

Destroying white exploiter myths: Poor countries are not as well off as rich ones because of lower prices

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International price data released in 2005 continue to show that there is not as much difference in prices between the rich countries and poor countries as stereotype might suggest. Fitting the stereotype, Tokyo (134.7) was the world's most expensive city out of 144 cities surveyed by interests representing multinational corporations placing employees globally. The standard of reference is New York City set to 100.(1)

Nonetheless, Ottawa, Kanada and Winston-Salem, North Carolina were at the lower end of expenses, coming in at 66.4 and 66.6 respectively. Third World cities that are actually more expensive to live in range from Sao Paulo, Brazil (66.6) to Hong Kong (109.5). Also more expensive are Beijing (95.6), Douala, Cameroon (93.8), Istanbul, Turkey (93.8), Abidjan, Ivory Coast (93.0) and Hanoi, Vietnam (84.9). Using the most conservative definition of "Third World" there are at least 30 Third World cities more expensive to live in than Ottawa, Kanada!

In places that do the lion's share of the world's manufacturing while receiving a fraction of rich country wages, the cost of living is about the same as San Francisco (84.9) or higher-Seoul, Korea (115.4), Beijing (95.6), Hong Kong (109.5), Singapore (88.0), Shenzhen (81.3) and Guangzhou, China (80.6).

The survey design undercuts common prejudice by asking for the purchase of similar items for a similar lifestyle in all countries. Such an approach is necessary to prove that cost of living is not lower simply because there are no luxury goods in a lifestyle.

In the worst-case countries, there is a gap closer to stereotype. In the cheapest city, Asuncion in Paraguay makes New York City look two and a half times more expensive. However, in Paraguay, the minimum wage was under \$5 a day, compared with New York City where it was over \$5 an hour in 2001.(2) Thus New York was two and a half times more expensive but minimum wage was more than 8 times higher.

For this contrast, Manila, Philippines (49.8) provided the second-worst contrast. Again New York looks two times more expensive from Manila based on the basket of goods used for this data source. (Also remember to compare Manila with Ottawa and Winston-Salem!) In the Philippines the minimum wage ranges from 280 pesos (under \$5 a day) to 140 pesos (just over \$2 a day). So in Manila, the New York expenses look like double but the minimum wages are again more than 8-fold higher in New York too. This is just to take the two cases most similar to the stereotype we hear in the exploiter countries.

The belief that wages paid per output should be 10, 20 or 50 times higher in rich

countries because of prices is an excuse by exploiters seeking to comfort themselves. Such assertions have no basis in reality.

[mimnotesinfo1@mimnotes.info adds: There are other easily available sources of world-wide cost-of-living data, such as ERI Economic Research Institute's Relocation Assessor® & Cost-of-Living Survey (<http://www.eri.com/index.cfm?FuseAction=ERIRA.Main&trkid=76-22>), which uses data as current as April 2005; although, the demonstration version of this database software is limited to places beginning with the letter "A" or "B." You can use this tool to research cost-of-living differences based on a variety of parameters, such as annual earnings and number of automobiles owned. According to this tool, to have the same standard of living in Afghanistan, Bangladesh, Bolivia, and other Third World countries, actually requires a higher income level than in the united States for several income levels.

The real slam dunk in all of this is that it actually does not matter precisely how much higher the cost of living is in some Third World places. Even if Third World prices were substantially lower than imperialist-country prices, the vast majority of Euro-Americans would still be exploiters due to other adjustments that would have to be made in calculations as a consequence of the price differences.

Those who use cost of living to wrongly justify exploitive income levels in imperialist countries should try out ERI's Relocation Assessor demo as an exercise in actually doing a tiny bit of investigation to back up their erroneous claims, which are so harmful to the world's exploited and oppressed people.]

Notes

1. "Mercer Human Resource Cost of Living Survey : Worldwide 2005 Cost of Living Survey City Rankings," <http://www.finfacts.com/costofliving3.htm>
2. "Wage," http://www.paraguayglobal.com/eng/personal2_eng.php
3. "Manpower Resources," [http://www.coa.gov.ph/tsolmp/TSOIntra/Manpower\(labor\).htm](http://www.coa.gov.ph/tsolmp/TSOIntra/Manpower(labor).htm)
4. "2005 Global Cost of Living Reports," <http://www.mercerhr.com/summary.jhtml?idContent=1124760>

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