The World Bank sets the global poverty line at living on two dollars a day. – Brittney Hertog

The World Bank is an organization whose famous tagline is “working for a world free of poverty.” They attempt to do this through their two development institutions, one of which is the International Development Association which focuses on poverty reduction and improvement of living standards in the poorest countries in the world. The World Bank has set the estimate of the global poverty line at two dollars a day. This is two American dollars in terms of the Purchasing Power Parity of that country. However, there are a few issues to take into account when considering this number.

What happens when you compare these across currency boundaries? The Purchasing Power Parity is an attempt to compare these terms on more equal terms. However, one cannot simply take these numbers for granted. This number works well in the market place for food, but it does not take into account services most developing countries do not have. For example, those individuals at the bottom of the American income scale still normally have access to water and emergency medical care if they need it. There are homeless shelters in most cities and services such as Welfare for those in need. Most countries simply cannot or will not appropriate the funds for such opportunities for the less fortunate populous. These basics of life are not factored in to the World Bank’s poverty line, and therefore those who live below this number in such a situation are in a much more desperate position than the number originally portrays.

This number is remarkable when looking at American society. On a global scale, the poorest of the poor are given government aid to keep them above the prescribed global poverty line. With food stamps alone, one has the spending power to be above the global poverty line on a daily basis. This does not mean that there is not poverty in America, but simply that by comparison the poor in America are fortunate and even “wealthy” compared to poverty-stricken individuals in other countries around the world.

Another significance of this number is the large amount of the world that is at or below this poverty line. At least forty percent of the world falls into this category of poverty-stricken individuals. World-wide the estimate is that two in five people do not have the basics of life provided for by this estimate, which some argue is conservative.

While the World Bank states that two dollars a day is the global poverty line, this is not necessarily entirely true because of the opportunity of public goods or lack thereof, the relative scale within each country and possibly conservative estimates. This number is important because knowledge is power. If more individuals were aware of it world wide, perhaps there would be more of an activist effort against such strife.