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**Joint written statement* submitted by Europe – Third World Centre,
a non-governmental organization in general consultative status, and the American
Association of Jurists (AAJ), a non-governmental organization in special consultative
status**

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[11 February 2005]

* This written statement is issued, unedited, in the language(s) received from the submitting non-governmental organization(s).

"FIGHTING POVERTY" : ALIBI OF THE GLOBALIZERS¹

1. In 1980, the World Bank estimated that there were 800 million people living in absolute poverty in the developing world. In its first big report on poverty in 1990, its estimate of the number of people in absolute poverty was 633 million (1985 figures). Its most recent statistics, published in Spring 2004, show 1482 million people living in absolute poverty in 1980. These figures, and above this kind of reasoning, says a lot about the ambiguity in the discourse on poverty.

2. With its multiple definitions and countless methodologies for measurement and study, the concept of poverty is open to all kinds of abuse. World Bank statistics are certainly no more incorrect than those of other institutions. It is clear however, that the World Bank did not have solid empirical data when it launched its "Fight against Poverty" in 1990. Later, keeping in mind the Millennium Development Goals to reduce extreme poverty by one half by 2015, it prefers to "correct" its old figures in order to be able to present a slightly positive picture.

3. According to the Bank, poverty has decreased by half since 1981 (from 41% to 21% of the population in developing countries). This is highly improbable, but what needs to be understood, is that poverty is a double reality. First, it is a painful reality for hundreds of millions of human beings in the world who lack the means to live decently. Second, it is a social construction, a discourse which is always subjective on what poverty is and who the poor are. There can be no 'correct' figures on poverty because each definition and each measure reflects the values of its authors.²

Economic and social development: still a priority?

4. Today, "the fight against poverty" has become the major priority of all international, multilateral development organizations. The fight against poverty has some very particular characteristics confirming it as a historical constant. Today, like yesterday, the discourse on poverty has a political function and is completely dissociated from the reality that is lived by the poor. By way of proof, we take the 1990 World Bank proposal for a strategy to fight poverty without empirical foundation and introducing a discourse on globalization which reinforces and extends the "Washington Consensus". Poverty has never been absent from the discourse of international organizations in the past: the solution that was offered was development. Today, the solution that is offered is the 'Fight against poverty' and development has disappeared.

5. Analysis of World Bank and UNDP discourse reveals that economic and social development no longer has a *raison d'être*. For these organizations, the economy has become part of nature, an external reality outside the realm of state intervention. Like nature, it is essential to our survival, but we cannot change its laws. All we can do is observe it in order to better

¹ This declaration has been written in collaboration with Mrs Francine Mestrum, PhD, Social Science, specialist in research on development in the Third World at the Université Libre de Bruxelles (Belgium).

² To appreciate the difficulties involved in addressing poverty, see Simmel, G. *Les Pauvres*, Paris, PUF (1908) 1998. Simmel is considered the 'father' of the sociology of poverty. For current research, see Oyen, E. et al. (Eds), *Poverty: A global Review: Handbook on International Poverty Research*, Oslo Scandinavia University Press, 1996.

understand and respect it and create the conditions which allow optimal functioning of markets. Today we need strong states with effective institutions to attract foreign investment, to protect property rights and to encourage competition. 'Good governance' means that public powers seek a consensus with civil society - including private companies - to achieve this objective. The State has no further need to intervene in economic life, except to fix rules which favour markets, including the labour market .

6. As for social development, it is defined differently now. The fight against poverty is conceptualised in such a way that traditional social protection can be discarded. Social protection only protects privileged workers in modern sectors and penalises the poor by raising barriers to their entry into the labour market. *"Social security may not be a good use of available funds for developing countries. Social security payments tend to go to those in formal sector -not the poorest people"*³. *"Poverty reduction still tends to be identified with social security or social protection ... starting perhaps from good intentions but ineffective."*⁴ Today, minimum wages should be eliminated because they are too high for the poor. Furthermore, social security allows workers to establish themselves and offers no incentives to take risks. If social protection today is located in a context of risk management, this is also a production factor to encourage.

7. As a consequence, the security net must become a trampoline allowing poor people to seize market opportunities and take themselves in hand. Poverty is defined as multidimensional, which allows income to be eliminated as a possible solution. The fight against poverty is presented as something that is in the common interest of the international community in such a way that allows international organizations to deal with and control the internal politics of poor countries, in their entirety. As for social development, for the World Bank, this has become societal development which targets social arrangements - the institutions - which allow people to contribute to and benefit from, growth. Protection mechanisms are not tackled but societal institutions, which support development and growth.

SAPs and PRSPs

8. The practice of PRSPs (Poverty Reduction Strategy Papers)⁵ confirms this analysis and illustrates even better than the discourse does, the coherence of the project of the fight against poverty. In fact, PRSPs are above all an extension of Structural Adjustment Programmes (SAPs). The policies of the Bretton Woods institutions have not changed. They continue to promote macroeconomic stability, elimination of budget deficits and the fight against inflation, liberalization of exchange rates, privatization, deregulation and free circulation of capital. Today these conditionalities are legitimized because they are imposed in the name of the fight against poverty. The social policies of PRSPs are limited to education and health care, often provided by the private sector, because public powers *"are not in a position to keep their promises"*. What is found rather rarely in PRSPs is any explanation of how the poor might acquire an income. Income, in fact, is no longer the responsibility of public powers. Of course, growth has to be

³ UNDP, *Human Development Report 1991*, Paris, Economica, 1991, p. 50.

⁴ UNDP, *Overcoming Human Poverty*. UNDP Poverty Report 2000, New York, UNDP, 2000, p. 39,42.

⁵ PRSPs are documents which poor countries must submit to the Bretton Woods Institutions - and they must be approved by them - in order to obtain a reduction in debt or a concessionary loan.

better distributed which means that the poor must be able to contribute to it. Redistribution of income is not on today's agenda; nor, by the way, are social rights.

9. As for the Millennium Development Goals (MDGs) we know that they will not be achieved by 2015. Furthermore, the link between PRSPs and MDGs is almost non-existent. The MDGs are far from ambitious and if they cannot be achieved in the medium term one asks oneself in what time scale might PRSPs be expected to yield a first result. As for the action plan of the Copenhagen social summit (1995) even if it was reaffirmed during the Social Summit + 5 in Geneva (2000), it has been practically forgotten. The references today are Monterrey, Doha and Johannesburg, There will probably be no Copenhagen + 10.

Unchanged dogma at the top of the international financial and commercial institutions

10. Through analysis of the discourse on poverty and the practice of PRSPs, the coherence of the project of the fight against poverty is revealed. It is a neoliberal globalization project, which is as political as it is economic. The World Bank and the International Monetary Fund (IMF) aided as always by the World Trade Organization (WTO), strive to construct and develop a global market where competition is free and where nations can offer the most advantageous conditions to multinational corporations. The fight against poverty replaces social citizenship, the source of collective empowerment, and keeps intact or restores a social order which is deemed natural. Just like structural adjustment, the fight against poverty targets above all the middle classes - the privileged - and makes the poor potential allies of the globalized classes. The fight against poverty, a consensual theme *par excellence* makes development disappear as a national project of modernisation and emancipation and eliminates national elites, unions as well as entrepreneurs. The poor, communitarized, living on their social capital, become actors of change which is limited to consolidating a dual society of rich and poor.

11. The fight against poverty allows development to be presented as integrated at last, as if it brings together economic and social dimensions of development in a balanced way. Development becomes 'holistic' although in reality, it has become a synonym of growth. The fight against poverty, in such a context, is the social alibi, the soul of economic globalization.

12. The World Bank has appropriated for itself all the concepts of progressive movements for the third world. The fight against poverty, empowerment, participation, social development... Today it is starting to look at inequality. Many NGOs are taken in, believing that the meaning of words is immutable. In fact it is through analysis of the dynamics of meaning that policies which promote the triumph of markets, to the detriment of society, can be unmasked and denounced. The fight against poverty and against inequality is necessary, of course, but through economic and social development, through engaging the solidarity of the rich world.

Integrated poverty, total inequality

13. As a result, the fight against poverty is neither development nor a fight against inequality. It is important to make the distinction between these three policies, each of which are as necessary for the North as they are for the South. It is impossible to have similar policies for situations which are completely different. The fight against poverty in a country with a 50% poverty rate is not possible using targeted policies. For these countries, there must be

development; growth which is favourable to the poor, and policies of redistribution at national and global level to limit inequality. Poverty is not just a development deficit, it is also the consequence of the extreme concentration of wealth. This is why growth can never be enough. In the Northern countries, development will have to be, above all, sustainable, that is to say, ecologically responsible. Here it is less a matter of growth than of development of activities which halt the depletion of natural resources. The fight against poverty will be targeted, of course, but without forgetting that prevention remains essential. For example, in Belgium, a substantial proportion of the population would fall under the poverty threshold were there not an efficient and redistributive welfare state. Furthermore, even if the fight against poverty can, and must be, multidimensional, poverty itself, is above all, a question of income deficit. If we forget that, we run the risk of ending up with 'psychologizing' and cultural approaches.

Conclusion

14. Poverty is a reality which is both extremely simple and extremely complex. Simple, because it can be defined as an income deficit which is relatively easy to solve. Complex, because the non-poor - the rich even, - seek to define it in ways which do not threaten their own privileges. In this way, poverty has become a theoretical concept, the scope of which is infinite, and which make the poor unidentifiable. Perceptions of poverty depend on social constructions. The political perspective on poverty depends on the major preoccupations of the epoch, and these are not the preoccupations of those who are most deprived. Poverty is like a mirror, an instrument of political thought to reflect one's ideals. This is why it only appears on the political agenda for very specific reasons.⁶ According to the founder of the sociology of poverty, George Simmel, the fight against poverty always responds to the needs of the non-poor⁷.

15. In this context, making a distinction between 'extreme poverty' and poverty not only solves nothing, but confuses matters, because this kind of reasoning disguises the contradiction which exists between wealth and poverty. It does not allow the root causes of the problem - the imposition of neoliberal policies and unjust and unequal economic and social arrangements, to be addressed. This is why, it is more than urgent - as a priority - to reform the financial and commercial international institutions, notably the World Bank, the International Monetary Fund and the World Trade Organization to review their policies and programmes and to submit them to the recommendations of Copenhagen and the UN Charter.

⁶ Sassier, P., *Du bon usage des pauvres. Histoire d'un thème politique XVI-XX siècle*, Paris, Fayard, 1990.

⁷ Simmel, G., *Les pauvres*, Paris, PUF, 1999.