

The Growing Division Between the Rich and the Poor Leading to Increasingly Severe Human Rights Issues in the United States

The China Society for Human Rights Studies (CSHRS)

July 2020

Although the United States claims to be the greatest power in the world, it fails to make all its citizens live comfortably. Under the cover of overall prosperity in the United States, the harsh reality is the serious division between the rich and the poor in the country. In his report on his visit to the US, which was released in May 2018, Philip Alston, a United Nations Special Rapporteur on extreme poverty and human rights, pointed out that the United States has the widest gap between the rich and the poor among all Western countries. According to the report, about 40 million US citizens live in poverty, and among them, 18.5 million live in extreme poverty. More than 5 million US citizens live in a state comparable to that of the absolutely poor in the third world.

Since the outbreak of the COVID-19 pandemic in 2020, the US government's ineffective anti-pandemic efforts have led the American people into grave human rights disasters, which have further highlighted and exacerbated the existing social and economic inequality within US society.

Part 1 Basic Trends Reflecting the Continuously Widening Division Between the Rich and the Poor in the United States

The United States has a high level of income polarization. The survey results released by the Pew Research Center on July 12, 2018, show that the gap between the rich and the poor in the United States has expanded significantly since the 1970s. According to the data from the U.S. Department of Commerce, the Gini coefficient for the United States reached 0.482 in May 2019, far exceeding the internationally recognized "warning line" of 0.4. The research data published by the World Socialist Web Site in December 2016 show that in 2014, the per-capita annual income of low-income US citizens, who accounted for 50 percent of the US population, was US\$16,200, which was almost flat compared with the number in the 1980s, but the per-

capita annual income of the top 1 percent high-income US citizens increased threefold over the same period. The research data also show that in 2014, the per-capita annual income of the high-income group equaled an ordinary worker's lifetime income. The *Business Insider* website disclosed on August 15, 2016, that after deducting price factors, from 1978 to 2015, the salaries of the CEOs of the 350 largest companies in the United States increased by about 940 percent, while the salaries of ordinary workers increased by only 10 percent. The website of *Boston Review* reported on September 1, 2017, that in the recent 40 years, the income of the low- and middle-income groups, which accounted for about 80 percent of the US population, had increased by only about 25 percent, while the income of the high-income group, which accounted for about 20 percent of the US population, had almost doubled. As reported by the *Business Insider* website in January 2017, Torsten Slok, Chief International Economist of Deutsche Bank, found out that the wealth of the top 0.1 percent US households equaled the wealth of the bottom 90 percent of the US households when calculating the wealth of US households based on income levels.

The size of the middle class in the United States

continues to shrink. As reported by the Associated Press on May 13, 2016, 90 percent of households from the urban middle class in the United States were faced with increasingly worse situations, and many of them fell out of the middle class. A research report published by Gallup on September 20, 2016, shows that the percentage of US citizens who categorize themselves as being middle or upper-middle class has dropped from an average of 61 percent between 2000 and 2008 to 51 percent in 2016. This means that the quality of economic life for about 25 million US citizens has plummeted drastically. A report released by the Pew Research Center on May 11, 2016, shows that the middle class no longer holds the majority in nearly 25 percent of metropolises in the United States.

Poverty rates remain high in the United States. Statistics from the United States Census Bureau in 2018 show that the number of poor people in the United States reached 38.1 million, with a poverty rate of 11.8 percent. The 2018 annual report made by the Institute for Policy Studies (IPS) stated that there was an underestimation in the officially published US poverty rates, and it estimated that 43.5 percent of the US population (about 140 million people) live in straitened circumstances or earn a low

income. According to a report released by the Stanford Center on Poverty and Inequality in 2017, the overall poverty rate in rural areas in the southern United States is 20 percent, and the poverty rates for African Americans and for African-American women in this region are 33 percent and 37 percent, respectively. In the rural areas of the western United States, the poverty rate for Native Americans is as high as 32 percent.

Part 2 The Division Between the Rich and the Poor
Bringing Severe Adverse Effects on the Enjoyment and
Realization of Human Rights

Nearly half of US households are unable to maintain an adequate standard of living. As reported by the website of *USA Today* on November 19, 2018, more than 5 million US citizens who worked full-time throughout the year earned an annual income below the US\$15,000 poverty line, and many of them still had to support their families and children. According to a report released by the Federal Reserve in 2018, 43 percent of US households were unable to make ends meet and could only rely on loans to pay for housing, food, child care, medical care, transportation, and communication; 40 percent of US citizens did not have US\$400 disposable income to cover accidental expenses such as medical

emergencies or car repairs; hundreds of thousands of young people could not afford to go to college or university, and millions of people had to take on the heavy student debts. Given the long-existing structural discrimination and polarization between the rich and the poor, the US working class's ability to resist risks has been greatly diminished. According to the U.S. Department of Labor statistics, which were released on May 28, 2020, the total number of US people who filed their initial claim for unemployment benefits between March 15 and May 23 reached 40.8 million. Vox News pointed out on April 10 that it was the most vulnerable groups that bore the brunt of the economic impact brought by the recent pandemic. According to the report, during the pandemic, the people who are most vulnerable amid layoffs are those who earn the lowest salaries, such as low-wage workers in the catering and retail industries. When the US government launched the Paycheck Protection Program ("PPP"), which was intended to help small- and medium-sized enterprises, some large companies with sufficient funds took advantage of the rule loopholes to acquire huge loans, but small businesses and small shops that urgently needed loans to sustain themselves could only

announce closures or layoffs, since they could not get the help.

Low-income groups are faced with the threat of hunger in the United States, even when this country's economy is already highly developed. According to data released by the U.S. Department of Agriculture (USDA) in 2015, about 20 percent of children live in food-insufficient households in the United States. As reported by the website of the British newspaper *The Guardian* on November 26, 2015, between 2008 and 2014, at least 48.1 million US households were classified as "food-insecure" each year, and 19.2 percent of these "food-insecure" households had children who could hardly have healthy balanced diets. On August 17, 2014, the website of *USA Today* reported that excessively high poverty rates have led to about 14 percent of US citizens relying on food aid. Among the households that rely on food aid, 65 percent of them have at least one child under the age of 18 or an elderly person over the age of 60, and 79 percent of them buy cheap and unhygienic food to support their families. Hunger and malnutrition cost the United States more than US\$160 billion a year to treat chronic diseases. According to estimates made by the Centers for Disease Control and Prevention (CDC) in

2015, 48 million US citizens would develop food-borne illnesses each year, of which 128,000 would need hospitalization and 3,000 would die as a result of such diseases. Forbes News reported on May 7, 2020, that a survey showed that a large number of American children were facing hunger during the pandemic. According to the survey, as of the end of this April, more than one-fifth of American households had been facing food crises, and as many as two-fifths of American households with children under 12 years of age had been facing such crises.

The homeless are living in poor conditions in the United States. The website of the British newspaper *The Guardian* reported on February 24, 2017, that millions of people in the United States were driven out of their homes every year because they could not afford to pay the rent. Reuters website reported on November 20, 2015, that due to inadequate supply of affordable housing and weak economic recovery in most regions, more than 565,000 people were homeless in the United States, a quarter of whom were children. Los Angeles, Seattle, Portland, and Hawaii have all declared a state of emergency in recent years due to an increasing number

of the homeless. The website of the British newspaper *The Guardian* reported on December 6, 2017, that the number of homeless in New York City increased by 4.1 percent in 2016. The living conditions of the homeless are extremely poor, and many of these homeless people urgently need medical assistance or suffer from mental illness. Homeless people who live on the streets face problems such as widespread violence and lack of toilets and bathing facilities. During the COVID-19 pandemic, the homeless people living on the streets have been relocated and forced to live in temporary shelters for isolation. The website of Reuters reported on April 23 that in the crowded shelters offered by the US government, it was impossible for the homeless staying there to practice social distancing, which made it easier for the virus to spread. The website of the *New York Times* pointed out on April 13 that the shelters for the homeless became a delayed-action bomb of a virus outbreak in New York City, as more than 17,000 people lived and slept almost side by side in those centralized shelters. The website of *Nature* magazine reported on May 7 that when researchers began conducting virus testing on homeless people in the United States, they

found that the situation there had gotten out of control. The website of the *Los Angeles Times* reported on May 14 that research showed that due to the impact of the pandemic, the number of homeless people in the United States might surge by as much as 45 percent within a year, further exacerbating the public health crisis.

The poverty-induced stress makes the US people suffer from deterioration in their overall health. Philip Alston, the United Nations Special Rapporteur on extreme poverty and human rights, pointed out in his report on his visit to the United States that the "health gap" between the United States and countries with the same level of development continues to widen, as the US citizens have shorter life expectancy and are more likely to die of illness. A report on the residents living in the Brownsville neighborhood of Brooklyn, New York City, which was made by Agence France-Presse (AFP) on October 14, 2015, showed that 76 percent of the residents were African Americans and nearly 40 percent of the residents lived below the poverty line and that these residents are more than twice as likely to become HIV-infected and their average life expectancy is 11 years shorter than that of the residents living in the

Financial District, Manhattan. The Medical News website reported on June 13, 2017, that 15.7 million people in the United States are alcoholics and 7.7 million abuse illegal drugs. The CBS website reported on June 6, 2017, that overdose had become the leading cause of death among US citizens under the age of 50. A report released by the Centers for Disease Control and Prevention (CDC) in December 2017 showed that more than 63,600 people in the United States died from a drug overdose in 2016.

US citizens who have lost their medical insurance due to poverty cannot afford medical expenses. Gallup's annual Health and Healthcare survey, conducted between November 1 and 11, 2018, showed that 46 percent of respondents were concerned that they did not have enough money to pay for medical care. A research study by the Urban Institute in the United States in 2018 showed that Texas had as many as 4.7 million residents under the age of 65 who did not have medical insurance, accounting for 19 percent of its population. The consumer protection organization of Families USA released a report on June 20, 2012, saying that in 2010, 26,100 workers aged between 25 to 64 in the United States lost their lives due to lack of medical insurance, a

31-percent increase over 2000. This meant that in the United States, due to lack of medical insurance, an average of 72 people lost their lives every day and an average of three lives were lost every hour. The website of the British newspaper *The Guardian* reported on November 13, 2017, that being afraid of losing health insurance, more and more US citizens could not quit their jobs and were forced into a state that was referred by the economists as "job lock". The website of *The Atlantic Monthly* reported in April 2020 that low-income people in the United States would usually delay seeing a doctor when they became ill, not because they did not want to recover, but because they had no money at all. Faced with the COVID-19 pandemic, tens of millions of people in the United States are not covered by medical insurance, when intensive care for novel coronavirus pneumonia costs as high as tens of thousands of dollars in the country. "To be or not to be" is not just a philosophical proposition of some literary work, but a realistic choice that the people at the bottom of US society have to make.

The division between the rich and the poor has led to a decline in the average life expectancy and increasing suicide rates in the United States.

According to the data released by the National Center for Health Statistics (NCHS) of the United States on December 8, 2016, the life expectancy of US citizens showed a general downward trend compared to the numbers of 2014, with US men's life expectancy falling from 76.5 years in 2014 to 76.3 years; US women's life expectancy falling from 81.3 to 81.2 years; all US citizens' life expectancy falling from 78.9 to 78.8. In the meantime, the US suicide rates continued increasing. According to the data released by the Centers for Disease Control and Prevention (CDC) in 2014, there were 41,149 suicides in the United States in 2013, an increase of about 41 percent over 1999. There is a suicide in the United States every 13 minutes, and suicide has become the 10th leading cause of death in the country, causing over twice as many human deaths than by homicide. According to the *CDC's Fatal Injury Report 2015*, in the United States, there were 9.8 million adults claiming suicidal thoughts, and among them, 2.7 million had suicide plans, and 1.4 million made nonfatal suicide attempts.

Low-income groups cannot enjoy equal opportunities for education in the United States. Rich people always have significant advantages in obtaining

higher education resources, which leads to an increasing public dissatisfaction with the US higher education system. As reported by the website of *The Washington Post* on October 10, 2018, although the distribution of IQ scores has a normal shape in both the group of children born into rich families and the group born into poor families, the former group is more likely to succeed. According to the report, the less-gifted children of high-income parents are more likely to get college diplomas than better-gifted children of low-income parents. As reported by *The New York Times*, in 38 US universities including famous universities such as Yale University, Princeton University, and the University of Pennsylvania, the total number of students from the top 1 percent of US households is greater than the total number of students from the bottom 60 percent of US households. A survey published by Gallup in October 2018 showed that only less than half of the US population had confidence in the US higher education system. In his report published in May 2018 on his visit to the United States, Philip Alston, the United Nations Special Rapporteur on extreme poverty and human rights, pointed out that among all the affluent countries in the world, the United States had the lowest intergenerational social mobility, and that the

American Dream was rapidly transforming into the "American Illusion".

Poor children and single mothers have a hard time in the United States. The BBC reported on December 11, 2017, that according to 2016 figures, there were 13.3 million poor children in the United States, accounting for 18 percent of the US population under the age of 18. The website of the Urban Institute reported on May 18, 2017, that nearly 9 million children grew up in persistently poor households, accounting for 11.8 percent of the total US child population, and in the meantime, these persistently poor children were significantly less likely to improve their economic status than their non-poor and less-poor peers after they come of age. Many single mothers and their families in the United States live a difficult life. The Single Mothers Survival Guide website reported on September 17, 2016, that among the more than 9.6 million single US mothers, 23.2 percent were unemployed throughout the year and only 22.4 percent of the single mothers who were fired or looking for jobs could receive unemployment benefits, and that about 7.83 million children raised by single mothers lived below the poverty line.

Part 3 The Division Between the Rich and the Poor

Remaining a Difficult Problem to Solve in the United States

The causes of the division between the rich and the poor in the United States are not something occasional or periodic. The so-called US democratic system deprives its citizens of economic, social, and cultural rights, leading to a growing gap between the rich and the poor and the long-unsolved problem of poverty that affects tens of millions of people.

(1) Structural Causes Leading to the Division Between the Rich and the Poor

First, disorderly competition in the capital market and hostile takeovers have resulted in fewer middle-income jobs in the United States. The Gallup website reported on September 20, 2016, that high-priced acquisitions of rival businesses resulted in a significant reduction in middle-income jobs, and that in the recent 20 years, the number of companies listed on the American stock exchanges had plummeted from 7,300 to about 3,700, and bankrupted small businesses had significantly outnumbered newly-established ones in recent years. The website of the British newspaper *The Guardian* reported on December 8, 2017, that in 2017, the unemployment rate of young US citizens was as high

as 15.9 percent and that due to insufficient full-time jobs, about 4.8 million people who wanted to work full-time jobs could only engage in part-time jobs.

Second, the structural rise in housing prices has made housing more unaffordable for low-income people in the United States. In 2018, the National Association of Realtors of the United States conducted a survey on home buyers and found that due to rising housing prices and interest rates, housing affordability declined and house purchasing was no longer an easy decision for home buyers. "The State of the Nation's Housing 2018" released by the Harvard Joint Center for Housing Studies showed that in 20 urban areas, more than 30 percent of middle-class households spent at least 30 percent of their incomes on housing. The website of *The Washington Post* reported on August 6, 2018, that poor urban residents had experienced sharp increases in rent in recent years. According to the report, since 2011, the nation's minimum rent has increased by 18 percent, and it is particularly noteworthy that since the summer of 2017, in San Francisco, Atlanta, Nashville, Chicago, Philadelphia, Denver, Pittsburgh, Washington, Portland, Oregon, and other places, the rent for the high-income group has fallen, while the rent for the poorest group has

risen.

Third, due to the high-priced, inefficient medical services, the health conditions of low-income US people have deteriorated. The deteriorating health conditions of the US people are closely related to the high-priced, inefficient US medical system. According to a survey on medical service systems conducted by the Commonwealth Foundation in 2014, among the 11 countries at the same developmental level, the United States had the least efficient, least productive, and most unfair medical service system, it also had the highest mortality rate and infant mortality rate, and its citizens aged 60 had the worst health conditions. Besides this, the survey also showed that US citizens paid twice as much for medical services as those living in the other 10 countries did. The website of the British newspaper *The Guardian* reported on November 13, 2017, that medical costs and medical insurance in the United States were becoming increasingly expensive, especially those for the treatment of chronic diseases, and the prices of medicines treating asthma or cancer continued to hit record highs.

Fourth, the rising cost of higher education has deprived low-income groups of their opportunities to

receive higher education in the United States. The Gallup website reported on August 3, 2017, that since 1980, there had been no measurable indicators showing any improvement in the quality of higher education in the United States, but the prices for higher education had increased rapidly. The *Forbes* website reported on February 21, 2017, that student loan debts had become the type of consumer debts second only to mortgage debt, outnumbering the total of credit cards and car loans. There are more than 44 million students relying on loans to continue their education, and the total amount of their loans is as high as US\$1.3 trillion. The average per capita loan for students enrolled in 2016 was US\$37,172. In some regions, cuts in fiscal plans are leading to a decline in school enrollment. The website of the *Chicago Tribune* reported on September 30, 2016, that the freshmen enrollment declined significantly in many state universities. For example, the number of freshmen enrolled in Chicago State University was half of what it was in 2010, and the number of freshmen enrolled in the University of Illinois has fallen by 25 percent from the previous year. A 2016 study made by a non-partisan think tank, the Center on Budget and Policy Priorities (CBPP), showed that public colleges in Illinois reduced their per-

capita funding for the students by 54 percent compared to the number in 2008, while in Arizona, there was a 56 percent reduction. In 2018, the World Bank released a report entitled *Intergenerational Mobility around the World*. It took the people born in the 1980s as its subject of research and found that the United States was one of the only four developed economies among the 50 economies that did the worst in realizing intergenerational mobility through education and that the United States was among the developed economies that did a bad job in actualizing intergenerational income mobility.

(2) The US Government Lacking the Political Will to Narrow the Gap Between the Rich and the Poor

The US government lacks the political will to change the structural roots that lead to the division of the rich and the poor. Instead, it adopts a series of policies and measures that further widen the gap.

First, the US government's policies and measures to stimulate economic growth are only aimed at benefiting the rich instead of taking into consideration how to reduce the burdens on low-income groups. In his report on his visit to the United

States, which was published in May 2018, Philip Alston, the United Nations Special Rapporteur on extreme poverty and human rights, pointed out that the current US administration's strategy of stimulating economic growth benefited only the rich people, not the common people. The current US administration's policy of carrying out unprecedentedly large-scale tax cuts for large companies and the wealthy class at the expense of social welfare seems to be a policy formulated to widen the existing inequality. According to the analysis made by the Institute of Taxation and Economic Policy (ITEP), it is estimated that 27 percent of the revenue generated by the United States tax cuts in 2019 will flow into the pockets of the richest 1 percent people of the United States and the rich people will become the group who benefits the most from the current tax policies. Insufficient government financial investment leads to the lack of corresponding social security for the needy groups in the United States. A research report released by the Pew Research Center on August 18, 2015, showed that the United States had a serious shortage of funds for social security, with a deficit of about US\$74 billion in 2014. The 2015 annual report of the Social Security and Medicare Boards of Trustees showed that the US social

security system had a deficit of US\$25.8 trillion, which was almost 1.5 times the total annual GDP of the United States.

Second, the Health Care Reform Act has been struck down, and full coverage of medical insurance has been rejected in the United States. The United States is one of the few developed countries that do not have universal health coverage. A considerable number of its residents do not have medical insurance and cannot receive the medical care they deserve when they become ill. Despite the US Congress adopting the Healthcare Reform Bill proposed by the Obama administration in 2010 and promising to establish a universal health care system, data released by the U.S. Census Bureau showed that there were still 33 million US citizens not covered by medical insurance in 2015. On May 4, 2017, the U.S. House of Representatives adopted the *American Health Care Act* by a vote of 217 to 213, overturning many important contents of the Obama's health care reform plan, also known as "Obamacare."

Third, many rural hospitals have been closed in the United States, which has expanded the "medical desert". The website of *Al Jazeera's* US channel reported on December 17, 2017, that since 2010, more

than 80 rural hospitals in the United States had been closed, and hundreds of rural hospitals were on the verge of bankruptcy. The "medical desert" zone is expanding. According to the research data from the North Carolina Rural Health Research Program (NC RHRP), each closed rural hospital can serve approximately 10,000 local residents, who are the most vulnerable group in US society and know the least about how to live a healthy life. The closure of rural hospitals has destroyed the original rural hospital network and forced local residents to drive to hospitals dozens of miles away to receive medical services. A survey report released by the Pew Research Center on December 14, 2017, shows that since 2015, the public's positive evaluation of government-guaranteed medical services has fallen by 20 percent.

Fourth, the Internet management policy has widened the "digital divide" and strengthened the inferior position of low-income groups in the United States. As reported by the website of *Al Jazeera's* US channel on December 15, 2017, on December 14, 2017, the US government ended the net neutrality rules stipulated in the *2015 Open Internet Rules*, which forbade Internet service providers from blocking or "throttling" certain data streams and required that traffic

would have to be treated equally regardless of the users' ability to pay. The report commented that this move would allow rich people to enjoy faster Internet services with the help of money and thereby deepen the "digital divide" between the rich people and the low-income groups, putting the low-income groups at a disadvantage in the competition toward a digital future. For instance, in Detroit, where the poverty rate is close to 40 percent, about 40 percent of the city's population do not have access to the Internet at home. Nyasia Valdez, who engages in the city's Equitable Internet Initiative, has expressed that making the Internet more expensive will further economically disadvantage poor people. "It would be so devastating and further exacerbate the inequality that's already there," Valdez said.

A deeper analysis shows that the reason the US government lacks the political will to bridge the divide between the rich and the poor is closely related to the US political system and the capital interests represented by the US government. The vigorous development of money politics has turned the US government into a spokesman for the rich. The website of the British newspaper *The Guardian* reported on August 7, 2018, that the public generally believed that the US elections were corrupt and

that members of the US Congress served only the companies, wealthy people, and special interest groups. As pointed out by Philip Alston, the United Nations Special Rapporteur on extreme poverty and human rights, in his report released in May 2018, the United States is one of the richest, most powerful, and most technologically innovative countries in the world, but its wealth, power, and technology have not been used to address the persistent poverty of the 40 million people. "The persistence of extreme poverty is a political choice made by those in power," Alston wrote.

The division between the rich and the poor in the United States will be a stable, long-term trend. One cannot expect any substantial reversal of this situation within a short period. The severe negative impact it has brought on the enjoyment and realization of the human rights of the US people will continue to worsen.