

The Threat of Global Poverty

Susan E. Rice

WHEN AMERICANS see televised images of bone-thin children with distended bellies, their humanitarian instincts take over. They don't typically look at UNICEF footage and perceive a threat that could destroy our way of life. Yet global poverty is not solely a humanitarian concern. In real ways, over the long term, it can threaten U.S. national security. Poverty erodes weak states' capacity to prevent the spread of disease and protect the world's forests and watersheds—some of the global threats Maurice Greenberg noted in the Winter 2005 issue. It also creates conditions conducive to transnational criminal enterprises and terrorist activity, not only by making desperate individuals potentially more susceptible to recruitment, but also, and more significantly, by undermining the state's ability to prevent and counter those violent threats. Poverty can also give rise to the tensions that erupt in civil conflict, which further taxes the state and allows transnational predators greater freedom of action.

Americans can no longer realistically hope that we can erect the proverbial glass dome over our homeland and live safely isolated from the killers—natural or man-made—that plague other parts of

the world. Al-Qaeda established training camps in conflict-ridden Sudan and Afghanistan, purchased diamonds from Sierra Leone and Liberia, and now targets American soldiers in Iraq. The potential toll of a global bird-flu pandemic is particularly alarming. A mutated virus causing human-to-human contagion could kill hundreds of thousands, if not millions, of Americans.

Today, more than half the world's population lives on less than \$2 per day, and almost 1.1 billion people live in extreme poverty, defined as less than \$1 per day. The costs of global poverty are multiple. Poverty prevents poor countries from devoting sufficient resources to detect and contain deadly disease. According to the World Health Organization (WHO), low- and middle-income countries suffer 90 percent of the world's disease burden but account for only 11 percent of its health care spending. Poverty also dramatically increases the risk of civil conflict. A recent study by the UK's Department for International Development showed that a country at \$250 GDP per capita has on average a 15 percent risk of internal conflict over five years, while a country at \$5,000 per capita has a risk of less than 1 percent. War zones provide ideal operational environs for international outlaws.

If in the old days the consequences of extreme poverty could conveniently be confined to the far corners of the planet,

Susan E. Rice is a senior fellow at the Brookings Institution and a former assistant secretary of state for African affairs.

this is no longer the case. The end of U.S.-Soviet competition, the civil and regional conflicts that ensued, and the rapid pace of globalization have brought to the fore a new generation of dangers. These are the complex nexus of transnational security threats: infectious disease, environmental degradation, international crime and drug syndicates, proliferation of small arms and weapons of mass destruction, and terrorism. Often these threats emerge from impoverished, relatively remote regions of the world. They thrive especially in conflict or lawless zones, in countries where corruption is endemic, and in poor, weak states with limited control over their territory or resources. The map of vulnerable zones is global—including parts of the Caribbean, Latin America, the Middle East, Africa, the Caucasus, and Central, South and East Asia. Fifty-three countries have an average per capita GDP of less than \$2 per day. Each is a potential weak spot in a world in which effective action by states everywhere is necessary to reduce and combat transnational threats.

Poverty, Crime and Terrorism

LOW-INCOME states are often weak states that lack effective control over substantial portions of their territory and resources. Ill-equipped and poorly trained immigration and customs officials, as well as under-resourced police, military, judiciary and financial systems, create vacuums into which transnational predators can easily move. Conflict, difficult terrain and corruption render weak states even more vulnerable. Terrorist groups have raised funds through tactical alliances with transnational criminal syndicates, smugglers and pirates operating in lawless zones from the Somali coast and Central Asia to the tri-border region of South America. Not surprisingly, the human pawns—narcotics couriers, sex slaves and

petty thieves—drawn into global criminal enterprises frequently come from the ranks of the unemployed or desperately poor. Transnational crime syndicates reap billions each year from illicit trafficking in drugs, hazardous waste, humans, endangered species and weapons—all of which reach American shores.

State weakness, exacerbated by poverty, also contributes indirectly but significantly to transnational anti-U.S. terrorism perpetrated by substate actors such as Al-Qaeda. Still, there is a robust debate over whether poverty causes individuals to become terrorists. Some analysts argue, as Daniel Pipes did in these pages, that the 9/11 hijackers were predominantly middle-class, educated Saudis, so poverty cannot bear any meaningful relationship to terrorism. Others reason that the poorest are struggling merely to survive and have no capacity to plan and execute terrorist acts.

A commonly cited study by Alan Krueger and Jitka Maleckova in the *Journal of Economic Perspectives* concludes there is “little direct connection between poverty or education and participation in terrorism.” They examine recruits into Palestinian terrorist groups in the Middle East and find they are neither illiterate nor impoverished and that citizens of the world’s poorest countries are not more likely to turn to terror. But by their own admission, their analysis is incomplete.

It is also unconvincing in several respects. First, it extrapolates data on Palestinian terrorists and crime rates in several countries to draw conclusions about a very different phenomenon—transnational, anti-U.S. terrorism. Second, other evidence casts doubt on the argument that socio-economic conditions are unrelated to the recruitment of terrorist foot soldiers, if not leaders. For instance, research at the University of Maryland’s Center for International Development and Conflict Management shows that countries with low income, productive

efficiency and life expectancy, as well as a high male youth bulge, were more likely to experience political violence, including terrorism.

In the Greater Middle East, the emergence of a youth bulge in the 1970s was followed by the rise of political Islam. Many countries in the region suffer from high unemployment rates, an exploding labor force and stagnant real wages. For years, Saudi Arabia, home to several 9/11 hijackers, experienced rapidly declining GDP. The emergence of Algeria's Front Islamique du Salut was also preceded by plummeting GDP growth and high unemployment rates caused by the 1986 collapse in world oil prices. The breakup of the Soviet Union led to dramatic economic decline in Central Asia, as in the Fergana Valley, where the radical Islamic Movement of Uzbekistan took root in the midst of unemployment rates soaring to between 60 percent and 90 percent. Numerous analysts hold that Al-Qaeda has gained adherents and global reach in part by seizing on the hopelessness and despair of aggrieved Muslims in these regions. Poverty, vast income disparities, joblessness and lack of hope may indeed engender sufficient levels of fatalism among some groups (perhaps especially educated but underemployed youth) to render them vulnerable to recruitment by radical groups linked to terrorists.

However, the primary flaw in the conventional argument that poverty is unrelated to terrorism is its failure to capture the range of ways in which poverty can exacerbate the threat of transnational terrorism—not at the individual level but at the state and regional level. Poverty bears indirectly on terrorism by sparking conflict and eroding state capacity, both of which create conditions that can facilitate terrorist activity.

Conflict zones not only cost lives, but they can incubate virtually every type of transnational security threat by creating the optimal anarchic environment for

external predators. While low per-capita income increases the likelihood of civil conflict, conflict zones in turn have been exploited by terrorists to lure foot soldiers and train new cadres—as in Bosnia, the Philippines and Central Asia.

In extreme cases, conflict results in state failure, as happened in Somalia and Afghanistan. When states collapse, the climate for predatory transnational actors is improved exponentially. Economic privation is an important indicator of state failure. The CIA's State Failure Task Force found that states in which human suffering is rampant (as measured by high infant mortality) are 2.3 times more likely to fail than others. State failure is also substantially correlated with uneven distribution of income within societies, as well as a lack of openness to trade. While poor economic conditions are not the only major risk factor for state weakness and failure, they are widely understood to be an important contributor, along with partial democratization, corrupt governance, regional instability and ethnic tension.

Even absent conflict, poverty at the country level, particularly in states with significant Muslim populations, may enhance the ability of transnational terrorists to operate. Poor countries with limited institutional capacity to control their territory, borders and coastlines can provide safe havens, training grounds and recruiting fields for terrorist networks. By some estimates, 25 percent of the foreign terrorists recruited by Al-Qaeda to Iraq have come from North and sub-Saharan Africa. To support their activities, networks like Al-Qaeda have exploited the terrain, cash crops, natural resources and financial institutions of low-income states like Mali and Yemen. Militants have taken advantage of lax immigration, security and financial controls to plan, finance and execute operations in Kenya, Tanzania and Indonesia. Al-Qaeda is now believed to have extended its reach to ap-

proximately sixty countries worldwide.

Country-level poverty may also weaken state capacity to provide essential human services and thereby render states more vulnerable to exploitation by terrorist networks. In low-income countries, social and welfare services are often inadequate, creating voids in education and health that may be filled by radical non-governmental organizations or *madrassas*. In Indonesia, the Sahel and Bangladesh, for example, international Islamic charities are filling the welfare gap. In Pakistan, Egypt and the Palestinian territories, radical groups offer social welfare services that governments fail to provide. Global terrorist networks may also use legitimate and illegitimate charities as fronts to garner popular support.

Poverty, Disease and the Environment

WHILE SENIOR U.S. officials now acknowledge that poverty helps erode weak states' capacity to control "ungoverned spaces" and combat terrorism, international crime and narcotics, they still tend to portray disease and environmental degradation primarily as scientific issues rather than national security threats. Yet both have the potential to inflict great damage on U.S. security by killing large numbers of American citizens and causing major economic losses.

The risk of the global spread of communicable diseases has vastly increased as people and cargo now traverse the globe with unprecedented speed and frequency. More than two million people cross an international border each day. Forty million travelers left the United States in 1994, compared to twenty million in 1984. Half these Americans made trips to the more disease-prone tropics, raising the risk that they will return to the United States with contagious illnesses.

At least thirty new infectious diseases have surfaced globally in the last three

decades, while twenty previously detected diseases have re-emerged in new drug-resistant strains. Avian flu, HIV/AIDS, severe acute respiratory syndrome (SARS), hepatitis C and West Nile virus are just a few of the newly discovered diseases that have spread from the developing world to the United States or other developed countries. In the United States, the number of deaths due to infectious disease doubled to 170,000 between 1980 and 2000.

Poverty contributes substantially to the outbreak of infectious disease. As the search for clean water and firewood drives impoverished people deeper into forested areas, the risk of animal contact and exposure to new pathogens increases. By spurring population growth, contributing to immune-compromising malnutrition, and exacerbating crowding and poor living conditions, poverty also fuels the transmission of disease. For instance, water-borne diseases like cholera—which often result from bad sanitation—now account for 90 percent of infectious diseases in developing countries. Similarly, almost two million people will die this year of tuberculosis and another nearly four million from lower respiratory infections, most of whom live in poor, crowded areas of the developing world. These communicable diseases are mutating dangerously and spreading to other regions. Antibiotic-resistant tuberculosis, for example, is resurgent in the United States, especially among immigrant populations.

Health experts' most alarming prediction is that the H5N1 strain of avian flu, which is rampant in poultry stocks in Asia, will soon evolve into a virus easily transmitted from human to human. We have recently witnessed the difficulty Turkey, a middle-income country, has had containing its outbreak of avian flu. The discovery of the virus in northern Nigeria highlights the particular danger of the disease spreading further in impoverished parts of Africa and Asia, where poor rural people live in close proximity to animals

and depend on those animals to subsist. In such places, farmers have few incentives to cull their animals and may instead choose to dump infected poultry on the market. As the disease spreads, the risk of mutation increases.

The WHO's conservative estimate is that an avian flu pandemic involving human-to-human transmission could kill between two million and 7.4 million people around the world. An additional 1.2 *billion* could fall sick, and over 25 million could require hospitalization. A worst-case estimate is that sixty million could die, exceeding the more than forty million who died in the great 1918–19 influenza epidemic. The economic consequences for the United States could also be enormous, considering that SARS, which killed only 813 people, caused global losses estimated at \$30 billion.

The lack of adequate health-care infrastructure and surveillance capacity in poor countries hinders early detection and timely treatment of disease, while also reducing states' abilities to halt its spread abroad. The economic, health and security consequences of these weak links in the global public-health chain are potentially as dire for developed countries, as they have proved deadly in the developing world.

Like disease, environmental degradation is linked significantly to poverty in the developing world and could result in long-term adverse consequences for the United States. The implications for Americans range from global warming, which could eventually threaten major cities in low-lying U.S. coastal areas, to the loss of critical biodiversity and potential wars over water in strategically sensitive regions.

Much of the world's environmental stress can be attributed to population pressure. From 1950 to 1998 the world's population doubled. It has grown a further 14 percent in the last ten years to 6.4 billion. The global population is

on track to reach nine billion by 2050. This growth is coming disproportionately from the developing world. Poverty substantially fuels population growth, as families have more children in response to high infant mortality and the need to raise income potential.

Population pressure, in turn, increases pollution in watersheds and will reduce already scarce global water supplies. By the mid-1990s, eighty countries containing 40 percent of the world's population faced serious water shortages, and 18 percent did not have safe drinking water. The United Nations estimates that two-thirds of the world could face significant water stress by 2025. Competition for scarce water resources could provoke future conflicts involving key American partners and even risk drawing in the United States. Potential flashpoints include Israel and its neighbors, India and Pakistan, Turkey and Syria, Egypt and Ethiopia, and several countries of southern Africa.

Deforestation is accelerating in the developing world due to increased demand for fuel in the form of firewood and for arable acreage to enable growing populations to subsist in marginal areas. The loss of trees further exacerbates desertification; two billion hectares of soil, or 15 percent of the planet's land cover, is already degraded. Logging for trade in exotic African and Asian hardwoods magnifies the problem, contributing to the elimination of 2.4 percent of the world's forest cover since 1990. One result is reduced biodiversity, which alters delicate ecosystems and depletes the world's stock of flora and fauna that have produced important medical benefits for mankind.

Another environmental hazard is global warming. While carbon dioxide emissions in rich and rapidly growing economies are the main culprit, desertification and deforestation can accelerate global climate change by reducing the availability of trees to absorb carbon diox-

ide. Moreover, deforestation that results in the burning of firewood now accounts for 25 percent of annual global carbon dioxide emissions. Warming is already causing ice caps to melt, sea levels to rise and perhaps seasonal storms to increase in intensity.

As temperatures rise in temperate climates, the transmission vectors for mosquito-borne and other tropical diseases will also change. New areas of the world, including our own, will face the possibility of once-tropical illnesses, like dengue fever, becoming prevalent, potentially afflicting large numbers of Americans who lack acquired immunity to such diseases.

Breaking a Doom Spiral

IN SUM, poverty plays a complex and dual role in facilitating the emergence and spread of transnational security threats. First, poverty substantially increases the risk of conflict, which in turn serves as especially fertile breeding grounds for such threats. Second, poverty, more indirectly, can give rise to conditions at the local or state level that are conducive to each of these transnational threats. Beyond degrading human security, poverty can severely erode state capacity to prevent or contain such threats, which can create adverse conditions within and beyond state boundaries that exacerbate poverty. Thus, a doom spiral is set in motion, in which poverty fuels threats that contribute to deeper poverty, consequently intensifying threats.

Discerning and disaggregating this dangerous dynamic is essential to grasping the national security rationale for far greater U.S. action to reduce global poverty. Yet to some, the investments and policy changes required of the United States to make meaningful progress appear unaffordable and, to others, undesirable. To devote the much-vaunted 0.7

percent annually of our gross national income (GNI) to overseas development assistance (ODA) would cost about \$80 billion annually, a seemingly great sum—approximately equivalent to the cost of the 2002 Farm Bill, the latest supplemental appropriation for Iraq, or roughly one-fifth of the defense budget. Moreover, opening U.S. markets to goods from the least developed countries may cause further short-term job loss in sensitive sectors in the United States. Given conflict, corruption and fragile states, would more assistance to developing countries not simply amount to pouring money down a hole?

Increasingly, there is convincing evidence that foreign aid can make a crucial difference, especially in countries lacking resources to jump-start rapid economic growth. In Taiwan, Botswana, Uganda and Mozambique, foreign assistance successfully helped build the foundation for development. South Korea was able to create millions of jobs while receiving nearly \$100 per person of aid annually in today's dollars from 1955 to 1972. Botswana, the world's fastest growing economy between 1965 and 1995, received annual aid flows averaging \$127 per person during this period and rapidly expanded diamond exports. The Center for Global Development finds that, irrespective of the strength of a country's institutions or the quality of its policies, certain aid flows have strong pro-growth effects, even in the short term. Another study for the UK's Department for International Development has shown that not only is aid beneficial on balance, but its effectiveness has also improved since the 1980s.

Based on recent donor commitments, the Organization for Economic Cooperation and Development (OECD) now estimates that ODA flows to developing countries will increase by \$50 billion by 2010. Sixteen of the world's 22 major donor countries have pledged within a

decade to devote 0.7 percent of their GNI to ODA. The major outlier is the United States. President George W. Bush has ruled out raising the United States from the current 0.16 percent of GNI spent on ODA (second to last among OECD donors) to the Monterrey target of 0.7 percent, or committing to any other aggregate assistance goal.

On the eve of the G-8 Summit, Bush pledged to double aid to Africa by 2010, but relatively little of that additional \$4 billion represents new money. Rather, the president can keep this promise simply by meeting his as yet unfulfilled pledge to fully fund his Millennium Challenge Account and HIV/AIDS initiative. Overall, the U.S. ante toward the G-8 goal is small compared to Europe's and falls well short of the customary U.S. contribution to multilateral funding instruments of at least 25 percent, in this case \$6 billion. Partial debt cancellation and relatively modest aid increases to sub-Saharan Africa seem to mark the current limit of the Bush Administration's will to achieve the UN Millennium Development Goals. Meeting those goals would lift more than 500 million people out of extreme poverty and allow over 300 million to live without hunger by 2015. It would also enable universal primary education and reduce by two-thirds mortality rates for children under five.

In reality, however, it will take much more than large, well-targeted aid flows

to "make poverty history." The most important ingredients are improved economic policies and responsible governance in developing countries. Yet those alone will not suffice. Developed countries will need to drop trade distorting subsidies, further open their markets, encourage job-creating foreign and domestic investment, cancel more debt, combat infectious disease, prevent and resolve conflicts, and assist the recovery of post-conflict societies.

For the United States to meet this challenge, it will require a near tectonic shift in our national security policy. Policymakers and lawmakers must come to view transnational security threats as among the foremost of our potential enemies. They must then embrace a long-term strategy in partnership with other developed countries to counter these threats, based on the imperative to strengthen weak states' legitimacy and capacity to control their territory and fulfill the basic human needs of their people. This strategy must be built on the twin pillars of promoting sustainable democracy *and* development. Finally, the president and Congress must commit the resources to finance this strategy and see it to fruition. While it will be expensive and perhaps unpopular to do so, Americans will almost certainly pay more dearly over the long term if our leaders fail to recognize the risks and costs to the United States of persistent global poverty. □