

## **Situation for World's Poor Continues to Worsen**

[This is a letter I sent to friends on July 17, 2008. –S.H.]

Hi everybody,

While ruling-class ideologists in imperialist countries, and especially in the U.S., have been trumpeting the supposed "triumph of capitalism" and even the "end of history" since the collapse of the revisionist (i.e., state capitalist) Soviet Union, the situation for billions of people around the world has actually been getting worse.

The Reuters article below describes how 3/4 of the people in what the UN calls the Least Developed Countries now live on less than \$2/day, which—as they note—does not allow people to meet even their most basic needs for food and other necessities.

What this article does not fully bring out is that this trend toward the worse for so many people has been happening even while the world as a whole has been in a period of relative economic health—compared to what is now developing. In other words, as bad as things are today, they will inevitably get MUCH worse everywhere, and throughout the "Third World" especially. The article also fails to mention that the value of the dollar has been falling substantially in recent years. This is one of the reasons why the fact that fewer people now survive on less than \$1/day is pretty much meaningless. (It is now close to IMPOSSIBLE to survive on less than \$1/day in most places in the world.)

Those who think that capitalism has once and for all triumphed, and that the era of social revolutions is now over, have ... (to put it crudely but appropriately) ... their heads up their asses. They simply do not understand the real situation in the world at all, let alone the direction in which things are developing.

Scott

## **World's poorest increase despite growth: UNCTAD**

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GENEVA (Reuters) - Record growth in the world's poorest countries has failed to prevent an increase in their total numbers of poor people, the U.N. Conference on Trade and Development (UNCTAD) said on Thursday.

Recent rising food costs threaten to undercut what modest progress has been achieved, while three quarters of people living in least developed countries (LDCs) still survive on less than \$2 a day, it said in a report.

Income under \$2 a day does not allow most people to meet basic needs for food, water, shelter, health or education, the Least Developed Countries Report 2008 noted.

The 49 LDCs experienced record growth of 7.9 percent in 2005, followed by 7.5 percent in 2006 and a projected 6.7 percent in 2007, the report said.

But the high growth rates, driven in many cases by record exports boosted by high energy and minerals prices, may not be sustainable, it said.

"The recent growth surge is generally not associated with a structural transition in which the share of manufactures in total output is growing (except for most Asian LDCs)," it said.

"In fact, as compared with 10 years earlier, half of the LDCs have experienced deindustrialization, reflected in a declining share of manufacturing in GDP."

#### DEPRIVATION

This record growth should have provided the opportunity for substantial improvements in living conditions but rapid population increases and other factors mean some 581 million out of a total 2005 LDC population of 767 million continue to live in material deprivation, it said.

Growth was uneven, with GDP declining in 2006 in Equatorial Guinea and East Timor, and growing by less than 3 percent in Chad, Somalia, Haiti, Eritrea, Nepal, Lesotho, Comoros, Tuvalu and Kiribati.

Growth had some impact on absolute poverty, defined as those living on less than \$1 a day, which fell to 36 percent of the LDC population in 2005 -- a still high 277 million people -- from 44 percent in 1994, it said.

Sharp rises in food prices in 2007 and early 2008 have led the prices of staples such as maize, wheat and rice to double in some countries over the past year and a half, a severe blow to poor people spending a large share of their income on food.

"The bigger food import bills will widen further the already high trade deficits of the LDCs. This will affect all food-importing LDCs, and the balance-of-payment impact will be accentuated as countries also have to deal with rising energy prices," it said.

Besides those mentioned above, the other LDCs are Angola, Benin, Burkina Faso, Burundi, Central African Republic, Democratic Republic of Congo, Djibouti, Ethiopia, Gambia, Guinea-Bissau, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome, Senegal, Sierra Leone, Sudan, Togo, Uganda, Tanzania, Zambia, Afghanistan, Bangladesh, Bhutan, Cambodia, Laos, Maldives, Myanmar, Nepal, Yemen, Samoa, Solomon Islands and Vanuatu.

(Reporting by Jonathan Lynn; Editing by Charles Dick)

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