

The "elimination" of poverty*

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The ideologues of the New World Order which was imposed by the capitalist neo-liberal globalization have already proved their great skill to eliminate or distort annoying terms such as socialism, democracy (in its classic meaning of self-management), resistance against occupiers (defined today as "terrorism"), etc. It was not, therefore, surprising that the "international community" (an euphemism for the transnational elite) would find an appropriate way to eliminate poverty itself and its basic constitutive element, inequality – particularly so, since poverty and inequality are the main symptoms of neo-liberal globalization. Indeed, in this effort to “eliminate” poverty the reformist Left also takes part, albeit involuntarily, speaking enthusiastically about the fight "to make poverty History" through reforms of the System (such as the lifting of poor countries' debts) "forgetting" in the process that the same System which generated these debts will recreate them in the future!

Thus, neo-liberals, social-liberals and the reformist Left in perfect harmony, even though each are motivated by different incentives, participated recently in one more of the "world days" annually organized by the "international community" to ring the alarm bell for the various aspects of the multidimensional crisis faced by the present society: the ecological crisis ("world day for the environment"), the social crisis ("world day for the fight against drugs"), the economic crisis ("world day for the fight against poverty"), etc. In these “world days”, the crises are transformed into "problems" which expert techno-scientists could solve using appropriate methods, under the pressure of "civil society". The inevitable consequence is obscuring the "systemic" causes of these crises and creating the false belief that, through individual actions and the pressure of "movements" from below as expressed, for instance, through demonstrations and the activities of NGOs, we will supposedly overcome the crises – which in the meantime get continuously worse!

In the context of the campaign for the "elimination of poverty", the ideologues of neo-liberal globalization have embarked on a huge effort to convince the public, through the use of various statistical and terminological devices, that poverty has been phased out within the process of globalization and that what we call poverty today is, in fact, a "healthy" inequality due to the rapid improvement in the economic condition of those who have been adapting fast to this process, relative to the rest who have been falling back, as a result of their failure to take advantage of the opportunities offered by the “globalization challenge”. Of course, nobody mentions the fact that the main beneficiaries from this process “happen” to be the privileged social strata in each country, who exploit their position in the present international division of labour and their direct or indirect relations with the transnational companies which determine this specific division of labour. In the same context, the crucial distinction between absolute and relative poverty is made. Thus, absolute poverty is defined by the World Bank (WB) as living on less than US (PPP)^[1] \$1 per day, or less than \$2 a day (moderate poverty). On the other hand, relative poverty sees poverty as socially defined and dependent on

social context and is measured on the basis of the inequality in the distribution of income and wealth. For instance, the main poverty line used in the OECD and the European Union is based on "economic distance", a level of income set at 50% of the median household income.

Thus, instead of defining absolute poverty on the basis of the income required to cover all basic needs (food, clothing, housing, health, education, transport, and communication expenses, etc.) as, for example, British economists had done in 1899 on the basis of a survey covering nearly every working class family in York (Rowntree approach), the World Bank, on the basis of consumption or income data collected through household surveys, as well as estimates of price levels, fixed absolute poverty at these ludicrous levels – which do not adequately cover the basic needs even of people living in the poorest areas of the planet. Indicatively, in Greece, on the basis of the official definitions of poverty, 21% of the population live under the (relative) poverty line whereas absolute poverty is almost nil. However, Greek academic researchers found that if poverty is measured on the basis of adequate coverage of basic needs almost 80% of the population would be classified as poor!^[2]

The inevitable consequence of the use of such indicators to measure poverty is to obscure the true size and the real dynamics of poverty. For instance, a typical argument used by the ideologues of the System is that globalization brought a drastic reduction of absolute poverty, which fell from 40% of world population in 1981, to 21% in 2001^[3], or from 1.5 billion people in 1981 to less than 1 billion in 2004. However, excluding China from these estimates, the number of persons in "extreme" poverty in fact has slightly increased between 1981 and 2004 from 855 million to 857 million.^[4] This is because the small decrease of poverty in certain regions was more than matched by the quintupling of poverty in Europe and Central Asia as a result of the integration of these areas in the New World Order, following the collapse of "actually existing socialism" and the increase in poverty in sub-Sahara Africa and Latin America. Consequently, the "elimination" of poverty is almost exclusively due to the fact that the Chinese "communist" leadership removed from the list of the poor more than 400 million Chinese in the period 1981-2001, simply because they became proud earners of US\$ 1 dollar a day, thus decreasing with one stroke of the pen the percentage of absolutely poor in China by two-thirds!^[5] In the meantime, Chinese police are deployed in hospital wards and outpatient clinics to protect medical staff from the public, amid growing instances of physical violence caused by patients furious at charges, as the healthcare system becomes the focus of resentment about the gap between rich and poor. No wonder that, according to the *China Daily*, 5,500 medical workers were injured last year in assaults and protests, causing more than 200m yuan (£13m) damage!^[6]

Nevertheless, despite the variety of statistical devices used for the obliteration of (absolute) poverty, even today, 53% of the world population lives in conditions of "moderate" poverty on less than \$2 a day. Needless to add, the objectives of the "international community" and the struggle of NGOs and the reformist Left concern the reduction of this kind of relatively easy reducible poverty, as defined by the WB, and not of the real poverty which concerns the inadequate covering of all citizens' basic needs that no system of market economy has ever (or could ever) eliminate.

However, it is not only real poverty that is ignored. Relative poverty is also bypassed given that, following the growing concentration of income and wealth within neoliberal globalization, it has become another indicator clearly showing the bankruptcy of the System. Thus, as regards the concentration of income, 1% of the world's population

receives today 80% of the world's income, whereas as far as concentration of wealth is concerned, according to the largest UN study yet of wealth distribution, the richest 10% of adults accounted for 85% of the world total of global assets, at the very moment when half the world's adult population owned barely 1% of global wealth!^[7]

* A shorter version of this article is published in the fortnightly column of Takis Fotopoulos in the mass circulation Athens daily, *Eleftherotypia*, (10/11/2007).

[1] Estimates of Purchasing Power Parities (PPP) are used to compare the purchasing power of a US dollar across countries.

[2] See *Eleftherotypia* (17/10/2007).

[3] UN, *Human Development Report 2005*, Table 1.2

[4] Larry Elliott, "World poverty reduced by growth in India and China", *The Guardian* (16/4/2007).

[5] World Bank, *World development indicators 2005*, Table 2.5a.

[6] Jonathan Watts, "Chinese hospital staff face attacks amid high prices and dubious care", *The Guardian* (12/5/2007).

[7] James Randerson, "World's richest 1% own 40% of all wealth, UN report discovers", *The Guardian* (6/12/2006).