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The World is in Better Shape than Most People Think

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Cornhusker Economics

The World is in Better Shape than Most People Think

Market Report	Year Ago	4 Wks Ago	7-12-19
Livestock and Products.			
Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	111.00	114.00	*
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	*	174.72	183.32
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	*	147.46	161.56
Choice Boxed Beef, 600-750 lb. Carcass.	209.65	222.57	214.64
Western Corn Belt Base Hog Price Carcass, Negotiated	76.84	*	*
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean.	84.69	82.28	71.14
Slaughter Lambs, woolled and shorn, 135-165 lb. National.	162.89	157.80	166.65
National Carcass Lamb Cutout FOB.	377.52	388.26	394.50
Crops.			
Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	4.56	4.08	4.09
Corn, No. 2, Yellow Columbus, bu.	3.36	4.00	4.42
Soybeans, No. 1, Yellow Columbus, bu.	7.83	7.60	8.16
Grain Sorghum, No.2, Yellow Dorchester, cwt.	5.18	6.36	6.80
Oats, No. 2, Heavy Minneapolis, Mn, bu.	2.87	3.25	3.16
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	*	*	172.75
Alfalfa, Large Rounds, Good Platte Valley, ton.	107.50	110.00	*
Grass Hay, Large Rounds, Good Nebraska, ton.	100.00	97.50	100.00
Dried Distillers Grains, 10% Moisture Nebraska Average.	106.00	128.50	149.50
Wet Distillers Grains, 65-70% Moisture Nebraska Average.	37.10	50.00	44.50
* No Market			

Steven Pinker (2018, page 40) reports that "... large majorities in eleven developed countries said 'the world is getting worse' and in most of the last forty years a solid majority of Americans have said the country is 'heading in the wrong direction.'" Recent polls conducted by the Pew Research Center show that Americans are pessimistic about the future (Gramlich, 2019) and that around the world many people are dissatisfied with the way democracy works in their countries (Wike et al., 2019). According to Twenge (2019), the level of happiness in the United States has been trending down for the past twenty years.

Is all this gloom really justified? It is true that humanity faces grave challenges such as climate change and rising economic inequality and that basic human rights are violated every day in countries around the world. But if one steps back and takes a somewhat longer view of history, a case can be made that we've never had it so good. The data in Table 1 show that life expectancy at birth has more than doubled in many countries from between 25 and 40 years in 1800 to between 70 and 84 years in 2016. Increases in real (inflation-adjusted) per capita annual income have been even more dramatic rising from around \$2,000 per person per year in 1820 in the United States and United Kingdom to \$53,015 and \$39,162 respectively in 2016. In Norway, real per capita income increased from \$1,330 in 1820 to \$76,397 in 2016 and real per capita income in South Korea is 75 times greater today than it was in 1820, 42 times greater than in 1920.

Consider the following:

- Female mortality rates for the world as a whole have fallen from 298 deaths per 1,000 women in 1960 to 121/1,000 in 2015. For men the mortality rate has fallen from 372/1,000 to 177/1,000. Childhood (under-5) mortality rates fell from 93.2 per 1,000 live births in 1990 to 39.1 in 2017. (World Bank)
- Malnutrition is declining around the world. In 1990, 24.9% of children under five were underweight compared with 13.5% in 2017 (World Bank). The total number of calories available for human consumption has increased 31% since 1961 from 2,196 calories per person per day to 2,884; protein availability increased 32% from 61.46 grams/person/day to 81.23 (FAOSTAT). Around the world, people are better fed today than in 1961 even though population has grown from 3.0 billion in 1961 to 7.6 billion in 2018.
- In 2000, the United Nations adopted a set of goals that included cutting the percentage of people living in extreme poverty, defined as an income of less than 1.90 international dollars (adjusted for inflation and purchasing power) per day, from the 1990-level of 44% to 22% by 2015. This goal was actually achieved in 2008 and the percentage has fallen further to 9.9% in 2015 (World Bank). About 1.2 billion people have been moved out of poverty in the past 25 years.
- Pinker (2018) has documented a dramatic decline in wars, conflicts, and violence over the past several millennia. He also cites data showing that motor vehicle deaths in the United States fell from around 24 per 100 million vehicle miles in the 1920s to around 2 in 2015 while deaths from airplane crashes have declined from about 6 per million passengers in 1970 to less than one in 2015.
- In 1850, the leading causes of death in the United States were all contagious diseases such as tuberculosis, cholera, or malaria. Today, these diseases have been largely eliminated and Americans live long enough to develop the chronic conditions such as heart disease and cancer that are now the leading causes of death. Smallpox, which caused billions of deaths throughout history has been completely eliminated with the last case recorded in 1977 in Somalia.
- Despite serious environmental problems, some progress in protecting the environment has been made. Pinker reports data showing that the number of oil spills has fallen from about 123 in 1975 to 5 in 2016 at the same time that the volume of oil shipped in ocean tankers has increased by about 90%.

In the 1970s, the Cayahoga River in Ohio caught fire as a result of excessive pollution but today, thanks to the Environmental Protection Agency (EPA) and the Clean Water Act the river has recovered and this year the Ohio EPA declared that fish from the river were safe to eat.

- Cell phones were first introduced in the 1980s but it was only in the 1990s that they began to take off. Today almost everyone on the planet has a cell phone and many low-income countries have simply skipped installing land-lines altogether.
- In 1970, an average worker in the United States would have had to work for 11 days to earn enough money to purchase a 16-inch tabletop color television set. Today, an average worker can buy a 32-inch flat screen TV with earnings from one day of work (and, of course, TV sets today are much better than the 1970 models).

Pinker (2018) and Rosling (2018) document many other ways in which our lives today are better on average than lives in the past. If we could choose a time in which to live, some gamblers might opt for a date in the future but it seems unlikely that anyone would actually choose the 19th or early 20th centuries for their time on earth in preference to the world we live in today. As noted above, however, the fact that we are better off in many respects than in the past does not mean that we have reached some kind of utopia in which all problems have been solved. Many scientists think we have already entered the sixth mass extinction in the history of the earth as a result of climate change and other environmental disruptions. There will always be challenges that cry out for efforts to protect and improve life on planet earth. But the need to address these serious concerns should not blind us to the fact that human beings have made extraordinary progress in the past and that our lives are much longer and healthier and more comfortable and enjoyable as a result of that progress.

Table 1. Life Expectancy and Average Annual Income around the World.

Country	Life Expectancy at Birth*			Real per Capita Income**			
	Year→	1800	1900	2017	1820	1920	2016
Germany		38.4	43.9	81.0	1,386 ^a	3,777	46,481
France		34.0	45.1	82.5	1,442	4,399	38,758
Norway		37.9	53.5	82.5	1,330	4,972	76,397
U.K.		38.7	48.9	81.2	2,182	5,656	39,162
China		32.0	31.8	76.4	741	916	12,320
India		25.4	23.0	68.8	968	1,301	5,961
Japan		36.4	38.6	84.1	910 ^a	2,265	36,452
South Korea		25.8	25.8	82.6	477	867	36,151
Egypt		33.0	32.9	71.7	917	1,983 ^b	11,430
Turkey		35.0	36.0	76.0	1,212	941	18,784
South Africa		33.5	33.5	63.4	1,552	2,517	11,949
Argentina		33.2	35.2	76.7	1,710	5,949	18,695
Brazil		32.0	32.4	75.7	600	860	13,479
Mexico		26.9	27.7	77.3	760	1,926	15,803
U.S.		39.4	46.3	78.5	2,080	8,485	53,015

* Gapminder (2019) for 1800 and 1900, World Bank (2019) for 2017. Life expectancy at birth in years.

**Maddison Project (2018). Average annual income in real (inflation-adjusted, base = 2011) dollars.

^a 1850.

^b 1950.

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