

## **Finance for Life Instead of Death**

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### **Abstract**

*The pursuit of a world free from hunger and poverty has been a long-standing challenge on the global stage, and a Goal for many esteemed publication sites and scholars. This research endeavor conducted by financial experts, guided by a comprehensive analysis of data from prestigious institutions such as The United States Government, European Union, International Monetary Fund, the World Bank, United Nations, and the World Nuclear Association, seeks to shed light on critical aspects of this multifaceted issue.*

*Our study begins by critically examining the prevailing notion that advanced nations and economic unions, typified by the United States and the European Union, face financial constraints when endeavoring to eliminate poverty without compromising the welfare of their own populations. Contrary to conventional wisdom, empirical evidence emerges, suggesting that a mere reallocation of 2% of military spending from these advanced nations toward the noble cause of assisting developing countries could hold the key to eradicating global hunger.*

*Intriguingly, as financial experts by studying audit reports we also uncover the substantial resources harbored within international institutions such as the International Monetary Fund (IMF) and the World Bank. These resources, though ample, appear underutilized in the battle against hunger-related deaths. Political influences, stemming from the significant funding these institutions receive from developed nations, may hold the key to understanding this puzzle. This revelation challenges the perception that international institutions are ill-equipped to address poverty and hunger, emphasizing the need to explore the underlying dynamics.*

*While our research unveils these critical insights, it regrettably falls short of rejecting the hypothesis that underprivileged nations, like Niger, possess the natural resources required to combat hunger if only developed nations cease resource exploitation. Thus, the inescapable truth persists, developing countries require support from their more affluent counterparts.*

*In summary, this research abstract encapsulates the urgency of the global effort of financial decision makers needed to combat hunger and poverty. It underscores the potential for change through resource reallocation and the imperative of addressing political influences within international institutions. These findings beckon us to bridge the gap between advanced and developing nations, ushering in a brighter future for all.*

*This research promises to inform policymakers, international organizations, and concerned citizens alike, offering a deeper understanding of the intricate web of global efforts to eliminate hunger and poverty.*

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## 1. Introduction

### 1.1 Background and Statement of the Problem

In a global landscape where nations and governments rush to bolster their military capabilities and furnish arms to conflict-ridden nations (Tian, Lopes da Silva et al. 2023), the intention of this research article diverges from addressing governments or leaders. This is because a considerable number of these entities reap substantial gains from escalated military expenditures, augmenting their personal fortunes. Instead, the focus is directed toward you—the reader, because in democratic societies, it is ordinary citizens, like yourself and us, who possess the power to cast votes that can sway the course of politics.

From an economic standpoint, the primary issue at hand is not the shortage of resources or the necessity for contributions from regular citizens. Rather, the alarming concern from a financial standpoint lies in the fact that utilizing merely 1.8% of the annual military budget of governments would suffice to put an end to hunger today.

In concluding the problem statement, it is crucial that the study presumes governments are innocent until proven otherwise. Nevertheless, what if, substantiated by empirical evidence, the predominant factor contributing to poverty is not a lack of resources but, as evidenced and validated through numerical data, the impact of greed and political interference within international organizations dedicated to addressing poverty?

### 1.2. Nature of the Study and Research Question

This research embodies a distinctive character, falling within the realms of empirical, quantitative, and exploratory studies. Its empirical essence arises from the systematic and evidence-based methodology utilized, which involves collecting up-to-date secondary data from reliable sources, including governmental bodies and international organizations such as the World Bank, IMF (International Monetary Fund), and WTO (World Trade Organization).

Rather than solely critiquing contemporary approaches to combating poverty, this study will proffer practical solutions to address pressing research questions. For instance, we will investigate whether governments possess adequate resources to eradicate global hunger without adversely affecting the well-being of their citizens. Additionally, we will explore whether international organizations require supplementary resources to tackle hunger effectively. Furthermore, in adopting a passive stance and refraining from exploiting the resources of countries with undernourished populations, we will examine whether these resources could suffice to provide food, education, and essential necessities for the children in those nations.

To answer the above research questions this Empirical research involves the analysis of existing data, collected from various governmental and international sources, to test hypotheses.

## 2. Literature Review

### 2.1 Literature and Context

The 2030 Agenda for Sustainable Development set up by the United Nations representing advanced nations and unions pledges to help countries whose economic situation is most critical (Niessen, Mohan et al. 2018). This ambitious development agenda requires visionary policies for sustainable, inclusive, and equitable economic growth, driven by full employment and decent work for all. Social integration, the reduction of inequalities, increased productivity and a favorable environment are among the measures essential to the implementation of these policies. The United States has faced criticism that it could do more to help fight global poverty. Many Americans incorrectly estimate that about 20% of the U.S. federal budget is devoted to fighting global poverty, when in fact less than 1% of the budget is devoted to this purpose (Singer 2019). As a result, the US government received a lot of criticism for not making the fight against global poverty a bigger priority, even though it seemed to have the resources to do so. According to the Baltimore Sun, America has the ability to prevent the deaths of 25,000 children every day.

Regarding the 2030 Agenda for Sustainable Development and EU action, “Not only are we missing the target in terms of quantity, but also the quality of aid is lagging behind.” said Luca De Fraia of ActionAid Italy (Alvaredo, Chancel et al. 2018). Although aid to the least developed countries increased slightly (from 0.11% in 2017 to 0.12% in 2018), 16 countries, among the poorest in the world, currently receive only 8% source of EU aid, AidWatch found (Alvaredo, Chancel et al. 2018). Less than 10% of EU financial aid reaches the countries most in need. According to the European NGO Network, the EU and its member states remain the world's largest group of development donors - investing 71.9 billion euros (£61 billion) in 2018, more than half of its aid. globally – but their contribution was 5.8% lower than in 2017 (Rosen 2018).

The United Nations target of spending 0.7% of gross national income on aid, set in 1970, had been reversed. The aid fell to 0.47% of the EU's total GNI last year, compared with 0.49% in 2017 and 0.51% in 2016 (Allwood 2018).

The possibility of increasing the percentage of aid from the United States and the European Union to underdeveloped countries in order to reduce poverty and hunger without adversely affecting their own economies will be the subject of hypothesis 1 of this study.

Empirical studies of reducing poverty (amelioration of Gross Domestic Product) by financial aid or contribution from the developed countries have shown mixed results. Some find a strong link between the enhancement of the Gross Domestic Product (GDP) and the financial aid... others find that financial aid didn't affect the GDP of the recipient countries. The problem lies not in the volume of financial aid, but rather in the targeting and allocation of resources in the recipient countries. International organizations, especially the WB and IMF, are setting conditions for governments of developed countries to continue to provide financial support to them. For these organizations, the problem of poverty reduction is not related to the value of resources allocated to poor countries but to the use of these resources. The problem of providing sufficient resources will be the subject of hypothesis 2 of this research.

In general, third world and underdeveloped countries suffer from poverty more than advanced countries. In the literature, several factors may explain this situation. It is often caused by economic, political and social factors (Tang and Bundhoo 2017). Firstly, economic inequality is often seen as one of the main factors contributing to poverty. Indeed, wealth disparities between and within countries can limit access to resources and economic opportunities for certain populations. Wealthier countries often have more developed economies, stronger infrastructure, and greater access to education and healthcare, which can enable them to become even richer, while poorer countries often have fewer resources to develop their economies mainly because they suffer from the exploitation of their resources by developed countries. This argument will be explored in this study and represents hypothesis 3 of our paper. Corruption is another factor contributing to poverty. Corruption can undermine economic and political institutions, discourage investment, and hamper economic growth.

## 2.2 Hypothesis Development

Table 1: Hypothesis summary

Countries and International organizations involved	Hypothesis
	<p>Advanced nations and unions, such as the United States and the European Union, lack the financial means to eradicate poverty without compromising the welfare of their own populace</p>
	<p>International institutions like the World Bank, IMF, and WTO do not possess adequate resources to effectively address poverty and eliminate global hunger</p>

	<p>Underprivileged nations like Niger may have the natural resources necessary to address hunger if developed countries cease resource exploitation</p>
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Source: Authors

### 3. Research Methodology

#### 3.1 Data Collection and treatment Method

We selected the United States and the European Union as representatives of advanced nations due to their combined contribution to approximately 30% of the global GDP (Electronic references, IMF, 2023).

The choice of the World Bank stems from its mission to alleviate extreme poverty and promote sustainable shared prosperity (Electronic references World Bank, 2023), aligning directly with the focus of this study. Additionally, the IMF was included in our selection due to its substantial lending capacity exceeding one trillion dollars. Finally, the World Trade Organization (WTO) was incorporated into the study because its objectives encompass ending the exploitation of developing nations (Electronic references WTO, 2023), which plays a pivotal role in the practical solutions proposed.

Geographically, Niger, an African nation, was selected as the focal point for the third hypothesis due to its status as one of the world's most impoverished countries (Heywood 2020). Moreover, the recent resistance against resource exploitation in 2023 underscores the relevance of its inclusion in this study

The study uses comparisons between different sets of data to validate or refute hypotheses related to financing poor countries. While the nature of the research may be theoretical, the empirical analysis allows this study to provide concrete evidence and insights derived from real-world financial data. This makes this work accessible to a broader audience interested in the subject while maintaining the formal and scientific standards required in finance.

#### 3.2 Empirical framework and Data Treatment

Table 2: Research Design

Phase	Research Activity
1	Gather Data Pertaining to the Resources Required to Alleviate Poverty
2	Acquire Data on Disposable Income in Developed Nations (with a Focus on Military Spending)

3	Collect Data Regarding the Resources Accessible to International Organizations
4	Compile Data Concerning the Value of Natural Resources in Developing Countries
5	Conduct a Comparative Analysis of Resource Needs in Phase 1 against Resources Available in Phases 2, 3, and 4
6	Present the Numeric Results in Visual Graphical Format
7	Propose an Action Plan and Offer Practical Implications Based on the Findings

Source: Authors

Table 2 provides a concise overview of the meticulously structured research design employed in this study. It outlines the sequential phases undertaken to comprehensively address the complex issue of poverty alleviation and resource allocation. Phase 1 focuses on the meticulous gathering of data pertinent to the resources necessary to combat poverty effectively. Subsequently, Phase 2 delves into the acquisition of data concerning disposable income in developed nations, with a particular emphasis on military spending. Phase 3 involves the collection of data pertaining to the resources accessible to international organizations tasked with addressing global challenges. In Phase 4, we compile data related to the intrinsic value of natural resources within developing countries. Phase 5 is dedicated to the critical comparative analysis, where we assess the resource needs identified in Phase 1 against the resources available in Phases 2, 3, and 4. The numeric results derived from this rigorous analysis are visually presented in Phase 6, employing graphical formats for enhanced clarity. Finally, in Phase 7, we propose a comprehensive action plan and offer practical implications derived from our findings, aiming to contribute meaningfully to the discourse on poverty alleviation and global development.

## 4. Results and Discussions

### 4.1 Introduction

According to official data from the United Nations world food program, 40 billion dollars per year would feed all of the hungry people and end global hunger, this number may look as a huge amount but this is only because the research is taking a macroeconomic perspective, from a micro perspective a single dollar would suffice not to feed one hungry infant per day but two (United Nations, 2022).

### 4.2 Raw Results

Our Results starts in the pentagon, as in 2023 President Joe Biden has allocated 15.3% of the U.S federal budget or 2.04 Trillion \$ in budgetary resources (United States Government, 2023) along with 480 Billion \$ for Europe (Stockholm international Peace institute, 2023) both the US and European military spending arises to 2.52 Trillion Dollars.

In parallel, according to official data from the International Monetary Fund (IMF) as of End-June 2023, the IMF's total resources stood at approximately SDR 983 billion, translating into a lending capacity of about SDR 696 billion. For context,

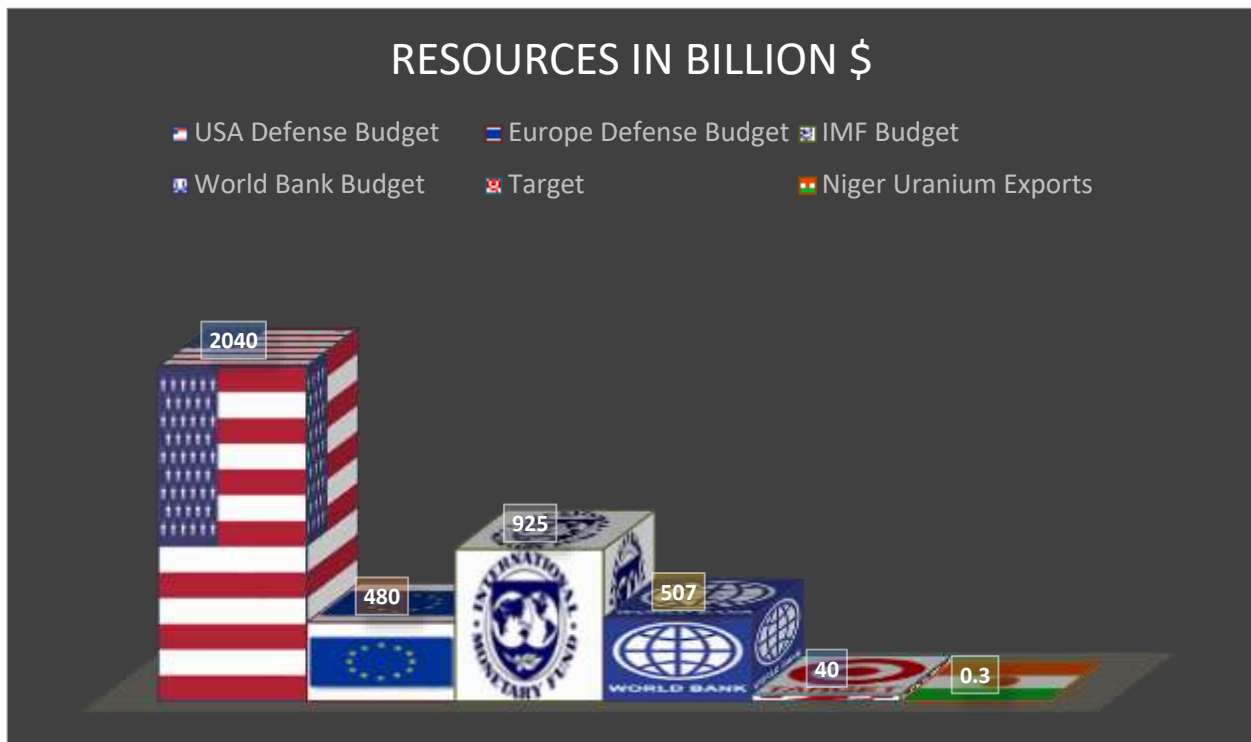
this SDR (Special Drawing Rights) equivalent corresponds to approximately 925 billion U.S. dollars.

Next Our analysis extended to Audit firms, to the Deloitte & Touche audit report of the World Bank issued in 2023, revealing assets valued at around 507 billion dollars that are at the disposal of the World Bank for its operations.

Finally, Data of the world Nuclear association was used, For the sake of simplicity, Niger, a nation abundant in various valuable natural resources as Uranium, coal, iron ore, tin, phosphates, gold, petroleum will be considered as a country only having a single natural valuable resource, Uranium which is essential for developed countries (Tertrais 2013), since Niger produces 2248 Metric Ton of Uranium (World Nuclear association, 2023) the Niger output in USD would be around 300 million for an average price per pound of 60\$.

#### 4.3 Processed results and visualization

Figure 1: Available disposable income Versus Target



Source: Authors

In the visual representation presented in the figure above, meticulously curated data sourced from reputable institutions including The United States Government, European Union, International Monetary Fund, the World Bank, United Nations, and the World Nuclear Association paints a vivid picture of the prevailing socioeconomic landscape. This comprehensive amalgamation of data offers us profound insights, ultimately leading us to resoundingly reject the initial null hypothesis. This hypothesis, which posited that advanced nations and economic unions, exemplified by stalwarts like the United States and the European Union, find themselves financially constrained when it comes to eradicating poverty without jeopardizing the well-being of their own populace, crumbles in the face of empirical evidence.

The most striking revelation emerges in the form of a staggering statistic: a mere reallocation of 2% of military spending from these advanced nations toward the noble cause of assisting developing countries could be the key to obliterating the blight of hunger on a global scale. This finding not only challenges preconceived notions but also underscores the immense potential for positive change within our grasp.

Yet, as we dig deeper into the intricate web of global finance, another intriguing observation surfaces. It is perplexing to note that both the International Monetary Fund (IMF) and the World Bank possess the financial resources capable of terminating the tragic loss of life due to hunger-related causes. However, an enigma remains unresolved – the perplexing question of why these resources are not fully harnessed for this noble purpose. It is plausible that political influences play a pivotal role in this conundrum. After all, the IMF and World Bank derive a significant portion of their funding from developed nations, thereby granting these contributing entities substantial influence over the allocation of assistance.

This revelation casts a significant shadow on the second null hypothesis, which asserted that international institutions like the World Bank, IMF, and World Trade Organization (WTO) are ill-equipped to effectively combat poverty and eliminate global hunger. Our findings resoundingly refute this notion, revealing that these organizations do indeed possess the financial means to address these pressing issues. What remains to be unraveled is the underlying intricacies that may hinder their full potential.

Regrettably, while our study uncovers these critical insights, we fall short of rejecting the third null hypothesis. This particular hypothesis suggested that underprivileged nations, exemplified by countries like Niger, might possess the natural resources required to tackle hunger if only developed nations ceased their relentless exploitation. Thus, the inescapable truth persists that developing countries stand in dire need of assistance and support from their more affluent counterparts.

In conclusion, our extended analysis underscores the urgency of the global effort required to combat hunger and poverty. It highlights the potential for change through resource reallocation and the imperative of addressing political influences within international institutions. Ultimately, these findings beckon us to bridge the gap between advanced and developing nations, ushering in a brighter future for all.

Table 3: Simplified results

Budget type	Amount in Billion Usd	Percentage Needed to end Hunger
Defense Budget	2520	1.58%
IMF and World Bank Budget	1432	2.79%

Source: Authors

The purpose of presenting this condensed table is to engage individuals of ethical standing, such as yourself, by leveraging the prominence of this journal to inspire immediate action. It is crucial to recognize that individuals like you shape public sentiment and wield the power to influence governments decisively. By rallying together, we can exert collective pressure on authorities to take meaningful steps.



Let us unite and collectively combat global hunger today, as the impact we can achieve is profound.

## 5. Conclusion

### 5.1 Contributions and Implications

The appropriate term to describe the study's findings is not "remarkable" but rather "scandalous" because all three null hypotheses were rejected. This suggests that if developed countries allocate less than 2% of their military budget, typically used for creating lethal weaponry, toward addressing hunger, it could be eradicated within the same year, it is known that nations are facing global inflation and challenges (Beainy and Kamel 2023) but the study only focused on military budgets to keep the well-being of citizens totally intact.

Furthermore, international organizations possess the necessary resources to put an end to global hunger. Therefore, the core issue does not revolve around a shortage of resources but rather the need for proper resource allocation.

In conclusion, it is imperative to emphasize that, regardless of the research outcomes demonstrating that the utilization of developing countries' natural resources may not entirely eradicate hunger, this should never be construed as ethical validation for the exploitation of disadvantaged nations, nor can it serve as moral justification for the actions of developed nations

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