need to educate, empower and inspire people around the world to join the fight against the cause of poverty.

P.S Capitalism sucks.”



Trade, debt and inequality

Capitalism is designed to ensure that the rich and powerful are able to maintain their position by enslaving the majority world in precarious work with few rights. It requires unfair trade, unequal access to resources and control over educational and financial systems to survive.



Lucie, Woodcraft Folk (EVS in Acacia, Colombia)

I think one of the most important things we need to do to stop poverty is to break down the prejudices of why people are poor. Too many people, including people within poor communities, think that people are only poor because they are lazy. It may have some truth, but what makes people lazy and idle is when they don't have proper structures in their childhood - if their school teachers can't be bothered to turn up to school, then what value will they put in education? I think the fight against poverty has to start with a good childhood and good education. To say simply that the poor are lazy gives the people in power an excuse to do nothing to help.

World trade is at the centre of the capitalist system. It allows individuals and countries to benefit financially at the expense of workers and producers at the bottom. The regulation of world trade is undemocratic and unaccountable, serving only the interests of capital. The World Trade Organisation (WTO) is dominated by rich countries that subsidise production in their own countries while simultaneously placing tariffs on imports from poorer countries. Producers in poorer countries are forced to sell their products at a lower price in an unequal system.



Fair Trade – an alternative or the only system we should accept?

Fair Trade was developed in an attempt to counter the inequality of world trade. The certification of goods as Fairtrade ensures producers and exporters are given a fair price for their goods as well as ensuring higher social and environmental standards. The standards include banning child and slave labour, guaranteeing a safe workplace, the right to unionise and an investment in social and environmental protection and development. Fair Trade is growing globally, more and more consumers are consciously making the decision to buy Fair Trade goods but it is still only a small slice of overall world trade 'cake'. What is needed is a complete change in understanding – unfair trade should not be possible - there should be no trade other than Fair Trade!

Spiralling debt

In order to survive, almost every country borrows money. Debt is amounting all over the world but disproportionately so in poor countries. Some have to pay more in debt repayments each year than they are able to produce, impacting hugely on the lives of people living in those countries. Instead of investing in schools, healthcare and social development, governments are forced to divert all spending into paying back their debts. Repayment terms are often unfair, for example loan agreements are drawn up in dollars leaving countries vulnerable to currency fluctuations. Interest levels are disproportionately high so the debt spirals out of control and all available resources are diverted away from poverty reduction towards debt repayment. In this way, debt keeps some countries poor and weak, to the benefit of richer countries and corporations.

Following the financial crisis of 2008, European countries and their citizens have also fallen foul of spiralling debt. Forced to borrow huge sums of money to counter the failure of the banking system, countries have been required to impose crippling public spending cuts on their people, rapidly increasing the number of people living in desperate poverty in Europe.



Delphine, OGCEYOD (EVS in IFM-SEI, Belgium)

I think that what we need is equal access to resources. As long as some people get to have access to resources like education, health and social benefits, economic empowerment while others don't, there will always be poverty but if everyone is given the same opportunity then things might begin to change.

I also feel that at the individual level, people need to understand that poverty is not a personal issue and that even if everyone is poor and we as individuals are rich, it still doesn't make a difference.

Cancelling the debt

Many NGOs, including IFM-SEI, advocate for the cancellation of debt for the world's poorest countries. Cancellation of this often crippling debt is a pre-requisite to beginning the process of poverty eradication and the first step on the road to increasing global equality. In order to invest in people, governments need to be freed of the chains of debt.

Financial systems

Financial markets play a huge role in the capitalist system. Through complicated and intransparent mechanisms of buying and selling bonds and currencies, speculating on exchange rates and other instruments, people who have money can make more money. Services to normal people represent only a tiny part of a bank's work, most energy goes into speculative financial transactions that add up to 1.3 trillion UD Dollars each day - 70 times more than the sum of all transactions dealing with real things and not only with money. The extremely high risk of this speculation is carried by the people whose taxes are used to finance banks in times of financial crises without having any say in the decisions made by bankers. They also carry the burden when financial speculation causes sudden explosions of prices on real goods like wheat, corn or soybeans and therefore lead to extreme hunger crises.

A financial transaction tax would help to control the system and to let normal people participate in the wealth generated by these transactions. Through such a tax, speculators would pay for the damages they cause.



Introduction

Work: The route out of poverty?

Logically, employment should be the direct route out of poverty. You earn money, and it helps you to feel useful and valued, to work in a team and to be active. It would be ideal if everyone who was able to work was employed. Would poverty then cease to exist?

Young and unemployed

The way the economic system is currently organised has led to an unsustainably high level of unemployment. This is true for all parts of the world, and it is especially true for young people who are hit much harder by the lack of jobs. In Cameroon for example, the youth unemployment rate is somewhere between 30 and 70%, in parts of Senegal less than 10% of all inhabitants have a permanent job in a company or public service. In Spain over 50% of young people between 15 and 24 are unemployed!

The numbers are unbelievably high, especially when you consider that there is enough work for all those who want to work. Unfortunately the system is organised so that a large amount of work is done by children, by unpaid interns, or is underpaid or done for free, such as taking care of children or of old people: work that is so important for the wellbeing of our society, but that no one wants to invest in because it doesn't bring any monetary profit.

For those with a high level of education, chances for employment are definitely higher than for young people who dropped out of school early. But who can afford this excellent education, including, in some parts of the world, private schools or universities, tutors, work experience via unpaid internships, travelling and studying abroad? And even with all this on your CV, you cannot be sure to find stable employment, but might end up in another precarious internship or short-term contract.



Eko, KKSP (EVS in the Woodcraft Folk, UK)

Capitalism, corruption, war, natural disasters and gender inequality are things that struck me as being the causes of poverty. Fighting consumerism and individualism as the culture of capitalism, anti-corruption measures, disaster alert, peace and love are in my opinion the best ways to overcome poverty. But this must be done actively, not passively. I believe in the spirit of youth, that young people are agents of this change.





Working poor

Having a job is one thing, but being able to live from the salary it provides is a very different matter. Many people work full-time, often more than 40 hours a week or in several jobs, and their wage is still below the official poverty line of their country. In addition this arbitrary line is not an indication that those living above the line are able to afford a good life. Minimum wages that are really respected and are high enough to ensure people can afford more than rent and basic food would help to fight poverty, but are far from the reality of most people. Introducing a fair minimum and a maximum wage would greatly contribute to more equality and a fair distribution of resources in society.

Unfortunately many of the so called 'working poor' would not benefit from minimum wages, because they work in the informal sector, where work is not taxed and not monitored by any form of government. This means workers in this sector are usually paid less, have a less stable income and don't have access to basic protection and services.

Workers' rights

Not only do many people not earn enough to live a good life, they also work in extremely bad conditions. In a world where employment is the only way to survive and where unemployment is high, workers' rights are often ignored. Why should companies care about things like a safe working environment, breaks or redundancy protection when there is an abundance of people who need whatever small income they can get? Trade unions are a threat to companies in situations like this, so are often banned, not listened to or even persecuted if there are no laws protecting them. International corporations use factories in countries that don't guarantee safe working conditions and where minimum standards and minimum wages are not in place or not respected. The people at the end of the production chain, who buy the final products, only see the price – which can be lower if no one had to pay for security and social benefits of the people at the start of the line – the ones actually producing the things we buy. And even in this case lower production costs are often not reflected in price, only in profit.



Laura, Woodcraft Folk (EVS in OGCEYOD, Cameroon)

I was inspired by the openness of the people I filmed and their willingness to share their lives and stories with me - a stranger from a faraway place.

One particular young woman trusted me enough to take me on a journey to see her son who she hadn't seen for six months and even allowed me to film this emotional and intimate moment. I could really see how the project had brought people together and started to break barriers as we learnt that despite our cultural differences we are all the same because we are all humans; not colours, tribes, nationalities or genders or any of those things that have been used to separate people.

I am convinced that an absolute fundamental tool for poverty eradication is a good education. Through both formal and non-formal means everyone should have the chance to have a creative and empowering education. Rather than simply getting from grade to grade it is vital that education allows people to learn to think critically, to be able to work in groups and to solve problems in a creative way; I think this is how change can really happen.



Raul, Acacia (EVS in Esplac, Catalunya)

From portraying Max I've learned that, even though it seemed to me as if he was not living in a situation of poverty, the crisis that his country is going through prevented him from having a stable living situation and to develop his life normally. Only after getting to know the reality of Catalunya I realised what kind of poverty people face there



Children and work

It is ironic that on the one hand there is a worldwide crisis of employment for young people, and on the other hand over 200 million children between the age of 5 and 14 have to work, many of them full-time, and are therefore not able to go to school or to enjoy their childhood. Not getting an education means that they will never be able to get out of this vicious circle of poverty. They often face serious health problems working in horrific conditions – they have to carry heavy items, use toxic pesticides or chemicals without any protection, and many are even held as slaves in households, as prostitutes or drug traffickers. Not every form of work for children is bad – helping out their parents at home or in their business after school or earning some pocket money can be a very positive experience. But delivering papers is not decent work when children are paid half of what adults would get for the same job.

An end to poverty requires the end of capitalism.

It is our firm belief that a systemic change is necessary to fight the roots of poverty. We want to educate children and young people on the causes and consequences of poverty and the inequalities in the world and to empower them to stand up for a world where friendship, cooperation and good living conditions for all are more important than profit and competition.

Only when everyone starts to question the logic that profit comes before people and understands that humans are not just ‘human capital’ can poverty be stopped.



Ali, KKSP, Indonesia

From my portrait I learned that there is a truth and untruth, there is suppression and a suppressor. To make our lives valuable, we have to fight unrighteousness and suppressors, because until now they exist to control the system, to make people live in poverty.

To stop poverty we need to empower people, give them knowledge, life skills, and also tools and form networks with people around the world. I think if the people around the world have knowledge and work together they will be strong and can fight the system that is not on the people's side.