

## **Manufacturing Poor People**

By <u>Vi Ransel</u> Global Research, April 27, 2011 27 April 2011 Theme: Poverty & Social Inequality

Even as the overall population of the world continues to increase, the increase in the number of poor people outstrips that growth. How is this possible? Are the poor simply breeding like rabbits, increasing their numbers geometrically in a suicidal, lemming-like production line of poverty-stricken people? Or are they getting some outside aid in their catastrophic endeavor?

In just the past 50 years, the Rich People of the "First", or Western World have invested heavily, through their banks, industries and other corporations, in the poorest regions of the "Third" World in Africa, Asia and Latin America, home to the majority of the world's poor. Transnational corporations are attracted by the richness of these people's natural resources, the richness of profits off cheap labor, the near total lack of environmental and worker safety regulations and the non-existent benefits for said labor.

U.S. transnationals were given a push toward this pregnant profit source, this attractive and waiting richness, by the U.S. government, which subsidizes (read gives taxpayers' money to) corporations in the form of tax breaks on foreign investment and even helping them to pay their relocation expenses at the expense of not only the taxpayers, but those taxpayers whose jobs are outsourced by this support for global U.S. economic dominance.

Local businesses in the "Third" World are destroyed as U.S. transnationals penetrate and overwhelm their markets like species imported to get rid of pests which turn out to be even bigger pests themselves. Taxpayer-subsidized cartels of transnationals dump their cheap, surplus goods in these countries at below their own cost to undersell local producers, thus forcing them out of business and allowing the U.S. corporations to take over the market. (This is also Wal-Mart's favorite technique for killing the competition in local markets right here in America.)

In the case of Big Agriculture they also take over/expropriate the best pieces of land, monocrop them with products for export, and douse them with oil-based, chemical fertilizers and toxic pesticides, destroying the soil. Think Dust Bowl. This leaves less land for use for those run-out-of-business farmers and their families to produce the food to feed the local population, who, along with the displaced farmers, are forced to go to work – for next to nothing – on those monocropped plantations to grow food that will be shipped out of the country or to work in American sub-contracted sweat shop factories. This also forces them to buy what food they can afford from these same Big Ag corporations. This is exactly the same scenario as in the U.S., since the bulk of the U.S. population consists of dependent consumers, unable to feed themselves, who must go to a supermarket to feed off the tit of Big Ag.

Robbing local people of self-sufficiency creates a perfect profit-making mechanism based on

a labor market flooded with desperate people who can be herded into a neat, ready-to-use package, labor in a box, in slums and shanty towns which they will leave to slave for token, poverty wages – if they can find work – which are most often in violation of their own countries' minimum wage laws. This is thanks to the overarching authority of Western-created "Free" Trade Agreements enforced by the World Trade Organization in its private, unaccountable courts.

Since the U.S. is one of the few pariah nations which refuses to sign the international convention for the abolishment of child labor and forced labor, Wal-Mart, Disney and J.C. Penny were able to pay eleven cents – **11 cents** – an hour in Haiti in 2007. This allows these transnational corporations, not only in the "Third" World, but here in America, to have workers as young as **12 - twelve** – sustain high rates of fatalities and injuries while working for less than the minimum wage. Talk about your right to work!

The savings these transnationals – and their shareholders – are able to rack up by exploiting and further impoverishing the people of the "Third" World do not translate into lower prices for the consumers, e.g. people, of the "First", or Western World. Oh no, my pretty! Transnationals don't outsource to save their customers money. They do it to increase their profits and their payouts to shareholders. For instance, children in Indonesia in 1990 made shoes for thirteen cents an hour working a 12-hour day. The shoes cost \$2.60 to make. They sold in the United States for \$100.

In addition to this slick trick, any U.S. "aid" to these transnationals-impoverished countries comes with stainless steel strings attached. Besides the "aid" money being used to create an infrastructure – ports, railroads, airports, highways, refineries, utilities, etc. – which facilitates the transnationals' ability to make money at the expense of local economies, this "aid" must most often be spent on U.S. goods, thus enriching even more U.S. corporations.

The country receiving "aid" must also give investment preference to even more U.S. corporations. This causes a shift away from products produced locally and toward those imported from the West, creating more debt, dependency and hunger. Further, a lot of this "aid" slips silently into the silken pockets of the local ruling class to buy their complicity and even enlist them in the enforcement of the ongoing heist.

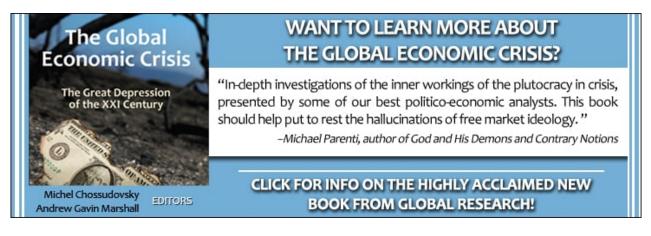
Hand-in-hand with U.S. "aid" comes more "help" from the World Bank and the International Monetary Fund. The financial contributions to those organizations by countries belonging to them determines the weight of their voting power. Since the U.S. is the largest "donor", you can just guess the name of that tune. And, of course, the IMF (International Mother Fuckers) works under a cloak of secrecy (to protect the confidentiality of the donors, dontcha know) enforced by the banks and the treasury organizations of the rich nations who run it.

The World Bank loans money to a poor country to "help" in its development, to build up a part of its economy. "If", and almost certainly when (that's The Plan) the poor country is unable to pay the usurious interest on the loan becayse of declining exports (again, The Plan), the country has to borrow more money in order to service the debt.

The IMF extends more loans, with more of those stainless steel strings more tightly bound around the victim, er, I mean, loan recipient, trussing up the "benefiting" poor nation like a Thanksgiving turkey about to be devoured by the West, The Rich. The country which borrows money from these Fuckers must give tax breaks to Western transnationals. The country must slash wages and refuse to protect local businesses from being ravaged by cheap imports and corporate takeovers.

The country is further strong-armed to sell, at fire sale prices, all its government-owned mines, its railroads, industries and utilities to privately-owned, mostly-foreign corporations. The country must allow its forests to be clearcut and its land to be strip-mined. Money for education, healthcare, food assistance and the transportation infrastructure must be sheared back to service the debt. And the interest on the debt, through the wondrously magical Western miracle of compound interest, keeps growing and growing and growing and on and on and on... And all the while, the people of the country are less able to feed themselves, since they are forced to grow cash crops for export to feed that debt service.

This is how the "Third" World is kept in poverty, subjugated to the "First" World, whose people purposefully, premeditatedly impoverish and immiserate the people of the "Third" World via depraved indifference in order to serve the plump, plutocratic pleasure of U.S. transnationals, their shareholders and American consumers. This debt reaches a point where nearly ALL of a country's export earnings go to debt payment, squeezing the economy like a lemon, and the poverty-making snowballs.



And while critics of these "aid" programs, most often faux-progressives, point out that these programs just don't work for "those people", the people of the "Third" World's nations, these same programs continue to receive funding from their adherents precisely because they **do** work, exactly as they were **intended** to work, to transfer the rich resources of the poor in the "Third" World to the already wealthy people in the "First" World. What an arrogant and ludicrous appellation is "First" World, self-designated by fatted, rich Western peoples to describe and denigrate the poor people of whom the scaffold supporting the American, and Western, standard of living is built.

This is how the magical, voodoo, trickle down economics of the Friedmans, the Reagans, the Volckers, the Greenspans, the Bushes, the Rockefellers, the Rothschilds, etc. who prosylitize "free" market theology works. The people of the "Third" World are used as fertilizer to grow the fortunes of the people of the "First", or Western World. They are used like toilet paper, like disposable plastic packaging, like prophylactics (scum bags) and then discarded as if their lives meant nothing more. They are receptacles, vessels in which the rich "create" their "self-made" wealth – do their business – then casually flush these poor people – and their children – out of sight, down the polluted toilet the "First" World has made of our whole world.

Transnational corporations use the U.S. government and corporate lobbyist-written "free"

trade policies, which are designed and work very well, to prevent "Third" World nations from ever "developing" sufficiently to become serious trade competitors. And this is because U.S. corporations learned the lesson of the Marshall Plan very well.

After World War II, America's major trade competitors were flattened, economically as well as physically, and America, in all its beneficence and magnanimity, offered money to Europe and Japan so they could rebuild shattered industries and infrastructure by using this "aid" money to purchase American goods and services, profiting hugely in the process. And while Europe and Japan were rebuilding, the U.S. was busy establishing itself as the world's global economic and military behemoth. Following Word War II, and up to the mid-Seventies, the United States experienced the most prosperous period, overall, in its history. And then things began to go south, as former flattened economic competitors began to recover enough to give the behemoth a run for its money, and actually overtaking the once supremely, economically dominant USA.

Well, U.S. transnationals didn't intend to ever let that happen again. There would be no more giving a real leg up to potential competitors. And thus we arrived at where we are today. And, in fact, the ruse works so well, that since the Seventies the plutocracy has been using the very same template here at home, – with an increasingly heavy hand. See U.S. auto workers, healthcare, the bank bailout, foreclosed homes, 600,00 jobs a month jettisoned, the murder of state governments, et al. Who, or what, will be next?

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