

CONSTRUCTING A GLOBAL GHETTO **RACISM, THE WEST & THE "THIRD WORLD"**

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Howard Zinn narrates his observation, on his way to England, on the Queen Mary. Here, on a passenger liner, there existed the clearest evidence of an artificially created "Third World", inside the "First":

"My air crew sailed to England on the Queen Mary. The elegant passenger liner had been converted into a troop ship. There were 16000 men aboard, and 4000 of them were black. The whites had quarters on the deck and just below the deck. The blacks were housed separately, deep in the holds of the ship, around the engine room, in the darkest dirtiest sections. Meals were taken in four shifts (except for the officers, who ate in prewar Queen Mary style, in a chandeliered ballroom- the war was not being fought to disturb class privilege), and the blacks had to wait until three shifts of whites had finished eating." (Zinn 1990:88)

In the late middle ages, different regions of the world were almost equally developed (Alexander 1996:17). Then, in the course of a few hundred years, Western economic and political domination in the world led to pockets of development and underdevelopment, wealth and poverty, coexisting in close proximity to each other. A clear pattern emerged on a global and local level. The emerging dominant philosophy was capitalism, the driving force behind which was competition, based on ideas similar to *Social Darwinism*. As a result, an ideology of superiority emerged within the ruling elite, an idea that led through subtle mechanisms to the patterned underdevelopment of certain groups of people, on a local and global scale, within the interconnected World System.

Ideas of racial superiority, made moral by a hierarchical religion, "whitewashed" to reflect the preference of the rulers, became institutionalized in Western culture once Germanic races gained power by overthrowing the Roman Empire and adopting Christianity. By the 1900s, the colonial powers of Europe, together with the U.S., controlled half of what they described as "newly discovered" areas of the world, and over a third of its population (Delavignette 1964:1 etc.).

This idea of superiority led to the "race-specific" Atlantic Slave Trade in which over 40 million people were killed. A similar idea led to the genocide of the American Indians and other indigenous groups in all these "newly discovered" white-settler areas; over 50 million "savages" were killed by the "civilized" West (Zinn 1990:1). American "national security" sanitized by ideas about "our (superior) way of life," led to the civilian bombings of Vietnam and Cambodia by orders of Harvard educated elite, killing millions again. South Africa similarly used "national sovereignty," as an excuse to protect its apartheid regime.

"During the Vietnam War, US forces massacred whole villages; murdered prisoners of war; set up "free fire zones" in which all living things were subjected to annihilation; systematically bombed all edifices, including hospitals, schools, churches and destroyed croplands and work animals...The CIA director of that day, Richard Helms, admitted that 20,500 persons were assassinated by the CIA sponsored Phoenix Program...In Vietnam, the US dropped 8 million tons of bombs (leaving 21 million bomb craters), and nearly 400,000 tons of Napalm...The 18 million gallons of Agent Orange and other such chemical defoliant dumped from US planes poisoned hundreds of thousands of acres and worked their way into Vietnam's food-chain, dramatically increasing the number of miscarriages, still births and birth deformities. The chemical warfare gave Vietnam one of the world's highest rates of liver cancer, a disease virtually unknown in the country in prewar days. The continuous bombing and use of napalm and defoliant rendered two-fifths of Vietnam's land unsuitable for forestry or agriculture." (Parenti 1989: 44)

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The fate of the Australian Aborigines¹, persecuted, killed and forced on reservations was another racially motivated “national” act. “Turning the other cheek”, pulling out peacekeepers, and not stopping the genocide (total inaction) when 800,000 *Tutsis* were killed by the *Hutu* militia in Rwanda, at the rate of 10,000 per day, in 1994, provides further evidence of non-Western lives being unimportant to the elite and their “democratic” system.

Colonization and the artificial drawing of borders displaced and killed millions of poverty stricken people in India. The drawing of arbitrary borders, similar to neighborhood displacement within the developed world, cut the lifelines of many groups and communities. European wars among themselves, the First and the Second World Wars similarly destroyed tens of millions and plundered the earth.

“... Wars continued (after World War 2), which the superpowers either initiated or fed with military aid or observed without any attempt to halt them. Two million people died in Korea; 2 to 5 million in Vietnam, Cambodia and Laos; one million in Indonesia; perhaps 2 million in the Nigerian Civil War; one million in the Iran-Iraq war; and many more in Latin America, Africa and the Middle East. It is estimated that in the forty years after 1945; there were 150 wars, with 20 million casualties.” (Zinn 1990: 99)

This is the nature of racism in the modern world. Under the cloak of nationalism it has killed and caused suffering to more people in the course of a few hundred years than any other single factor in the entire history of humankind.

The nation-state was central to Western economic and political domination (Alexander 1996). Nationalism on a global scale can be compared to racism within states: Both are driven by an ideology that assumes superiority of one group over another. This linkage is evident in the relationship between the West and the “Third World” and race relations between white and black communities in the United States.

Let me clarify my use of the word “West” and “Third World” in this writing. When I say “West”, I mean the white-male elite (of European origin), who command decisions in the world and not the masses of the white world. Contrary to that, when “Third World” is mentioned, the masses are referred to and not the elite that rule over these countries. The elite in most of these countries are a part of the “second-tier” West, a legacy of colonialism, intermediaries that translate the Western cause in perpetuating “Third World” poverty. They are as far removed from their people, as the culture of the ghetto is from suburban America. Internal colonization operates within communities just like neo-colonialism operates on a global scale.

The concept of *Internal Colonialism* signifies the network of “coercive legal, political and economic constraints imposed on racial ethnic minorities and indigenous peoples in settler societies.... Key to internal colonialism is a set of features that facilitate the exploitation of minorities as workers- segmented labor markets, separate wage scales and state and employer-imposed discriminatory practices” (Stasiulis et al, Editors 1995:12).

The “West” (also called the North or the “core”²), traditionally signified European Christian nations. The term nowadays has expanded to include the United States, the industrial states of Western Europe and Japan. Until 1990, the Soviet Union and its Eastern European colonies were excluded from the “First World” and became an intermediate division. The term “Third World” (also called the South or the “periphery”) was invented to signify underprivileged countries, mainly Asian and African, as against the first two (Fieldhouse, 1999).

¹. At the time of European colonization in the 18th century, Aborigines numbered about 1 million. According to the 1986 Census, they numbered 230,000. Their unemployment rate is over six times (600% greater) than the national average, and the average wage of the Aborigines is half that of the national average wage in Australia [Encyclopedia Britannica]. From less than 1% before colonization, Caucasian [white] population in Australia has reached 92% [of the 19 million who live there], while the Aborigines have become almost “extinct”

². According to Wallerstein’s *World Systems Theory*, the West or the “core” forces unequal political and economic opportunity on the poor nations of Asia, Africa and Latin America, the “periphery” (Schaefer & Lamm 1998:257)

Wallerstein, whose name is associated with the World Systems Theory (1974), suggested that since the 16th century, with the rise of capitalism, the world market was purposefully transformed into a group of core countries (those who were former colonizers and who control capital and material wealth in the world) and a set of peripheral countries (the rest of the world). Until Japan entered the group of core nations recently, white male elite controlled the world almost exclusively in the postcolonial era, as they did in colonial times.

The peripheral countries in order to become part of the global economic system, which was deliberately designed to serve the core nations, had to become dependant on them and their provision of developmental resources. The core exploits the periphery for cheap resources, which are exchanged for either expensive military goods or overpriced capital. Political instability and poverty is concentrated in the periphery to keep this global order intact. This ensures that the periphery remains in its subordinate position. In short, this was the reason for the birth of a few affluent nations, controlled by white male elite, surrounded by a poverty-stricken "Third World", a world where almost everyone is non-white.

The *World Systems Theory* can be extended to include segregation and suburbanization within the United States as well. In the U.S. from 1920 through the 1960s, suburbanization continued unabated (Weeks 2000:419). America is now predominantly suburban and the suburbs are predominantly white. Suburbs are the "core" where edge cities have led to the replacement of the central city's dominant position. The central city has become the periphery where minorities, especially African Americans are concentrated. This has led to the development of the ghetto and the birth of what is described as the "underclass."

In the past few decades with the rise of the so-called Asian Tigers and the oil rich countries of the Middle East, a new group, the "semi-peripheral" countries have entered the World System. These countries are linked to the core but have loose (mostly labor) connections with the majority "peripheral" world. Similar to what Marx would call the *petty bourgeoisie*, they serve the core in keeping the periphery poor, having aspirations of entering the "core" status by such service. A similar phenomenon was seen in the development of the ghetto in the United States and the changing priorities of the black elite. Massey and Denton (1993) state:

"The rise of the ghetto, more than anything else, brought about the eclipse of the old elite of integrationist blacks who dominated African American affairs in the northern cities before 1910...the (profit) interest of these "New Negroes" economic and political leaders were tied to the ghetto and its concerns." (Massey & Denton 1993:40).

It is implicitly acknowledged and "politely" enforced by the West that white Christian nations are superior to all others and are "God-appointed" leaders. The foreign policy of the world's only "super power" is a translation of this same ideology. The German sociologist Max Weber stated:

"Behind all ethnic diversities, there is somehow naturally the notion of a 'chosen people'...the idea of a chosen people derives its popularity from the fact that it can be claimed to an equal degree by any and every member of the mutually despising groups." (Vanhorne, Editor, 1997:116)

"Third World" & the "Underclass":

The ideology that led to the invention of the term "Third World" similarly led to the invention of the term "underclass" in America; a nation otherwise advertised as "classless" (Hadjor 1993:129). The underclass described by the conservative section of society signifies a group completely removed from mainstream America. Here "alien" and "odd" norms prevail, similar to "Third World" culture, which to many Americans threatens what is described as "our way of life".

According to them, the members of the underclass have a "foreign" or "alien" family structure (as described by The Moynihan Report) with a backward "code of the streets", far removed from the "normal" American "way of life". Their language is as "foreign" as Arabic or other "Third World" languages. It is seen as a section of society where chronic poverty, homelessness, crime, drugs, and disease have reached epidemic proportions, similar to and sometimes worse than the "Third World"³. The people living in such a section of society are not termed "aliens" like people from the "Third World" but are completely alienated from the outside world (like the "Third World" and its problems from the affluent West) and the outside world is completely alienated from them.

If anyone from this part of society were to go to the "outside" world, to one of the big shopping malls in the affluent white suburbs, "polite" racism and what can be called "conspicuous supervision" will keep him or her out of public areas. Access is restricted and clearly marked by "borders" of tolerance, similar to borders that separate nations. A few decades back, borders were physically marked by "red-lines" on bank maps. Today, those paper maps have been replaced by "mental mapping". Bank statistics, in poor neighborhoods, reveals that redlining is still widely practiced.

"Racial profiling" ensures that these borders are respected and crossing them can lead to swift "justice" like countless "Rodney King" cases, all through the nation. Similarly, for the "Third World", strict visa and immigration laws, to keep the "barbarians" from reaching "the gate", deportations, and detaining people on 'secret-evidence' and "swift justice" against "rogue nations", ensures much the same. National security is used as an excuse to curb the de-jure civil rights of minorities and to militarily solve economic problems that threaten the hegemony of the core. The capitalist elite, the owners of tobacco and alcohol industries, collectively kill over 470,000 Americans and millions more around the world every year, yet the system doesn't declare "war" on them. Even in wars that are declared by the capitalist system as "just wars", most of the people killed, over 80 to 90 percent have been civilians.

"Corporate Crime-or its media-friendly term, "White Collar Crime"- causes more deaths and costs you more money each year than all the street criminals (and "terrorism") combined...According to Russell Mokhiber, publisher of the Corporate Crime Reporter, in 1994 burglaries and robberies cost us over \$4 billion in losses, while corporate fraud cost us nearly \$200 billion...Unsafe work conditions on the job and occupational diseases caused more than 56,000 deaths." (Moore 1996:121)

The appearance and incidence of the geographic region inhabited by the 'underclass' has become an ecological pattern, being found in all major cities in the United States, in contrast to the affluent white suburbs. This is alarmingly similar to the incidence and appearance of poverty in the "Third World" compared to the affluent white *Settler Societies* like Australia, Canada, etc. These areas, now in ruins, once used to be prosperous business districts and now are urban wastelands like the "Third World" after colonization, due to strategic population and job displacement.

The underclass is a section of society where informal laws bar its assimilation with the mainstream economy on equal terms. The most one can expect is to get a low-paying service job with a similar entry and exit level, and that also only when the economy is good. If the person is lucky, he or she will keep the job at the same level and not face unemployment, debt, homelessness and starvation. In the case of the "Third World", the most that can be expected is the refinancing of debt owed to the West. With multiple digit inflation and unemployment, even keeping at the same level becomes a challenge that is never met.

The area being talked about above is very close to home in urban America. It is the American ghetto. A classic "Third-World" nation within the wealthiest country in the world.

³. The New England Journal of Medicine (January 18, 1990, Vol 322, No 3, p.176) reported that "Death rates for those between the ages of 5 and 65 were worse in Harlem than in Bangladesh." (Quoted by Chinyelu 1999: 1)

The Roots of Racism in Western Thought:

*"The Holy Bible in the White man's hands and his interpretations of it, have been the greatest ideological weapon for enslaving millions of non-white human beings."
(Malcolm X, Quoted by Alex Haley 1973:241-242)*

Christianity, to the European colonials, together with Biblical passages promoting the mass destruction of "foreign", "heathen" and "strange" elements, gave moral justification to the systematic genocide of millions of non-white people throughout the colonial era. Many lands were claimed, before even setting foot on the shore, "*In the name of the Father, Son and the Holy Ghost*" (Carlyle 1918). The propagation of Christianity became the cloak under which pillage and plunder was justified and exonerated. Later, especially by England, it was used to pacify the colonized masses ("*give the coat and the cloak*"-and then some), by wholesale, metropolitan export of Christian missionaries. The missionaries, themselves under the influence of this superiority complex, employed the tactics of showing the natives their "superior" Christian religion, based on a "superior" man-god, Jesus. Martin Bernal, writing about the history of racism states:

"Racism of the modern type only began in the 15th century, when Portuguese ships began to outflank Islamic power by sailing around the coast of West Africa. They started kidnapping anyone they could find and taking them back to Portugal to sell as slaves. Their justification for this was that they were prisoners of a just war, and any war fought by Christians against non-Christians qualified as a just war. Quite soon however a new justification grew up...Africans were claimed to be slavish by nature...The new racists tried to enlist religious backing for their ideological requirements..." (Vanhorne, Editor. 1997:83)

Since the 1630s in America, a small elite has been manufacturing and reinforcing ideas of "God-given", innate, white racial superiority. This 'power-elite' ensured the socialization of these ideas via the clergy, the intellectuals, the politicians, the academics and the missionaries, all competing for the 'souls' of humanity. Racism became a 'religious institution' in America, used for economic and political gain (Griffin 1999:125).

The systematic institutionalization of racism through Christianity by the white elite shows up in the distortion of facts for the purpose of indoctrination and the subsequent labels that survive to the present day. *Labeling Theory* suggests that certain groups in society acquire the power to assign labels to groups. Those labels are then adopted and they become "self-fulfilling prophecies" of behavior (Schaefer 1998:199). As a result, derogatory labels "invented" by the West and the white-elite survive to this day and are used by members belonging to the oppressed group, almost unconsciously. In America, the Indians who were slaughtered by the millions, got labeled as "savages" while the settlers became the "Founding Fathers" and claimants to being (as a recent U.S. president described it) "the most civilized nation on earth", with their shining "city on the hill".

Ex-slave, Fredrick Douglas, on a Fourth of July speech to a white audience in 1852, stated about the "democracy" of the elite:

"The rich inheritance of justice, liberty, prosperity and independence, bequeathed by your fathers, is shared by you, not by me. The sunlight that brought light and healing to you has brought stripes and death to me. *This Fourth of July is yours, not mine. You may rejoice, I must mourn.*" (Zinn 1990:232).

Religion and politics both act as a tool of the elite. The Constitution itself becomes meaningless to them when it interferes with their economic objectives. Cloaked under the rhetoric about "national security", it is painlessly cast aside. Fear mongering among the masses and the "illusions of fear" spread by their media; act as a catalyst in such efforts to "hijack" the Constitution itself.

"Once the government, ignoring democratic procedures, gets the nation into war, it creates an atmosphere in which criticism of the war may be punished by imprisonment- as

happened in the Civil War and in both world wars. Thus democracy gets a double defeat in matters of war and peace." (Zinn 1990:124)

Max Weber in his writings on power and opposition implies that it would be very difficult (and expensive) for a group to embark on a continuous struggle to control others. If however, the position of that group can be institutionalized, opposition becomes muted. Religion served as a vehicle to institutionalize racism. Political scientist, Clarence Stone calls this type of power to institutionalize a group's advantages, *ecological power* (Abrahamson 1996:27).

"And thus are appointed, in every city, elite ones of its malicious people, and they plot therein...." (Koran 6:123)

Vilfredo Pareto outlined "elite theory" (centuries after the Koran), within a similar framework; sociologist C. Wright Mills did his pioneering work, *The Power Elite* (1956). Mills states:

"The power elite is composed of men whose positions enable them to transcend the ordinary environments of ordinary men and women: they are in positions to make decisions having major consequences." (Mills 1956:3-4)

The elite targets their "persuasion" resources specifically towards existing influential institutions, for greater impact. Where religion is influential, the elite use it to legitimize their benefits, sometimes politically institutionalizing a distorted version of it. The culture of the elite and the structures created by such a culture are projected upon society in a contradictory manner in order to "legitimize" the norms that help maintain the status-quo (Castells 1987:184). Poverty, prostitution and delinquency are structurally perpetuated and implicitly encouraged to display to the masses the consequences of an "alternative" culture. Implicit control of the media and superior access to the masses, by such control of information technology, ensures socialization of this "created" culture. Alienation is unavoidable in such a system.

The dominant culture, generated by the elite, for its institutionalization depends on information and stimulation overload. The city thus provides the elite with an ideal environment. Diversity and competition control of resources and a limited redistribution of income, forces the vast majority in a city to live in a culture of "marginality" (Castells 1983:178). The city elite, taking advantage of this blasé' attitude, generated by urban density and diversity, lock individuals into a race for survival, leaving them with limited opportunity for radical "transformative" thought or collusion.

"Economic power does not automatically translate into cultural hegemony, but it makes such hegemony much more likely. Those who own the media must make conscious efforts in selecting the right managers and editors and setting down proper guidelines and permissible boundaries- so that they exercise maximum control with a minimum of direct and naked intervention." (Parenti 1986:33)

As a clear example of this, consider the strategic displacement of jobs and people and the resulting concentration of poverty in the inner cities, which gives birth to a "street code". The elite thus nourish a "street code", a code that forces people on a social level to adopt it, if they are to survive. Elijah Anderson in his book, *Code of the Street* (1999), states:

"It is nothing less than the cultural manifestation of persistent urban poverty. It is a mean adaptation to blocked opportunities and profound lack, a grotesque form of coping by young people constantly undermined by a social system that historically has limited their social options and until recently rejected their claims to full citizenship." (Anderson 1999:146-147)

In such a "cultural" system, justice is bought and sold in a market where both the buyers and sellers of such justice are the resourceful "pseudo elite". Space and its use are distributed unevenly and an "ideology of superiority" is physically enforced and explicitly displayed in the structures that fill such space. A culture of this nature and a system based upon it is necessary if the elite are to maintain their privileged position. As a result they "mobilize popular sectors around their development policies" (Castells 1982:

188). Molding social movement culture is imperative to them for such successful mobilization. The New Deal in America was a similar rescue of the capitalist system. Thus, the elite encourage social movements that adopt the “dominant” culture as they help in their cause.

Those who refuse this subjugation through this “structural” alienation are offered “chemical alienation” through alcohol and drugs⁴, which chemically produce bouts of “anomie”, i.e. normlessness and alienation⁵. As a result of this “created” culture, a “real world” much removed from the actual real world is projected. A world that traps people in a cycle, the so-called “culture of poverty”, from which escape becomes almost impossible:

“Their example is as a mirage in a desert. The thirsty one supposes it to be water till he comes unto it and finds nothing...or as shadows upon a sea obscure: there covers them a wave, above which is a wave, above which are clouds; layer upon layer of darkness. When they hold out their hands, they almost cannot see them.” (Koran 24:39-40)

This is the reality of existence for a majority of humankind. What we consider “real” and “natural” are artificially engineered and socially constructed illusions, perpetuated by institutions designed by the elite to serve their economic and political goals. All freedom for the individual is lost.

Alexander (1996) notes:

“The most important decisions in the world are made by relatively few people -the top echelons of a dozen ruling parties, a few hundred massive corporations and finance companies. They in turn are served-and influenced-by senior civil servants, policy analysts, editors and a few thousand lobbyists, pressure groups and think tanks...less than 0.03% of the people in the West. Each country has a different power structure...but their elites have more in common with each other than with their fellow citizens.” (Alexander 1996:209)

The dehumanizing of Africans began with European voyagers traveling to Africa in the 16th century. They observed, what according to them seemed like ‘pathologies’ of Africans. Richard Hakluyt, an early English historian wrote:

“ They (the Africans) are black, beastly, mysterious, heathenish, libidinous, evil lazy and smelly people who are strangely different to our superior white race.” (Quoted by Griffin 1999:14)

How the same images are perpetuated even today, is witnessed in so called “government studies”. President Nixon’s appointed chair of the “Model Cities Program,” commented on the “lower class” city dwellers, who were predominantly black:

“The lower class individual lives from moment to moment...impulse governs his behavior. He is therefore radically improvident. Whatever he cannot use immediately, he considers valueless. His bodily needs (especially for sex) and his taste for action take precedence over everything else...He works only as he must to stay alive...”(Quoted by Griffin 1999:74)

It is as if Hakluyt had been resurrected. If we replace the word, “lower-class” with “African”, the two descriptions are almost identical. A clarification needs to be made at this point about the “family structure” of African Americans. It is true that single parent, female-headed households are a big problem in African American communities, but the

⁴. Surprisingly, the Bible contains the same advice for subjugating people:

“Give strong drink to him who is ready to perish and wine to those that are heavy of heart. Let him drink and forget his poverty and remember his misery no more.” (Proverbs 31:6-7)

The use of alcohol to subjugate Africans and for acquiring slaves by the colonials, and for the subjugation of American Indians by the settlers is well documented. Alcohol chemically targets the specific area of the brain involved in social control, producing normlessness and alienation, alarmingly similar to what the French sociologist, Durkheim conceptualized as “anomie.”

growth rate of “new” cases is lower for African Americans than for white communities (Smith 1998).

Female-Headed Households

	Black	White
1950	17.2%	5.3%
2000	53.5%	19.1%
Increase 1950-2000	X 3.11	X 3.60

Births to Unmarried Women

	Black	White
1950	16.8%	1.7 %
2000	68.6%	22.5 %
Increase 1950-2000	X 4.08	X 13.23

U.S. Census Bureau Data (2000) above shows that, 53.5 percent of black families are female-headed households compared to 19.1 percent of White families. However, the rate of increase of female headed households from 1950 to 2000 is greater for whites than blacks. Similarly, the number of births to unmarried women among blacks is greater than that among whites but the rate of increase from 1950 to 2000 is greater for whites than blacks.

The breakup of the black family can be attributed to the legacy of slavery and the continuing oppression of black males. Black males ages 15-25 have three times the mortality rate of black women of the same age group. Thus the marriage pool available to black women is drastically reduced. Contributing to this reduced pool are the large numbers of black males in the U.S. prison system, around a third of all young black males have been involved in this system. To this, add the lack of economic opportunity available to black males in the 15-25 age group, and the resulting inability to support a family, and we have the exact causes of the high percentage of female-headed households in the black community. The causal pathways are clear, the U.S. Census Data (2000) shows that 64.8 percent of blacks have never married compared to 29.8 percent of whites. However, the breakup of the white family and the rise of white female-headed households (at a rate faster than the increase in black female-headed households) may be attributed, within a changing economic structure, to attitudes towards sex and marriage, the “popular” culture of the Hollywood elite. This is shown by the U.S. Census Bureau (2000) divorce numbers, only 32.6 percent of blacks have been divorced compared to 66.1 percent of whites. Thus the “morality” issue is forcibly imposed on African Americans instead of the white “moral majority”.

“The red stain of bastardy, which two centuries of systematic legal defilement of Negro women had stamped upon his race, meant not only the loss of ancient African chastity, but also the hereditary weight of a mass of corruption from white adulterers, threatening almost the obliteration of the Negro home.” (W.E.B. Dubois 1903: 50)

“What cultural supremacy could be claimed by the Europeans of yore? From the fifteenth to the nineteenth centuries, Europe was “ahead” in such things as the number of hangings, murders and other violent crimes; instances of venereal diseases, small pox, typhoid, tuberculosis, plagues and other bodily afflictions; social inequality and poverty (both urban and rural); mistreatment of women and children and frequency of famine, slavery, prostitution, piracy, religious massacres and inquisitional torture. Those who

believe the West has been the most advanced civilization should keep such "achievements" in mind." (Parenti 1995:8)

Ronald Reagan, one of the most popular presidents in recent history, is well known for his ideological battle with the African American minority. Blaming the poorest, most powerless sections of society for its greatest evils, he drastically cut government funding in public services in the inner cities, leading to a sharp jump in homelessness, inner city riots and brutal police crackdowns. In the "Obi wan" style, Reagan, based on his white Christian 'superiority' ideology went so far as calling the Soviet Union, an "evil" empire, and used the medieval term "Barbarians" to describe demonized Arabs and Muslims (Heinman 1998:145).

"During the Reagan administration of the 1980s, the country's rich became richer and the poor, poorer. Reagan's attorney general, Edwin Meese, said cheerfully he was not aware of people being hungry. Around the time he was saying this a Physicians Task Force reported that 15 million American families had incomes of under \$10,000 a year, receiving no food stamps and were chronically unable to get adequate food. A report by the Harvard School of Public Health in 1984 said that its researchers found that over 30,000 people had to beg for food to avoid starvation." (Zinn 1990:149)

In 1854 Josiah Nott published a book, in which he claimed, based on his pseudo-science, that Caucasians (White) races have the largest brains and the most powerful intellect (Griffin 1999:51). Following in the same tradition, Charles Murray and Richard Herrnstein authored, *The Bell Curve: Intelligence and Class Struggle in American Life* (1994). In the book they "prove" that African Americans are innately (biologically) "less-intelligent" than White Americans and as such are destined to a life of crime and poverty, the "underclass". They should therefore be controlled by a police state while "the rest of America goes about its business" (Herrnstein & Murray 1994).

Apart from the fact that Herrnstein and Murray do not have much knowledge of biology, their ideologically manipulated data, comparing IQ to socioeconomic status, has been widely criticized. The cultural bias in the IQ test itself is conveniently ignored (Fraser, Editor 1994), as are the over-time increasing "group" IQ scores internationally and even locally among immigrant groups. It is beyond the scope of this paper to go into details with the implicit racism of Murray and Herrnstein, however it is worth mentioning that if such be the acts of "intelligent" beings, like the whole sale genocide of communities, the 'less intelligent' animal kingdom shows a lot more prudence in its existence. Controlling for factors like "human interference", the animal kingdom might even outlive "intelligent" humanity.

By literally squeezing the life out of the earth, and leading it towards a premature death, capitalism has shown a tendency of not being able to sacrifice the present for the future. The conservative right (the torchbearers of capitalism, the likes of Murray & Herrnstein) however, blames the underclass for a similar trait (i.e. not sacrificing the present for the future). This makes us wonder who the real source of such a "culture of poverty" is. A source similar to the one that nourishes the "*code of the street*" and perpetuates the "*culture of terror*". The imperial elite, those that want to teach the "barbarians" responsibility and decency have acted in the most irresponsible and immoral way imaginable, even after using the Atomic Bomb, and seeing its effects (being the only ones to use it in human history):

"Truman threatened the Soviets with the atom bomb when they were slow in withdrawing their troops from Iran immediately after World War II. In 1950, he publicly warned that nuclear weapons were under consideration in the Korean War. In 1953 during the same war, Eisenhower made secret nuclear threats against China and North Korea. In 1954 Secretary of State Dulles actually offered tactical nuclear weapons to the French during their final losing battle in Vietnam, but Paris declined the offer. Johnson considered nuclear weapons in Vietnam in 1968. Nixon contemplated using Nuclear Bombs against North Vietnam on a number of occasions from 1969 to 1972. In 1973, he also thought of using them when it was feared that the Soviets might intervene in the Middle East. On two other occasions, anticipating aggression by Moscow against the Chinese during a border dispute and possible Soviet intervention in the 1971 India-Pakistan war, Nixon toyed with

the nuclear option... Not yet mentioned were the two occasions when President Kennedy contemplated using Nuclear Weapons: during the Berlin Crisis of 1961 and the Cuban Missile Crisis of 1962." (Parenti 1989: 174-175)

Analysis of the poor in the United States reveals the dynamic nature of the group. People keep entering and exiting from the ranks of the poor. The one thing that remains consistent is that the majority of the "persistently poor" in the U.S. are the African Americans. Sociologist Herbert Gans theorized that poverty is deliberately perpetuated in society among certain segments because the poverty of those segments benefits the elite (Gans 1995:91-102). Here on a local and global scale is empirical evidence for Gans' theory:

The American Ghetto:

In the late 1940s and 1950s due to economic prosperity, men and women started marrying early and home construction in the suburbs reached an all time high. Middle class white Americans deserted the inner cities in great numbers, as a result by 1970 suburban residents were a majority in metropolitan U.S., while before they had been one third of all metropolitan residents. American cities were being rapidly transformed, but one feature of them remained the same and that was the black ghetto. White suburbanization and black in-migration to the north led to an increase in the size of the ghetto. Neighborhood racial turnover was carried out in an almost automatic manner based on what sociologists referred to as the "threshold of white tolerance". A few black families would enter the neighborhood and white residents would start abandoning and selling their homes and moving out. Realtors played a major role in lowering this threshold and made big money in the process. This was achieved by what is called "block busting." Agents would go door-to-door warning white residents of the "invasion" by black folk. They would purchase the home for a low price, divide it up into smaller units and sell at a premium to black settlers.

Because of this, spatial isolation segregation indices in the northern cities peaked in the 1950s. In the 1970s the average segregation index for African Americans was 70. This means that 70 percent of blacks would have to move out of a neighborhood in order to achieve an even white-black population configuration. In most big cities the number was close to 90 percent. The highest segregation index ever recorded for immigrant groups in the US was 56 for Milwaukee Italians in 1910. By 1970, the lowest index of segregation for African Americans was 56 in San Francisco (Massey & Denton 1996).

The U.S. Federal Government was directly involved in the segregation process. To increase employment in the construction industry and increase home ownership, the Home Owners Loan Corporation (HOLC) was started. The HOLC initiated the process of redlining. Those who resided in the redlined areas almost never got loans and could never move out. How the World Bank and the IMF divides countries of the world into zones and ratings is alarmingly similar to HOLC practices.

By giving a twenty five to thirty five year loan with a 90 percent guaranteed collateral payment, the FHA (Federal Housing Administration) and VA (Veteran's Administration), during the 1950s and 1960s, encouraged selective out-migration of middle class whites to the suburbs, leading to a decline in the economic base of the city and the expansion of the ghetto. In giving out loans, the FHA determined minimum eligibility requirements for lot size, which effectively eliminated inner city homes, thus forcing those who had got the loan to move out.

Black migration to U.S. northern cities during the early 1900s related inversely with the ebb and flow of European migration. When the economy in Europe was booming, European immigrants would move back home creating a shortage of labor in the North. This would boost black migration to the North. In bad times, the inverse would happen. Blacks were also not allowed membership in white unions and as such were used as "strike breakers" by employers. As the numbers of black migrants increased in northern cities, institutionalized methods were adopted to check the expansion of black settlements. These methods, like red lining, zoning, legalized violence, private contracts

etc, made sure that African American populations got concentrated in “ghettos” that were homogeneous, and completely isolated from the main economy (Massey & Denton 1996:31-35).

“If you are black, these white reactions brand you as a carrier of contaminations. No matter what your talents or attainments, you are seen as infecting a neighborhood simply because of your race. This is the ultimate insult of segregation. It opens wounds that never really heal and leaves scars that remind you how far you stand from full citizenship.” (Heckler 2000: 53)

Global Ghetto:

“Think of what the Spaniards did in South America; the Portuguese in Angola and Mozambique; the British in China, India and Ireland; the Belgians in the Congo; the Germans in Southwest Africa; the Dutch in the East Indies; the French in North Africa and Indochina, the Japanese in Korea, Manchuria and China; the Italians in Ethiopia, Somalia and Libya; and the Americans in the Philippines, Central America, Indochina and in North America itself (against Native American Indians, Mexicans and African Americans). Actually it is difficult for most of us to think about it, since imperialism’s terrible history is not regularly taught in our schools nor treated by our media.” (Parenti 1989:38)

The similarity between the creation of the ghetto in America and the creation of the “Third World” cannot be overlooked:

1. Colonial powers established trading systems in the colonies to extract much needed resources for the West. These trading systems were controlled by the colonial powers in the case of the “Third World”. Higher-level employment was not offered to locals and so there was little transfer of skill (Fieldhouse 1999). This led to “skill mismatch”; similar to what William Julius Wilson discusses as one of the reasons for the development of the “underclass.”(Wilson 1996)
2. The primary commodities, and raw materials towards which the “Third World” economy was forcibly geared were very vulnerable to price fluctuations. This led to the development of a “cyclical” pattern of poverty, similar to the “ebb and flow” leading to black employment in the northern United States, discussed above. The West even today, allows migrant workers when there is a demand at home and expels them when the economy goes down (Alexander 1996).

“For 162 years, the Naturalization Law, while allowing various European or “white” ethnic groups to enter the United States and acquire citizenship, specifically denied citizenship to other groups on a racial basis.” (Takaki 1982)

3. The local market was forcibly opened to imports of colonial “core-country” products to boost the colonial power’s economy thereby destroying the “infant” industries of the “Third World”. This is alarmingly similar to the relocation of inner city jobs in America around the globe (to exploit cheap labor) and the creation of empowerment zones in the inner cities. These zones bring in outside firms that put the local vendors out of business. The big outside firms at best provide a handful of minimum wage jobs to the community, but drain the billions in purchasing power already possessed by it (Chinyelu 1999).

As jobs moved to the suburbs, the poorer segments of the Black working class that had relied on factory jobs found themselves in a disastrous situation. Lack of affordable transportation made it impossible to hold a job and reside in the city. Moving to the suburbs was impossible also because of housing segregation and independent zoning by the suburbs that effectively kept low income and poverty stricken people out. The changes in industrial restructuring coincide in time with the boom in the number of the urban homeless.

With the elimination of decent paying manufacturing jobs in the inner cities, most people sought employment in low paying service jobs that required no skill and paid a minimum wage. The real value of the minimum wage in 1977 was \$2.38 (after correcting for inflation) while in 1988 it was \$1.88 (Yeich 1994: 88). Considering this meager amount,

year round full time employment does not provide enough for renting a one-bed room apartment, ignoring other costs of survival like food and health care. By 1980, more than half the population in the lowest income bracket was paying over 72% of its income in rent as opposed to 34% in 1970 (Hamburg & Hopper 1984, Quoted by Daniel Kerr).

The government deregulation of business in the 1980s led to employers downsizing and eliminating even more jobs. The transport industry alone cut 200,000 jobs. As employment opportunities got fewer and fewer, many of the poor sections of the inner city, racially and geographically segregated, had no option but to become homeless. Burt and Cohen of the Urban Institute (1989) noted that the average time spent without a job by homeless people was longer than that average time spent without a place of residence. Therefore, joblessness preceded homelessness (Glasser 1994: 46). Government policies towards those affected, as well as lack of available and affordable housing, amplified the problem and made homelessness more permanent.

In the "hierarchy" of "opportunity allocation" based upon race and gender, other things being equal, capitalism produces a layered society where "inter-layer" passage is almost impossible for the group confined to the lowest layer. This is similar to the "race-based" hierarchy set by the European colonial powers in their dealings with Asians and Africans.

4. Marketing boards controlled by the colonial powers were set up in these countries and they purchased local produce at prices well below the market, added their markups and sold them to the colonial "core" power. The huge profits they earned were sent to their homes in these "core" countries and not invested in the "Third World" (Fieldhouse, 1999). This is very similar to the lack of investment in inner-city infrastructure and employment base building. In most cases, the investment goes to boost tourism and to develop the downtown area for outsiders, with no money being spent on providing much needed housing and jobs.
5. Currencies of the "Third World" were devalued by force, thus increasing land depletion (desertification) to meet the increased quantity demanded by the "artificially" lowered price. The extra income and profits were either spent on giving big salaries to the European "managers" of these colonies, or the European owned transportation networks, or the European owned marketing boards. Eventually, all this capital was drained from the "Third World" as these Europeans sent the money back home.

Environmental depletion is not only perpetuated in the "Third World" by the West, minorities face similar environments within the rich industrial countries as well. The U.S. *General Accounting Office* study of hazardous waste landfill siting, found a strong relationship between the siting of offsite hazardous-waste landfills and race and socioeconomic status of the communities in which they were located (Bullard 2000:32)

Just like the ghetto, the "Third World" economy was completely detached from the one section of its developed economy that serviced exports to the European colonial powers.

The "Third World" led to the development of the West. The following, added to what has already been discussed above, is a summary of what has been well documented by many researchers:

1. Under priced raw materials, and the vast capital flows from the "Third World" sustained Europe during the 19th century and led directly to its modern industrial development.
2. Mineral wealth and Gold extracted from the "Third World" laid the foundation of the capital markets in the West.
3. Over 20 million unpaid Africans forcibly enslaved, added to the surplus that drove the industrial engine.
4. Millions of indentured servants provided labor at wages well below subsistence.
5. Markets, like today, were specifically geared to serve optimally the markets of the "core" colonial powers. The surplus was invested in the "core" country and not in the "Third World".

6. Destroying local industry, forcing specialization in products, the prices of which could be easily manipulated to serve the Western market, strengthened markets fed by “Third World” capital. There was thus complete monopsony (one buyer who can set the price at which he buys) in the purchase from the “Third World” of its resources and complete monopoly (one seller who can set the price at which he sells) in the sale of colonial products to the “Third World”. (Fieldhouse, 1999 & Alexander, 1996)

Consider the example of Nigeria. Nigeria produces one of the highest-grade oils in the world. This oil, *bonnie light* crude oil has great demand in the aviation and space programs in the developed world. However, the country including the people that live around the oil fields are plagued with unemployment, poverty and lack of health care (Chinyelu, 1999).

The Data:

An analysis of census data in the United States (U.S. Bureau of Census) shows that the structure of the African American population (the demographic profile) in the United States resembles populations of the “Third-World” more closely than the general population of the society in which they reside, comparatively. The African American population is younger than the white population having a median age of 30 years compared to 38.1 for whites. Similarly “Third World” populations are consistently younger than the developed world because of higher fertility and mortality. Only 8% of African Americans are over 65 compared to 14% of whites. Life expectancy for black males is 67, while that of white males is 74. Similarly life expectancy in the developed world is consistently higher (in some cases by over 30 years) than in the “Third World”.

Infant mortality for white Americans is 6.0 per 1000 live births, while that for blacks is 14.3 per 1000. The median family income for white Americans is \$46737, while that for black Americans is \$29404. The median personal incomes are \$14892 for black males (15 and over), and \$24122 for white males (15 and over).

Unemployment rate for blacks (16 and above) was 11.3% while national unemployment rates were around 3% nationally in the late 1990s. Of all people 25 to 34 years of age 14.6% of blacks compared to 29% of whites had a bachelor degree. Private schools in the United States are almost entirely white. Fifty percent of all private schools had black enrollment of less than 9%, even though almost half of the private school students came from central cities, where minorities aren’t even minorities (Wright, Editor. 2001). Murder victims are disproportionately black males. Fifty black males per 100,000 population were murdered in 1995 compared to 7 white males.

Black males make less money than white males in similar occupational positions that require similar levels of skill. The median income of white males with a bachelor’s degree is \$43,335, that of a black male with a similar degree \$33,217. Fifteen percent of black males in the black labor force are managers compared to 30% of whites in the white labor force. However, 32% of blacks are laborers compared to only 18% of whites. U.S. Bureau of the Census data reveals that 30.2% of African Americans are below the poverty level compared to 9.4% of Non-Hispanic whites.

Median Income– US \$- U.S. Census Bureau (2000)

	White \$	Black \$	Relation Per \$ 1000 of White
Families	56442	34192	606
Men	42224	30886	731
Women	30777	25736	836

(\$ 606 means black families make \$606 for every \$1000 made by a white family)

Education and Earning per \$1000 made by Whites
US \$- U.S. Census Bureau (2000)

	Black Men	Black Women
	\$	\$
High School	799	944
Bachelor's Degree	784	1117
Masters	778	1030

(\$ 799 above means for example, black men with a High School diploma make \$799 for every \$1000 made by white men with a similar diploma)

Environmental racism is witnessed clearly in the southern United States. Out of the 27 landfills operating in 48 states, a third are located in five southern states. The total capacity of these represents 60% of the nation's total landfill capacity. Blacks make up 20% of the south's population, yet zip codes of minority areas represent over 63% of the total landfill capacity of the south (Bullard 2000:33).

"Chemical companies (in the West) transfer their most dangerous plants to places like India, Mexico and the continent of Africa. Toxic wastes are shipped from the West to be dumped in less vigilant areas of the Majority World." (Alexander 1996:93)

(Page break for data table below)

DATA DISAGGREGATED BY RACE- UNITED STATES

(Percent)	Populati on Under 15 years	Populat ion Over 64 years	Familie s Below Poverty Level	Under 18 Below Povert y Level	Over 64 Below Poverty Level	Unemplo yed Over 16, Males, in Labor Force
BLACK	27.4 %	7.9 %	21 %	30.2 %	21.9 %	11.9 %
WHITE	18.7 %	14.3 %	6 %	9.5 %	8 %	5.1 %

(Percent)	Family Owns Home	Got Bachelor's Degree or Over	Labor Force Males in Executive Jobs	Labor Force Males in Service Jobs
BLACK	53.1 %	17 %	8.7 %	22 %
WHITE	83.3 %	29.4 %	18.2 %	8.4 %

Source: U.S. Census Bureau, Current Population Survey (March 2002)

Data from the U.S. Census Bureau's current population survey (March 2002), mirroring the "Third World" comparatively, shows that 27.4 percent of the African American population is under 15 compared to 18.7 percent of the Non-Hispanic (i.e. European) white population. Similarly due to higher mortality, only 7.9 percent of the African American population is over 64 years of age, compared to 14.3 percent of the white population. Twenty one percent of African American families are below the poverty level compared to 6 percent of white families. Of those under 18, 30.2 per cent of African Americans are below the poverty level compared to only 9.5 percent of whites. Following a similar trend, of those over 64, 21.9 percent of African Americans are below the poverty level compared to only 8 percent of whites.

Of those over 16 in the labor force, 11.9 percent of African American males are unemployed compared to 5.1 percent of white males; black male unemployment rate is thus 2.3 times that of the white males. Fifty three percent of African American families own their home

compared to 83.3 percent of white families. As regards jobs and education, a similar disparity is seen across the board. Only 17 percent of African Americans have a bachelor's degree or higher, compared to 29.4 percent of whites. Of those in the labor force, African American males having executive jobs are only 8.7 percent while whites are 18.2 percent; white males are thus more than twice as likely to be executives. On the flip side, African Americans are almost three times as likely to have low paying service jobs compared to white males.

Since this data is national data, it gets easily diluted, by not taking into account segregation of African Americans in impoverished inner cities. Data further disaggregated by segregated communities reveals the true "Third World" condition of the African Americans in the United States. For example, according to the *New England Journal of Medicine* (v.345, n.2 12 July 2001), the probability that a black man would survive from the age of 15 years to 65 is only 37 percent in Harlem (as compared with the U.S. average of 77 percent for white men). The survival probability for black males in Harlem is lower than that for the inhabitants of many Third World countries.

"A study by the economist Amartya Sen shows that African Americans as a group have a lower life expectancy than people born in China, in the Indian state of Kerala, Sri Lanka or Costa Rica. Bangladeshi men have a better chance of making it to the age of 40 than African American men from Harlem."

(Arundhati Roy, *Instant-Mix Democracy*, 2003)

"Geographic variations in health within rich countries are substantial. White men in the 10 "healthiest" counties in the United States have a life expectancy above 76.4 years. Black men in the 10 least healthy counties have a life expectancy of 61 years in Philadelphia, 60 in Baltimore and New York, and 57.9 in the District of Columbia. The 20-year gap in life expectancy between whites in the healthiest counties and blacks in the least healthy is as big as differences between countries at very different stages of economic development. The best off are like Japan; the worst off hover around the level of Kazakhstan and Bangladesh."

(Michael Marmot, Ph.D. University College London.)⁶

Distribution of diseases also reveals the colonial status of African Americans in the U.S. African Americans and Hispanics make up around 15% of the U.S. population yet they make up 49% and 20% of all AIDS cases reported among those 13 to 19 (<http://www.icare.to>). Black women are three times more likely to die while pregnant and four times more likely to die at childbirth than white women are. The mortality stratum for all Africans (Child/adult) is either high or very high while that for all Europeans is low to very low. Only the Russian Republics and some countries in the former Eastern European Soviet block have high adult mortality among whites.

The American Indian death rate from diabetes is 380% higher than that for the white population (27.8 per 100,000 compared to 7.3 for whites). Whites are three times more likely to undergo bypass surgery than non-whites, improving their probability of survival. Similarly poor urban Black and Hispanic neighborhoods have an average of 24 physicians per 100,000 people compared to 69 per 100,000 in poor white communities.

The introduction of disease by white settlers that devastated the indigenous population is well documented in history. From the 1770s, venereal disease was introduced among the Maori in New Zealand. In the 1790s influenza and TB entered the population. This devastated the indigenous community, which had no resistance against such "foreign" diseases. Beginning in 1769 when Captain James Cook entered New Zealand, the Maori outnumbered the settlers 40 to 1. By the 1870s the demographic picture of the Maori changed. The settlers outnumbered them 6 to 1. In the 1880s only 30% of Maori girls reached their 30th birthday (Stasiulis, Editor. 1995:42).

Stasius and Japphan write about disease and the American Indians:

"More devastating to the American Indians than changes wrought by trade were the scourges of disease against which Native peoples had little or no immunity (small pox, influenza, bubonic plague, yellow fever and so on), and the intrusion of Christian missionaries. It is now estimated that 20 waves of pestilence killed as much as 90% of the original population...". (Stasiulis, Editor. 1995:102)

⁶ (Michael Marmot, *Inequalities in Health*. *New England Journal of Medicine*, v.345, n.2 12 July 2001, <http://www.mindfully.org/Health/Inequalities-In-Health-Marmot.htm>; retrieved 8/25/2004)

Indigenous people within the so-called white "settler societies" like Canada, Australia, New Zealand and the United States have suffered fates similar or worse than the creation of the "Third World". For example modern estimates place the pre-Columbus population of North America at 10 to 12 million. By the 1890s, it was reduced to about 300, 000. In Australia, Native/Aboriginal children of mixed-race were forcibly removed from their parent's home and given to adoptive white families. They thus grew up without knowledge of their roots, being termed the "stolen generation".

Consider the case of Canada: According to some estimates, the unemployment rates for the Native American population in Canada have never gone below 80%, and most of those working are working at projects funded by the government (Powless, 1985). In 1970, 24 percent of Indian males made more than \$6000 per year compared to 52 percent of Canadian white males. The earnings of the average Canadian are 29 percent higher than those of the Native Indian man. The proportion of Canadian men in professional and technical positions is nearly twice as high as those in the Indian labor force (18% compared to 8.6%). The average Canadian man earns 35 percent more than the average native man in the same occupation with the same skill level. In 1969, 80 percent of the Indian families were below the poverty line.

The death rate for Indian people is six times the national average and the infant mortality rates are more than twice the national average. The life expectancy at one year of age is 63.4 years for Indians and 72.8 for the general population. Suicide among Indians is six times the national average and violent deaths are four to five times the national average. In 1974, 54 percent of the Indian population was using social assistance compared to 6 percent of the non-Indian population. The juvenile delinquency rate for natives is three times that of the national average. In 1979 Native people represented 1.3 percent of the Canadian population yet they were 9.3 percent of the penitentiary population.

Australia is another example: Just as the patterned appearance of the ghetto in the inner cities of the United States, the appearance of affluence in close proximity to poverty is found in this white 'settler state'. The life expectancy of indigenous people in Australia is 20 years less than that of the non-indigenous population. Similarly indigenous people account for 31 percent of all Australians who live in abandoned dwellings or are "homeless" by all real measures. The unemployment rate for the indigenous population is twice that for the non-indigenous white population.

Compare the above data to an almost similar pattern of disparity (Table 1) found among the white 'settler states' and the former colonized non-white world. Global poverty is the rule and not the exception. Wages in "Third World" countries are 80 percent to 90 percent lower than in the West. Fifteen percent of the world's population (the rich countries of the West) controls over 80 percent of total world income (Chossudovsky 1997:35). Given that roughly 25 percent of the population in those countries controls over 50 percent of their wealth (in the U.S., the top 5% controls 50%), an even smaller group controls the world. Over 85 percent of the world population gets less than 20 percent of total world income. The poorest 20 percent of the world's population get around 1 percent of world income (Macionis 1996:189). The world's three richest individuals have more wealth than the combined GDP of the 48 poorest countries. According to data compiled by the Public Information Network of Seattle, in 1995, 358 billionaires were worth \$760 billion, the same as the poorest 20 percent of the world's population.

The poverty numbers however are only partially telling. They understate and mask the true picture of global poverty, as their provision is based on a relative assessment of poverty. For example, according to the World Bank, the 'upper-poverty' line is defined as a per capita income of \$1 a day. Those that earn more than \$1 a day are defined as non-poor by such a definition. Thus poverty is grossly understated. Compare this to the U.S. with a per-capita income of over \$20000 a year; one in five is defined as poor (Chossudovsky 1997:43). In many "Third World" countries that increasingly approach the cost of living similar to that in the U.S., the \$2 a day benchmark for assessing poverty is totally inadequate and unrealistic. Families making even \$5 a day might not get proper nutrition or adequate shelter.

According to the United Nations' Least Developed countries (LDC) report 2002 & 2004⁷, during 1995-1999, 81% of the populations in the LDCs lived on less than \$2 a day. When adjusted by purchasing par parity (PPP), it comes to an average consumption of \$1.03 a day (1985 PPP). Of the African LDCs, 87 percent of the population was living on less than \$2 a day, with an average consumption of 86 cents a day (\$0.86). From 1965 to 1969, 48 percent of the people in the LDCs were living on less than \$1 a day, now its almost 50 percent. Taking into account the population increase from the 1960s, that comes to more than twice the number of people living at less than \$1 a day now than did back then (138million then, 307 million now). The average per capita income of the LDCs, in the late 1990s measured in terms of current prices and exchange rates comes to \$0.72 a day (72 cents).

According to Marxian analysis of stratification, economic oppression of minorities in capitalism is necessary. Racism thus becomes a screen, which the capitalist elite uses in order to pit groups of people against each other. If people can be distinguished easily and social consciousness can be molded by use of religion etc., to convince a group of people that others are inferior to them, or are after their wealth, the emphasis of conflict shifts from its source, the capitalists, to the masses.

Oppression of the minorities serves a dual purpose, being profitable in addition to being a screen. Minorities can be hired for low wages to do the work no one else wants to do. This not only reinforces the stereotype that they are inferior and easily exploited, it provides so called 'empirical' evidence in favor of the "ideology of superiority" based upon the theoretical construct of *Social Darwinism*. The real cause, the institutional arrangement of the elite, is thus masked. It is not only the *interpretation* of religion but also the *interpretation* of 'science', pseudo-science, which becomes the 'opium of the masses'. Facts and ideas are separated, so the analysis of the meaning of facts is easily manipulated. As a result stereotypes emerge that are perpetuated by incomplete information and casual/subjective empirical observation that ignores the context of the situation. Stereotypes thus become a cost-effective 'weapon of oppression', employed by the elite for maximum profitability and resource allocation.

"The refusal to relate isolated facts and fragmentary comment with the changing institutions of society makes it impossible to understand the structural realities which these facts might reveal; the longer run trends of which they might be tokens..."

(C. Wright Mills, *The New Left*, essay 1960. Horowitz, Editor 1967:248)

Evaluating a list of eight Black stereotypes including "prefer to accept welfare" and have "less native intelligence", 75 percent of the whites agreed with one or more and over 50 percent agreed with two or more, in a recent national survey of the Anti-Defamation League. About 30 percent or more agreed with four or more. In a 1994 National Opinion Research Center (NORC) survey about the work orientation of Blacks, only 16% listed Blacks as hardworking. Whereas only 7 percent placed Whites on the "lazy" end of the spectrum, a little fewer than 50 percent placed Blacks in that category.

Racialized emotions are an effective way to ensure de-facto, that old laws of separation are respected even when they have been made illegal on the books. In a 1990 survey in the United States, two-thirds of the Whites said that they would have a negative reaction if a close relative married a Black person. Only 5 percent said that they would have a positive reaction.

Confusion, created and exploited by the media, exists among the public at large between personal troubles and social issues. Such confusion effectively deflects criticism away from the system, which is the real cause behind the problem(s) being discussed. A distinction needs to be made at this point between personal responsibility and social/institutional problems. Take the case of unemployment. If in a hypothetical city of a hundred thousand, ten people are unemployed, it might be their personal attributes that are to blame. However, if in the same city of 100,000, unemployment is 13,000, then it has to do with the structure of the economy and not personal traits. Take the example of marriage: Inside a marital relationship, personal problems

⁷ (http://www.unctad.org/en/docs/ldc2004overview_en.pdf)

might exist between the couple which may lead to divorce, but when over 500 of every 1000 marriages attempted end in divorce in a society, it has to do with the social institution of marriage and family and other institutions that affect them (C. Wright Mills, *The Sociological Imagination*, 1959).

GLOBAL ECONOMIC APARTHEID:

"The extremists are already in power. They have turned much of the world into a military garrison and an economic purgatory..."(Parenti 1989:6)

TABLE 1

REGION	LIFE EXPECTANCY (YEARS)	INFANT MORTALITY RATE Per 1000 live births	Gross National Income. Purchase Power Parity-Per Capita IN US \$	POPULATION DENSITY PER SQ MILE	POPULATION INCREASE 2001 TO 2050 (Percent)	TOTAL FERTILITY RATE (Average Number of children per female)
Western Africa (AVERAGE)	51	88	1000	101	393%	5.8
Eastern Africa (AVERAGE)	50	97	850	102	128%	5.7
Middle Africa (AVERAGE)	48	113	1500	39	203%	6.6
South Asia (AVERAGE)	61	72	2250	362	66%	3.4
United States	77	7.1	25440	77	45%	2.1
Canada	79	5.5	31910	8	18%	1.4
Australia	79	5.7	23850	6	29%	1.7

Population Reference Bureau 2001, Washington, DC

In 1955 the General Agreement on Tariffs and Trade (GATT) was ratified leading eventually to the development of the World Trade Organization (WTO) in 1995. The benefits of these organizations for the most part have accrued to international banks and transnational corporations. They imply a supervision of "Third World" countries. The conditionalities of the WTO have given a new 'legal' setting to the relationship between the West and the "Third World". The elite in the "Third World" countries that accept funds from the agencies mentioned above agree to "sell" their sovereignty, by accepting conditions for economic restructuring and policing to ensure compliance by the West (Chossudovsky 1997:35). Debtor nations have to give up their control of fiscal and monetary policy and Western institutions dictate their financial budgets and the working of their Central Bank. Thus every debtor country has a nominal government having even less power than subject local governments of the colonial era.

Militarized Capitalism & the Lending of Poverty:

One of the first big loans that the World Bank made was on August 7, 1947. It was given for reconstruction to the colonialist government of the Netherlands. The Dutch had just sent 145,000 troops to crush the anti-colonialist uprising in the East Indies. In 1966, the Bank in defiance of the United Nations continued to lend money to Portugal (and its colonial domination of Angola and Mozambique) and South Africa (and its apartheid). At this time in history, the Bank was not profitable and had few lenders in outside regimes fighting wars. This however was to change in the late 1960 and early 1970s.

The boom in the oil prices in 1973 and the U.S. recession forced the loaning of money to the "Third World" at close to zero (sometimes negative) interest rates. This money was used to purchase U.S. and Western imports, resulting in economic growth in the West and the creation of over 2 million jobs (Alexander 1996:114). Just like a modern day credit-card company that makes borrowing attractive by a short period of low interest lending, at the end of which the rate jumps to unreasonable levels, the U.S. suddenly increased interest rates in 1979.

The total outstanding debt of developing countries was \$62 billion in 1970; increased to \$481 billion in 1980 and in 1996 stood at over \$2 trillion (Chossudovsky 1997:46). By the middle of the 1980s, the poor countries of the world were giving more in debt servicing to the rich West than was being received in the form of all inputs (loans, foreign investments and aid).

Banks and institutions that set up shop in poor minority communities in the United States similarly drain the community of their resources. The same system is at play with its predictable pattern of winners and losers. Chinyelu presents a case study of the *Freedom National Bank* that was established in 1964 in Brooklyn to serve as a community institution for providing loans to African Americans for home purchase and small business establishment:

"Freedom National collected \$50 million in deposits from their two Brooklyn branches, yet woefully made only three mortgage loans, totaling a mere \$130,000 to Brooklynites seeking to purchase homes...In other instances, members of the bank's management board pushed through unsecured loans, either for themselves or for their friends, some of which were not repaid." (Chinyelu 1999:84-85)

The loans that were given by the World Bank and the IMF came with strict conditions. They were "policy-based". In the beginning of the 1970s, the Peterson Report in the United States recommended to "establish a framework of principles, procedures and institutions, that will ensure the effective use of assistance funds and the achievement of US national interests." (McNeill 1981:52⁸). The "weighted" vote of the United States and the West in decisions is comfortably placed in such institutions, to guarantee decisions in their favor.

"From 1970 to 1980, the flow of investment capital from the United States to the "Third World" amounted to about \$8 billion. But the return flow from the "Third World" to the United States in the form of dividends, interest, branch profits, management fees, and royalties was \$63.7 billion. Together (1989 figures), all multinational corporations and banks in the world take as much as \$200 billion every year from the "Third World" Nations." (Parenti 1989: 13; Monthly Review 1983:37; Political Affairs, July 1982:37- all quoted by Parenti)

Consumers know that credit-card companies are happy if you make the minimum payments on your credit cards thereby maximizing the profits of their company via interest and "late-fees". Now imagine if they had the liberty to "force" you to use the convenience checks that they mail you, and dictate where you do the spending- this is a close approximation to how the World Bank and IMF operate with "Third World" countries. If your debt becomes unmanageable, you have to work to pay off the debt, whether you like your current job or not, otherwise you risk misery.

The IMF and the World Bank have devised a way to be even more profitable than the credit card companies. They do not require the poor countries to pay back the principal (at the

⁸. The IMF classifies countries in terms of "resource usefulness" to the West. In terms of murder and rape, the countries of the West are the 'least developed', however that is not the criteria that the West has dictated (Alexander 1996:80). From 1982 to 1990 the total amount of money transferred from the "Third World" to the West was around six times the amount of the Marshall Plan that helped rebuild Europe after World War II. How come the "Third World" isn't six times or even equally developed? (Alexander 1996).

moment) as they realize that most of them cannot, even if they wanted to, so they just require the periodic payment of the interest on the loans. This is called 'debt-servicing' by 'rescheduling' debt payments.

However, apart from being extremely profitable, resulting in a net flow of capital from the "Third World" to the West (poor people feeding the rich), it gives the rich industrial countries of the West complete control over the national economic policies of these countries. There are tight conditionality to these loans, and deadlines to their implementation in the debtor's economy. The changes that these institutions require are not based on the implementation of an investment program or project; they are "policy" changes that affect the entire economy and especially the majority population in these countries, those that are the most deprived. The names and terms of the loans explicitly suggest the objectives. They are called "*structural adjustment loans (SAL)*," or "*Sector adjustment loans.*" The IMF calls part of its loaning facilities "*Systematic Transformation Facility (STF)*".

On paper, the loans are contingent upon macro-economic stabilization and structural reforms. By macro-stabilization, the IMF-World Bank requires a country to devalue its currency, liberalize its prices and snip and cut the country's budget, called austerity measures. This is required of countries whose combined GNP is less than the personal wealth of a few super rich individuals in the West. Fifteen percent of the world's population living in the Western industrial countries is responsible for nearly 80 percent of world expenditure (UN World Report 1998). Yet the same people, who spend the most, want to promote "austerity" in the "Third World". These slumlords enforce the following:

i) Currency devaluation: This is almost universal in the IMF-World Bank policy agenda. A devalued currency almost overnight sends the "Third World" economy in question into a price hike. Imports become more expensive while exports of the country become cheaper to the West, through the reduction of the dollar price of labor cost. The extra dollars that the government earns or saves are supposed to be used for debt servicing i.e. recycled back to the West. The effect of devaluation is that the domestic price of food and medicine and public services- common necessities- goes up almost overnight. Thus the poor are made poorer. Those who have saved all their lives lose the real value of their money in a matter of hours. However, commodities and raw materials required by the rich countries of the West become cheap to them but expensive for "Third World" home consumption and lead to a booming economy in the West with a 2.2 percent inflation rate (as in the late 1990s), compared to double digit inflation in the "Third World".

"By 1983, the money collected by foreign banks in the form of interest payments on "Third World" debts was three times higher than their profits on direct Third-World investments."
(Parenti 1989:27)

After adopting the 1991 IMF plan, the price of rice in India rose 50 percent in six months and the real-earnings of the textile industries fell by 60 percent due to inflation. This directly affected the lives of over 60 million people. Adding to the misery were the reduced wages of rice-paddy workers, around \$0.57 for a day's work. This amount, 57 cents, contrary to popular opinion is not a fortune in India. Adjusted for cost of living (purchasing power) differences, it could buy only \$2 worth of goods in America. A monthly salary of less than \$50, if they were in the US (Alexander 1996:109). Can anyone survive on \$2 a day in the United States? However, the Indian government didn't care because most of these "low-wage" workers were of the "untouchable" class. At best they needed "controlling" and "austerity" similar to the view of the West towards the "Third World".

After the flood in Bangladesh in 1991, which killed over 140,000 people, the IMF enforced its devaluation program. The retail price of rice went up by over 50 percent causing a famine and killing tens of thousands of people on paper. The real number was much higher, as the emergency food, being appropriated by indigenous officials never reached the starving masses (UN World Report, 1998).

ii) Anti-inflationary program: After causing inflation via devaluation, the IMF wants the government to enact an "anti-inflationary program".

The IMF method of attacking inflation is to cut demand and put a tight control on the money supply. However, devaluation, which was the real cause of inflation, is ignored. Contraction of demand implies that public expenditure is to be controlled. The only way government expenditure can be controlled is to lay off public employees or to cut social service programs. This has a double effect. It cuts government spending as well as private consumption spending. If people do not have jobs they spend less on consumption. Therefore, money is freed to service the debt while people live at near starvation levels⁹. Global consumption expenditure has grown at an average of 3 percent since 1970, however in the poorest of the "Third World" countries it has fallen dramatically. Both public and private consumption per capita in Africa has fallen over 20% since 1980.

Another way expenditure can be controlled is to cut investment and infrastructure building. Thus projects like public utilities and water are stopped midway. The bubonic plague in India in 1994 was directly attributed to the IMF structural reform program of 1991 which cut spending in that sector. Out of 4.4 billion people in developing countries, 60 percent lack access to sanitation and nearly forty percent have no access to clean water and a quarter have no housing (UN World Report, 1998). About 17 million die of curable infectious/parasitic diseases like Malaria and Diarrhea etc. Yet the "noble" dream of the World Bank according to their web site is "a world free of poverty."

There is yet another way that demand can be reduced and that is to reduce foreign imports. However, the IMF-World Bank agenda strictly forbids any control on trade. Not only this, imports from the West are forcibly encouraged by "quick disbursing policy-based loans"(Chossudovsky 1997:53), for importing consumer goods and food from rich countries. Not only is the debt enlarged, it earns extra profit for the West as more of the devalued currency has to be used to pay for the "same" amount of imports.

The devaluation discussed above causes a short-term boost to the "Third World" economy by increasing exports. The West's control of the governing bodies of "Third World" nations ensures that the profit from this, what is left after debt servicing, goes to overseas bank accounts, in the West (by making the free movement of foreign exchange one of the conditionalities of loan provision in many countries). The short-term boost however is over soon. Devaluation by the other "Third World" countries, all fighting for crumbs from the "master's table" soon restores the balance of trade to the former level, leaving the country poorer and the misery greatly magnified. This sets a viscous cycle of misery with riots, government overthrows, and near-war situations in many of these countries.

iii) Separation of Central Bank from politics: One of the conditions of the IMF is that the debtor nation separates the Central Bank from all political power. Thus the IMF and not the government of the country controls the money supply and money creation. Therefore the economic development or non-development is now directly in the hands of the 'foreign' power, the IMF and the World Bank, with its decision vote in the hands of the United States and its Western European allies. The influence is such that the heads of many of the Central Banks are former senior officials of the International Financial Institutions, and sometimes receive salary supplements from these creditors (Chossudovsky 1997:58).

iv) Public Expenditure Review: The IMF-World Bank monitors all public expenditure by the government through its "*Public Expenditure Review (PER)*". It has required that certain 'vulnerable' groups be targeted but overall the state reduces its expenditure on such things like health and education. During the 1980s, spending on education in African IMF countries fell by 50% according to the UN Commission on Africa. Real wages in Africa and Latin America fell by 25% in the same period (Alexander 1996:127).

According to Ann-Louise Colgan, Research Associate with Africa Action:

⁹. Most debtor countries devote around one-third to two-thirds of their export earnings to service their debts (Parenti 1995:20)

"In the 1980s and 1990s, African governments had to cede control over their economic decision-making in order to qualify for World Bank and IMF loans. The conditions attached to these loans undid much of the progress achieved in public health. The policies dictated by the World Bank and IMF exacerbated poverty, providing fertile ground for the spread of HIV/AIDS and other infectious diseases. Cutbacks in health budgets and privatization of health services eroded previous advances in health care and weakened the capacity of African governments to cope with the growing health crisis. Consequently, during the past two decades the life expectancy of Africans has dropped by 15 years." (<http://www.africaaction.org/action/sap0204.htm>, retrieved 8/27/2004)

The reduction of expenses on social services, which were small to begin with, is not a one-time demand by the IMF and the World Bank. They require a "moving target" approach. Once the target is reached, a further reduced target is set for the next period, causing a further cutback in public spending. At the same time, spending on the military industry, especially where the sellers are the Western firms is never discouraged. The major part of the expenses of many of these nations is on arms imports. In NATO countries, military spending fell by 33 percent between 1987 and 1996, however in South Asia, it increased by 13 percent and in some countries like Indonesia and Malaysia, by over 35 percent (UN Human Development Report, 1998).

These arms were imported in the major part from the West. It is therefore expedient for the West to keep situations in these countries at a 'near war' level. The 'conflicts', that are kept alive in many of these countries have already been decided upon by the United Nations [Kashmir and Palestine are the cases in point] but are deliberately ignored by Western powers that seek to benefit from the status quo. In keeping with this contradictory policy, certain other United Nations' resolutions are forcibly extracted and executed with lightning speed in the "Desert Storm" fashion.

"The weapons addiction of all our political leaders... is a colossal waste of human resources, it dangers the survival of us all...If we think holding hostage the passengers of an airliner is unspeakably evil and call it terrorism, what name shall we give for holding hostage the entire human race?" (Zinn 1990:288)

In the 1970s Somalia was almost self-sufficient in food and Vietnam had a 90% literacy rate. After they allowed the West to implement "Structural Adjustment" in their economies, we saw that Somalia was starving and enrollment in Vietnamese schools dropped by over 25% in a short period (Chossudovsky, 1997).

"In 1989, a trillion dollars- a thousand billion dollars- were spent for arms all over the world, the United States and the Soviet Union accounting for more than half of this. Meanwhile, about 14 million children die every year from malnutrition and disease, which are preventable by relatively small sums of money." (Zinn 1990:282)

v) *Investment in infrastructure*: In controlling expenditure, "ceilings" are placed on all expenditures of investments. The state cannot choose or employ its own public to build infrastructure. Though the "*Public Investment Projects (PIP)*", the IMF-World Bank become brokers of all investment projects in the "Third World" country. It is required that 'competitive bidding' among select international firms are the criteria. International firms are employed which charge large amounts of money in management and consultation fees (intellectual property rights). A huge proportion of the debt is used for such "technical assistance." Thus once again, no capital is sent and a few numbers are added to the computer totals. The money changes hands in the same block of rich Western countries that compete for contracts to build. Locals are kept out of the planning process but local laborers do most of the building at marginal wages. Thus, the external debt is enlarged, and local resources are not used for developing technical expertise but for basic "raw" labor, as against "planning science".

Another way the IMF-World Bank stunts domestic growth in the poor nation is by controlling the price of fuel and utilities. The price often inflated several hundred percent, force many manufacturers into bankruptcy by fictitiously increasing the cost of manufacture and internal transportation. Thus imports from the West appear as the only

alternative. The East India Company achieved a similar motive in colonial times when it imposed "internal-transit duties" on local manufactured goods, thus aborting a newly forming industry. The same is happening today in Sub-Saharan Africa where local farmers cannot transport their produce to urban areas for sale (Chossudovsky 1997:63).

Yet another way employed by the IMF-WB to reduce investment (in the domestic economy to keep it at a resource providing, non-manufacturing level) is the deregulation of domestic banking and the free entry of foreign banks in the market. The government is not allowed to give subsidized loans, and a strict control of money creation together with other economic requirements of the IMF-WB, drives up interest rates to unreal levels. It becomes impossible to borrow money to invest in industry as its 'opportunity cost' is too high. It would thus be more profitable to keep that money in interest-earning accounts. This encourages non-investment and an inflow of "black money (money that has escaped taxation)" and "dirty money (illegal trade)" into the "Third World" money market.

The advantage of this is temporary for the domestic economy, which gets short-term relief in debt servicing. After a short gain there is a huge loss, as the elites in these countries, after laundering this money, send it to the West, whereas before it couldn't be sent as it was out of the system. Therefore, there is a double-exit of capital from the poor country. The exit that occurred when the funds were used for debt servicing and the exit that followed shortly thereafter in the form of laundered money sent to Western banks.

The IMF-WB policy encourages money laundering on a global level, where it suits the interest of the West. Where such laundering doesn't suit them (or is channeled back to the domestic economy), worldwide bank chains like the Bank of Credit and Commerce International (BCCI) are forcibly shut down, and their funds appropriated.

"Officially, the IMF and World Bank condemn bribery. Nevertheless within days of Pakistan's filing of corruption charges and cutting payments to the accused British and American power combine, the IMF Bank at Clinton's and Blair's request, threatened to cut off Pakistan's access to international finance. Panicked by the threat of economic blockade, Pakistan prepared to collect the cash to pay off the UK-US consortium. On December 22, 1998, Pakistan's military sent 30,000 troops into the nation's power stations...acting as a guarantor of payments to the multinationals." (Palast 2002:113)

On a local scale, writing about the *Freedom National Bank* in Harlem, Chinyelu (2000) states:

"Earlier in 1990, when Freedom National was having problems, a much larger bank in Boston, The Bank of New England, was in a similar situation. However, the federal government made an effort to sustain the Bank of New England by depositing public funds in the Bank, while at the same time sharply cutting back similar deposits at the Freedom National Bank, thus hastening the collapse of this small minority owned institution. Equally disturbing was the Federal Deposit Insurance Corporation willingness to cover the Bank of New England's \$3 Billion in uninsured deposits, while not willing at least initially to cover Freedom National's \$8 to \$10 million in uninsured deposits." (Chinyelu 1999:85)

vi) Removal of Import Quotas: The policies that encourage Western imports at the detriment of the developing domestic industry is further strengthened by the insistence of the IMF-World Bank that import quotas and tariffs be reduced if not eliminated. This has two effects; i) It leads to an increase in luxury goods being imported into the domestic economy, thereby resulting in a further outflow of capital to the West from poor countries and ii) a reduction of custom duties to the domestic government which could have been spent on education, health and other public services. Most of all however, this "increase" in spending is not due to a good economy but is sustained on either "short-term" export gains by devaluation (discussed above) or on "adjustment loans" i.e. further debt (also discussed above).

vii) Privatization of Enterprises: Another policy advocated with a vengeance (by threat of cutting off funding) by the IMF-World Bank is the privatization of state owned enterprises. In the best scenario for the West, the most profitable "Third World" ventures are bought in exchange for debt servicing by Western firms. In most cases these transactions are just "on-the-book". There is no transfer of capital to the poor country. The "debt" number is

reduced by a small amount on a computer “in” the West and ownership of a key industrial player in the “Third World” is transferred to Western ownership. The profits from this venture are now, instead of being invested in the domestic country, being sent to the West; in the case of Citibank, to the US. The poor country has gained nothing in the process. Since the mid 1960s history has shown that the debt number that went down slightly in that computer “in” the West has gone up more than 3200 percent, as poor countries got buried in “forced” debt.

Another privatization venture enforced by the IMF is the privatization of land by issuing land titles to farmers. The income so generated would help the debtor country pay off the interest on the loans taken from IFI’s through the IMF-WB. However, this displaces traditional farmers, many of whom find themselves without land to grow food, almost overnight.

viii) Domestic Tax reforms: These have been the agenda of the IMF-World Bank as well. They have insisted that a domestic sales tax be applied on ‘common necessities’. The burden of this tax invariably falls on the lower and middle class consumers who are already under the burden of reduced real wages and inflation [caused by IMF devaluation]. The contradictory nature of this policy is revealed when these agencies insist that “tax breaks and tax holidays” be given to foreign investors. Those investors who will cause a slight reduction in a computer number and will send most of the domestic growth abroad.

Not only has empirical evidence shown the disasters caused by the IMF-World Bank on an almost universal scale, especially in Africa and Asia, the IMF and World Bank have acknowledged their failures (without a change in policy however):

“Although there have been a number of studies on the subject over the past decade...In fact it has often been found that the programs are associated with a rise in inflation and a fall in the growth rate.” (IMF Staff Papers 37:2:1990, p196, p222- Quoted by Chossudovsky 1997:69).

Conclusion & Solutions:

"We live in a world where imperialism consigns hundreds of millions of people to lives of misery and oppression and where the shadow of nuclear death is cast upon us all, a world where the pursuit of profit is destroying the ecological conditions of life itself...The people of this country and other nations are increasingly become aware of this. The people know that nuclear weapons bring no security to anyone and that interventions on the side of privileged autocracies and reactionary governments bring no justice. They also seem to know that they pay most of the costs of the arms buildup and imperialism"(Parenti 1989: 203)

As we saw, legislation based solutions are extremely limited in the results they can get given institutionalized racism, which I have argued is the cause for the continuing exploitation of the “Third World” by the West. The clearest historical and empirical proof of this is the discriminatory treatment of non-white colonies compared to the white “settler states” like Australia, New Zealand, South Africa and Canada. In these countries, the white minority was allowed complete control over domestic resources and was free to invest the surplus in the local economy and protect their local industry from being devastated by forced-exchange.

"At its base, the white settler society construct refers to the intention of colonial administrators...an ‘overseas extension’ or replica of British society. Hence the dominant culture, values and institutions of the society mimic those of the ‘mother’ country..."(Staliusis et al, Editors 1995:97).

The British invested in infrastructure in these “settler” countries and money was loaned at rates that followed local banking rates, and thus were not unusually inflated or exploitive. Wholesale killing of the non-white indigenous populations by the white settlers also restored a favorable population-resource ratio in most of these countries. Since there was no forced production in these ‘settler-states’ and they were allowed protectionism (Fieldhouse 1999:19) and the freedom to choose their own economic

policy, the products they chose to specialize in were products similar to those in the West and thus were more profitable and less susceptible to price fluctuations (Fieldhouse 1999: 130-162). The fact is that Britain treated these "settler states" as an extension of Britain and not "alien" like its Asian and African colonies

"According to one insider, the respected Economist Davison Budhoo who worked for the World Bank and IMF for twenty two years, ' Racism makes itself felt in a wide range of organizational practices...Among these is the classification of South Africa [in 1990] as a "European Country" administered by our highly segregated, virtually "white staff only can work here" European Department. Moreover certain Departments of the Fund are virtually segregated along racial lines, and "internal" race relations are deteriorating further." (Quoted by Alexander 1996:130 from Budhoo, Davison, "Enough is Enough". 1990:7, 49)

We similarly saw that after the "emancipation" of African Americans after the Civil War, the ideology that justified racism to the Western mind, persisted and resulted in a condition for the group that was little different than the 'informal' colonization of the 'emancipated' colonies after independence. The ideology, as we saw, exists today with a change in terminology. The dropping of the Atomic Bomb on Japan and not on "white" Germany revealed the same ideology. Bonner F. Fellers, General MacArthur's military secretary and chief of his psychological warfare operations, stated before the war with Japan ended:

"The war with Europe was both political and social, the war in the Pacific was racial." (quoted by Dower, John W 1999:286).

Recently, Harvard professor and "poverty expert" William Julius Wilson suggested in, *The Bridge over the Racial Divide (2000)*, that a broad based coalition be formed that discusses both white and black poverty matters and is non-race based (to attract the white majority). On paper it looks like a noble cause but in reality it doesn't deal with the source of the problem. It is a dangerous idea as it delays the addressing of real problems and tactfully serves as a tool of the elite in maintaining the status quo.

The very assumption that a "non race based" coalition is needed to motivate action implicitly recognizes that white America is indifferent to the plight of black America unless their own concerns are addressed, in such a coalition. The problems of the "Third World" have never been solved by such seemingly 'broad based' coalitions. The United Nations, the IMF, the World Bank all have 'noble aims' on paper and are seemingly 'broad based', yet the problems and the poverty of the "Third World" has only increased through most of their history. Small problems were addressed but the 'broad' issues remained unsolved due to an exploitive racist ideology. An ideology that supports the corporate elite while implanting a culture of crime and terror and universal misery around the world

Conditions in the "Third World" that are perpetuated by the global capitalist system result in an oppositional "terrorism culture". Selective empirical evidence of injustice perpetuated by the West, to the followers of such an "oppositional" culture reinforce their own "Robin Hood" standing. Similar conditions in the inner cities lead to an oppositional "code of the street" and perpetuate street crime. Elijah Anderson in his ethnographic study, *The Code of the Street (1999)* states:

"The emergence of an underclass isolated in urban ghettos with high rates of joblessness can be traced to the interaction of race and prejudice, discrimination and the effects of the global economy. These factors have contributed to the profound social isolation and impoverishment of broad segments of the inner-city black population...In their social isolation an oppositional culture, a subset of which is the code of the street, has been allowed to emerge, grow and develop...A larger segment of people are now not simply isolated but even more profoundly alienated from the wider society and its institutions." (Anderson 1999:316)

1. New ideology:

If a lasting, just solution to the continued subjugation and periodic genocide of a majority of humankind is to be found, we need a new ideology. An ideology that demonstrates, in theory and action, the "one community" of humankind¹⁰. Malcolm X witnessed such unity in Mecca during *Hajj*, the Muslim pilgrimage.

The psychologist, Erik Erikson stated that our cultures create, "pseudospecies", i.e. false categories of race and nation that destroy our sense of ourselves as one species thereby encouraging hostility and violence. This explains how "easy" it becomes for the West, to justify to its culture the systematic genocide of millions of "non-white" people (Quoted by Zinn 1990:40).

A common, equity based ideology is critical for generating a "broad based" collective identity that seeks *transformative* social justice. It is only under such an ideology that individual and collective "identity frames" can be brought into synchrony to reduce the potential for identity disputes (Stoecker, 1995). Without a common *justice based* ideology, "narrow issue frames" would result in a movement that at best achieves small goals and either disintegrates or is co-opted by the elite before any meaningful social change. As a result, without a change in ideology, all calls for "broad based coalitions" like Wilson's *Bridge Over the Racial Divide* (2000) are bound to fail, like the IMF, UN and World Bank have failed in achieving "transformative change" in the world.

The history of every human conflict and resulting injustice can be traced to the "selfish desire" of groups leading to factionalism (Koran 6:65), based upon an ideology of superiority. Without ideological shifts, even the oppressed workers, when they get a chance, become oppressors, within a rationalizing system, as *Michels' Iron Law of Oligarchy* makes clear.

Capitalism is designed to keep people apart through competition and individualism. The elite, taking advantage of the system and the market mechanism generated by capitalism lock individuals in a race for survival, pitting one against the other. By reducing the worth of everything, including human relationships to their "money" value, elite corporate ideology and a society projected by such an ideology, produces the worst form of "bondage" possible. Slavery to material objects, in which the purpose of life becomes their acquisition. A "slavery" in which those who are enslaved do not even realize the depth of their bondage as they finally makes objects of themselves. What has been traditionally understood as "humanity" is universally lost.

Malcolm X said, and herein lies the solution:

"The Western world's most learned diplomats have failed to solve this grave race problem. Her learned legal experts have failed. Her sociologists have failed. Her civic leaders have failed. Her fraternal leaders have failed. Since all of these have failed to solve this race problem, it is time for us to sit down and reason. I am certain that we will be forced to agree that it takes God Himself to solve this grave racial dilemma." (Haley, 1973).

2. Access to the media and communication networks:

"We take the media out of the hands of the public, give them to private tyrannies, and call it democracy." (Chomsky 1996:48)

Formal controls alone do not change minds and attitudes. People discover over time that laws can be violated and avoided. Positive public relations, especially through the media can have an immense influence on people's views. Black communities, which

¹⁰ Koranic ideology:

"O humankind! Be careful of God who created you of a single essence..."(Koran 4:1)

"O humankind! We have created you male and female and divided you into nations and tribes for identity. The best of you in God's sight is the one most (socially) aware." (Koran 49:13)

"And of God's signs is the creation of the heavens and the earth, and the differences in your colors and languages. Indeed in this are signs for those who have knowledge." (Koran 30:22)

"You (men and women) issue one from the other."(Koran 3:195)

"Let not a nation deride a nation"(Koran 49:11)

are among the poorest in this country, have lacked access to the media of mass communication. Because of segregation, the majority of white Americans find out about black Americans as well as the "Third World" through the media controlled by the elite who want to perpetuate and rationalize a culture of "superior-subordinate" relationships.

The media is a very powerful and effective tool. It has been effectively used by Israel to change the image common Americans have about Jews. By carefully portraying the Holocaust, they have monopolized world sympathy in their favor. Compare this to the much larger scale genocide of American Indians and Africans during the slave trade, which nobody hears about. So powerful is this persuasion via the media that it makes the world ignore the genocide of Palestinians by the once persecuted Jews.

3. "Odious" Loans:

Most of the loans given by the IMF-World Bank were 'odious' loans. They were given to regimes supported by the West that were in most cases non-democratic. The people in these countries were never asked if they wanted the extra debt. Hence, the default of these loans and the complete writing off of these loans is justifiable (Danaher 1994). Not only did the regimes to which these loans were given, removed from office for corruption in some cases, they sent huge amounts of the same loans back to the West in terms of personal accounts and business and managerial contracts (McNeill 1981:54).

Thus, the people of the "Third World" should collectively, following the example of Mexico, refuse to make any payments on the loans (principal and interest). On the contrary they should demand the "time adjusted compensation" from the West for the "rape" of "Third World" resources by the colonial powers and for the free use of labor, unfair compensation and capital drain from the "Third World" during the colonial era and after. Similarly African Americans should demand time-adjusted reparations for unpaid labor during slavery, labor that laid the foundations of the industrial machinery of the United States.

4. Investment Banks, Cartels and Counter Trade Embargoes:

Cartels to control the price of primary commodities should be set up, so that the West does not gain an unfair advantage by its economic "warfare" on the "Third World". The example of the 1970s where, if the "Third World" could collectively impose a defensive economic embargo against the West, should serve as a benchmark for the restoration of the balance of power in the world.

"Third World" poverty receives lesser attention in the West than a few cent rise in the domestic price of gas, as we regularly see in the U.S. Unless the ideology of racism is replaced by a completely different, more humane ideology, the "Third World" should pursue "de-linking" from the Western economy, engaging the West only where it is beneficial to the masses of the "Third World". This implies exiting all "broad based" coalitions that serve the interests of the West.

Regional investment banks in the "Third World" that cover certain blocks of countries should be established. The granting of loans to private "domestic" entrepreneurs based on the monitoring of their performance in the local economy should be envisioned. Import subsidizing industries should be developed with maximum investment and protection. Trade within the "Third World" block should be encouraged as against Western imports. When these "infant" industries grow up, trade can be liberalized on equal, non-predatory terms with the whole world.

Non-bureaucratized small business should be promoted and encouraged. At the root of human suffering in our epoch lie huge centralized corporations. Their manipulative and manipulating ideology and status in law as "persons" should be challenged as should their monopoly over the world's perception of "reality". A business environment where money is not the motivator will eventually develop given such changes, leading to need-based production and consumption for one human community on earth, where artificial national boundaries, designed by the elite to keep humanity divided, are shattered.

5. Investment in Education and Information Technology:

The "Third World" should make maximum investment in developing its media to control the media warfare by the West (controlled by a few elite-groups with vested interests). The West's export of the culture of racism, under the false pretense of "freedom" ¹¹should be intellectually challenged. Boards that deal specifically with media issues and the communications of ideas should counteract, and bring to public notice injustice done in the name of democracy and freedom.

The West developed in the major part due to information freely shared by Muslim merchants and the Islamic civilization. Science, Accounting, Mathematics and Algebra (including the number system), the philosophy of the Greeks, all came to the West through Islam (Alexander 1996:7 etc.). The colonials, by non transfer of industrial knowledge, and the West nowadays by non transfer of "equal" technology, plays a game of "technology warfare" backed by a philosophy that, "*an educated Negro (or "Third World") is a dangerous Negro (or "Third World")*" (W.E.B. Dubois 1903: 71). "Skill mismatch" is the outcome of planned alienation, backed by a racist ideology.

Knowledge is nobody's property. New information gets its foundation on older information. It is nobody's right to block one level when the earlier level was not "invented" by him or her. Thus all intellectual property rights are illegal in the most part. Loops around barriers to education can be found if properly searched. The "Third World" in this information age needs to locate these loopholes. "Persuasion resources" should be directed towards the intellectuals so that they can see the "right" and "wrong" in issues based on justice. Such members will be the lifeline of the majority world if it is to survive in an age where information and knowledge are used as weapons because of racist ideologies, based themselves on a "lack of knowledge".

Rather than being technicians of Western tyranny, the intellectuals should be persuaded to become pragmatic and join the global struggle against for justice and freedom. They should play an active role in politics and challenge the elite and its crackpot versions of reality on every forum. By not putting their knowledge to transformative use, and not challenging the widely communicated nonsense of the mass media, the intellectuals have been squandering their true wealth, acting like "*a donkey carrying books*" (Koran 63:5).

The Majority World needs to understand and know those who manufacture consistent policy for the elite in the West, policy that is then used to oppress the majority of those on earth. They also need to understand how the manufacturers of this policy have a deep belief in apartheid and are funded by corporations that want to ensure such a "superior-subordinate" setup for their maximum profitability:

"Considerable credit for the consistency of policies across the West is due to think tanks such as the Council on Foreign Relations, the Bilderberg Group and the Trilateral Commission. Members of these groups influenced critical moments in Western development, helping to create the League of Nations, British Commonwealth, United Nations, Treaty of Rome, NATO and the G7 summits. Funding for these groups was almost entirely from charitable bodies set up by corporations such as Carnegie (steel), Chase Manhattan Bank, Ford, Rockefeller (oil). In 1976 more than half of the world's 115 largest corporations and banks were represented on the Trilateral Commission. There is a remarkable historical link between these groups and (white) South Africa. Cecil Rhodes, flush with money from South Africa's gold and diamond mines, founded a secret society in 1881, which became the original Round Table Group in 1909."

(Alexander 1996:206)

6. Population-Resource Ratio:

Most countries, especially the poorest in Asia and Africa have a very unfavorable population to resource ratio. The population boom, as understood by sociologists, is not

¹¹ "And among humankind are those whose speech about the world and its life dazzles you...yet when they act, their aim is to spread destruction through the earth and destroy its ecology and livestock..." (Koran 2:204-205)

based on “free-will” choices but on a host of deterministic factors. These factors, like the lack of education or adequate diet are the direct legacy of colonization in the case of the “Third World” and slavery, and institutionalized oppression in the case of the African American underclass. If the other problems are taken care of, population levels will overtime, automatically adjust as reflected by the *Demographic Transition Theory*.

Hopefully in the long run, we can all succeed together by altering the structures within which our lives are enacted, and in the “perfect-world” humanity can grow as one. If not, then history has shown that empires like the West, built and sustained upon human suffering, eventually crumble from within.

“ Systems have passed away before you. Travel in the earth and see the nature of the consequence for the tyrants.” (Koran 27:69)

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