

ILO report: A world blighted by poverty and inequality

Jerry White
10 June 2014

“[W]hen society places hundreds of proletarians in such a position that they inevitably meet a too early and an unnatural death... when it deprives thousands of the necessities of life... forces them, through the strong arm of the law, to remain in such conditions until that death ensues which is the inevitable consequence... its deed is murder just as surely as the deed of the single individual...”

Frederick Engels, *The Condition of the Working Class in England* (1845)

A large majority of the world’s population lacks essential social protections, leading to the preventable deaths of 18,000 children under five each day. This is among the findings of the World Social Protection Report 2014-15 released by the United Nation’s International Labour Organization last week.

The ILO surveyed 200 countries for the availability of basic health care coverage, including maternity care, and income security for children, working-age adults and older persons. It found that in these countries only 27 percent of the working-age population and their families had access to such protections in 2012. The other three quarters—some 5.2 billion people—lacked such necessities.

“While the need for social protection is widely recognized, the fundamental right to social security remains unfulfilled for the large majority of the world’s population,” the ILO concluded. “Many of those not sufficiently protected live in poverty, which is the case for half the population of middle- and low-income countries. Many of them, about 800 million people, are working poor, and many work in the informal economy.”

The corporate-controlled media has buried this report, which paints a devastating picture of the state of world capitalism.

Most damning are the figures on **children**. On average, governments allocate only 0.4 percent of gross domestic product (GDP) to child and family benefits, ranging from

2.2 percent in Western Europe to 0.2 percent in Africa, Asia and the Pacific. The United States spends just 0.699 percent of its GDP on such benefits—just below Latin America. By contrast, the US spends 4.2 percent of economic output on the military.

The human and social impact of such neglect is incalculable. Scientific studies have long shown that food deprivation and the lack of health care, sanitation, clean water and other basic necessities lead to poor brain development and vulnerability to disease and early death.

The ILO report notes that only one quarter of employed women around the world are covered by paid **maternity leave**, with the figure falling to 10 percent in Africa and South Asia. Austerity measures have reduced maternal benefits in Germany, the United Kingdom, Ireland, the Czech Republic and other countries.

The United States is only one of three countries in the world—the others being Oman and Papua New Guinea—where there is no government- or employer-paid leave for new mothers.

Of the nearly 202 million workers unemployed around the world, only 12 percent are receiving **jobless benefits**. Overall, the report notes, “unemployment rose by more than 45 percent, with more than 44 million unemployed in OECD HICs (High Income Countries) in 2013 compared to 2008, while expenditure on unemployment benefits and tax-funded social assistance was initially increased but later reduced, with around half of those unemployed not receiving unemployment benefits.”

Ninety percent of the population living in low-income countries remains without any **health care** coverage. Globally, about 39 percent of the population is lacking such coverage. As a result, about 40 percent of global health expenditure is shouldered directly by the sick. Government health outlays have been slashed in Greece, Spain and Portugal, leading to a rise in morbidity and mortality rates.

Nearly half (48 percent) of all people over pensionable age do not receive a **pension**. For many who do, pension levels are woefully inadequate. “As a result,” the report states, “the majority of the world’s older men and women have no income security, have no right to retire, and have to continue working as long as they can—often badly paid and in precarious conditions.”

The worsening of conditions is largely due to the transfer of vast social resources to the financial aristocracy. As the ILO report makes clear, the austerity measures imposed in the aftermath of the 2008 crash were chiefly aimed at offsetting “rising debts and deficits that resulted from bank bailouts to rescue the financial sectors from bankruptcy, stimulus packages, and lower government revenues due to the slowdown in economic activity.”

These conditions are an indictment of capitalism. They make clear that the ruling classes around the world—and the political parties that defend them—are responsible for inflicting suffering and death on a mass scale, no less than the British bourgeoisie, condemned by Marx’s co-thinker Frederick Engels 170 years ago.

Deprivation for the majority takes place under conditions of the accumulation of stratospheric levels of wealth by the richest one percent and one-tenth of one percent of society. Eighty-five billionaires have a collective fortune of \$1.68 trillion, equal to the wealth of the bottom half of the world’s population—3.5 billion people!

Global stock markets, corporate profits and executive pay continue to set new records, while governments around the world, obeying the dictates of the major banks, impose austerity measures on the masses in order to channel even more wealth to the super-rich.

The ILO notes that governments quickly abandoned their stimulus plans and by 2010 had “embarked on fiscal consolidation and premature contraction of expenditure, despite an urgent need of public support among vulnerable populations.” Public expenditure cuts will “intensify significantly” in 2014, it reports, with the International Monetary Fund projecting that 122 countries will reduce expenditures as a percentage of GDP and one-fifth of the countries surveyed will slash spending below pre-crisis levels.

While austerity measures are generally associated with Europe, in the so-called “developing” countries, the ILO reports, governments are eliminating or reducing food and fuel subsidies, cutting or capping public-sector wages, imposing regressive taxes, and “reforming” pension and

health care systems.

As for the US, the ILO notes the government has imposed a “freeze of non-security discretionary funding for three years by cutting/reducing 120 programs deemed ineffective, public sector pay freeze, reduction in duration of unemployment insurance, restrictions to food assistance system, and the introduction of a national health insurance program” that will shift costs onto individuals.

The fact that these measures are being carried out on a global scale—implemented by governments of every political stripe—demonstrates that the immiseration of the working class is inherent in the system itself and not attributable simply to this or that political leader or party.

The requirements of civilized life are incompatible with capitalism, an outmoded and failed economic system, which is based on private ownership of the means of production, production for profit, and the irrational division of the world into rival nation-states. Far from lifting up the masses in the “developing” countries, a leveling of conditions is occurring, with living standards for the majority in the older industrialized countries sinking toward those in the former colonial countries.

Mankind is more productive than at any time in human history and entirely capable of eradicating poverty and want. But this is possible only if the productive forces are freed from the grip of the corporate and financial oligarchs and organized in a democratic and scientific fashion by the international working class.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact