





# **Socialist Solutions to World Poverty**

The almost complete failure of world aid programs to solve world poverty isn't really a secret — or a partisan issue: Two celebrated left-wing world poverty specialists, Francis Moore Lappé and Joseph Collins, lambasted world aid.

In their book *World Hunger: Ten Myths*, the two point to specific failures of international aid programs.

They examine whether bilateral aid (aid given from one country to another country, instead of going through an international agency) is really meant to help the poor — it's not — and whether the aid America gives is effective — it's not. They also note that the country that gets the most U.S. aid — Afghanistan — has 59 percent of its children stunted because of malnutrition.



The authors note that aid is more meant to be a payoff to favored Americans than tangible help for those starving in other countries: Instead of the United States giving cash to needy countries to buy rice, we give the countries American-grown rice, which is much more costly than the rice that could be purchased in the countries of need. (Of course, in sending cash donations, we'd have to trust the receiving governments to use the cash in a manner that we want them to, which is an idea that should have long ago been demolished, as countless billions of dollars in U.S. cash disbursements to Afghanistan have simply disappeared in that country, with whole pallet-loads of donated currency simply being carted away to places unknown.)

Putting an affidavit of truth to the authors' claims is the fact that when the costs of food on world markets are high, and increased food aid is needed in the poor parts of the world, American food aid dries up because we sell the foodstuffs we produce, rather than have the U.S. government buy them from U.S. farmers to donate to other countries. So when the need for food aid is high, and poor people cannot afford to buy what they need because supplies are low, America donates less, not more. Then, too, "Overall, according to Oxfam America, almost 60 percent of U.S. food-aid dollars goes to shipping and other overhead costs, while only 40 percent is spent on food." Food aid shipped from the United States takes "on average 147 days to reach those in need, whereas food procured locally took on average just 35 days." Making a bad situation worse, when the food aid does arrive, it often puts many small farmers out of business in the recipient country, making them part of the permanently impoverished. Haiti, after the 2010 earthquake, was the example given: American rice shipments put out of business rice producers and sellers in that country, and aid became chronic.

The reason rice markets were glutted in Haiti: The two agencies in charge of the U.S. food aid programs — USAID and the USDA — "often neglect to sufficiently assess local markets beforehand in





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

order to help avoid food aid's potentially adverse impact on local farmers."

Meanwhile, the authors note, "about 800 million people, or roughly one-ninth of the world's population, are hungry." They quote the United Nations Food and Agriculture Organization, emphasizing the magnitude of the hunger problem many decades after public aid began its war on poverty: Every day chronic "hunger and its related preventable diseases kill as many as eight thousand children under the age of five. That's roughly three million children each year."

(Here, in rebuttal, advocates of public aid programs would likely claim that aid has caused a dramatic decrease in both the percentage of the world's poor and in the absolute numbers of the world's poor, even as the world's population has climbed. However, that ignores the fact that most of that decrease in world poverty was caused by China's and India's economic development — not aid, per se — and that the poverty rate being measured equates to about \$1.90 per day, which isn't much to live on.)

### The Mainstream "Fix" for Aid Programs

Most poverty experts agree that world aid programs haven't worked, but most say "fix them," rather than "replace them." Some are for small tweaks to the present system, while others want a complete makeover. "Fixing" the international aid system, however, is undoubtedly futile.

The mainstream, globalist view — forwarded by the small-tweaks crowd — is reflected in the advice of economist Jeffrey D. Sachs, who says in his book *The End of Poverty*, "At the most basic level, the key to ending poverty is to enable the poorest of the poor to get their foot on the ladder of economic development." Virtually no economist would disagree with that assessment, as far as it goes.

Sachs is widely considered "the poverty economist," as he has found his way to advising numerous countries about how to get their peoples out of abject poverty, and he was put in charge of Columbia University's Earth Institute, which claims to be using the best minds to solve poverty and environmental problems.

He claims that, contrary to what many conservatives claim, merely supplying economic freedom and laws protecting private property to a country does not automatically lead to prosperity for the masses. He says that a handful of African countries have tried to go that route without success. (He didn't list any of those countries, however, probably because even African countries that claimed adherence to economic liberty failed to actually provide it.) The problem, he says, is that not only must the type of government and the nature of a country's laws be considered, but also other aspects about a country that act to deter progress, such as weather, transportation, disease, etc. Unless roadblocks to economic success are removed, the poor countries will not prosper — and poverty will rule.

Consider, for one example, missing infrastructure. Sachs tells about a road that "connects the port at Mombasa, Kenya, with the landlocked countries Uganda, Rwanda, and Burundi. The transport costs on this road are extremely high because the road is in very poor condition on various stretches. From time to time, transport is disrupted entirely when the rains wash away bridges and sections of the road." Theoretically, the road, which serves more than 100 million people, could be used to ship goods to markets in population centers, so the natives could make money if a few laws were changed, but that's not the case in reality. There are too many roadblocks to wealth in the way — both figuratively and literally. Many villages don't own a truck to ship goods; many times the road is out altogether, prohibiting shipping (which would be absolutely devastating if shipping perishable goods); gasoline is often hard to come by and is often so adulterated with additives by natives to stretch the supply that





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

engines quickly get ruined; there often aren't safe places to pull over and rest for the night; and more. He adds, since the governments there cannot afford to fix the road to an acceptable minimal standard — making it useful to move goods to market — outside help is needed to allow the populations to prosper.

He sees many such roadblocks to success in countries with endemic poverty that need to be overcome to allow the poverty-stricken to find success. For instance, in many African communities, there are few men or women in the 20- to 40-year-old range because of deaths owing to AIDS and malaria, so there aren't prime working-age adults to do necessary work, and the old people who remain are already overwhelmed trying to take care of parentless youngsters. And these roadblocks not only might stop natives from improving their situation, the problems might be so overwhelming that capital formation not only slows, but reverses — with the available capital in the country going down each year.

Moreover, Sachs says, if for any reason usable capital in a country goes down each year — not up — it is indicative that the populace as a whole has entered a death spiral from which it is unlikely to ever resurrect itself, even given strong property rights and economic freedom.

Here is how he lays the problem out: Assume a populace is so poor that it cannot save money, with individuals making an average annual income of \$300 per person. The people live hand to mouth, consuming all of their earnings. As time passes, this populace will get inevitably poorer, not wealthier, despite laws to aid business endeavors.

Average individual wealth goes down and down for several reasons. First, the average wealth of the citizens of that country would trend downward because of capital depreciation (perhaps machinery or tools wear out) — since the people there eat away all their earnings, they don't have money to replace the equipment. Second, the wealth that is produced must usually be spread among more and more citizens as the populace grows — for instance, one mother and father must often divide their wealth among numerous children. Through an increasing population, each year the average member of the society becomes more impoverished, more hungry, more desperate. Third, since many rural African communities are agrarian-based and the families till the same plots of land year after year, the nutrients in the soil become increasingly diminished, leading to smaller and smaller yields.

Other factors may exacerbate the downward fall, such as no real access to healthcare or modern technology, such as phones, or a lack of schooling.

Sachs' recipe for success largely amounts to having wealthier countries provide funds to overcome poor countries' roadblocks to success — until the majority of peoples in those countries are creating enough capital to propel their countries upward on their own. He is against what he says has been the norm for decades in the aid community: belt tightening. He says poor countries are sent to the IMF, which tells them to tighten their budgets: "austerity," though the countries typically bleed off most aid money for government bureaucratic perks, such as fancy cars. "IMF-led austerity has frequently led to riots, coups, and the collapse of public services." What it doesn't do is make countries wealthier.

#### Handouts as a Hand Up

To solve the problem of poverty, first, Sachs says, the entirety of the way poor countries operate must be examined methodically to diagnose what ails them, from "problems involving poverty traps, agronomy, climate, disease, transport, gender" and more. He says that we need to view problems as family problems and that the whole world needs to help by reducing trade barriers, forgiving past





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

debts, building basic infrastructure, etc. In fact, he says, the Millennium Development Goals offer real goals with real benchmarks. Finally, monitoring and evaluation must be done to compare rigorous goals and actual outcomes (for example, the IMF may tell a country to cut its budget deficit one percent of GDP, but if that lowers economic output in the country, that may be a bad thing) and take on robust ethical standards. As it is now, he claims, the aid community settles for "superficial approaches," not a "search for the right answers."

He then provides a seven-part diagnostic checklist to examine the causes of poverty in a country:

First, make a map showing the extent of extreme poverty — those lacking access to school, healthcare, water, sanitation, electricity, roads, nutrition, etc., and note key factors that may exacerbate poverty in the coming years: demographics, environmental trends, water, disease, etc.

Second, define the existing economic policy framework: What is the cost of doing business within different regions of the country? What is the coverage of power, water, road, and transport services? "How are costs affected by the lack of infrastructure ... and how are trade barriers impinging on the costs of production, especially for export-oriented businesses? What are the incentives in place for potential domestic and foreign investors, and how does the incentive system compare with the incentives in place in competitor countries? Is the government investing adequately in human capital through programs on nutrition, public health, disease control, education, and family planning?"

He goes on with five more parts, including monitoring government spending — especially checking debts and health, education, infrastructure spending — monitoring how geography and disease affect business and trade; checking how the influence of government type (democracy, republicanism, or authoritarianism) affects business building and how government waste and fraud affect businesses and trade prospects; determining cultural and religious barriers to trade, such as problems caused by religion and gender; and learning how the country's geopolitics — "security and economic relations with the rest of the world," international sanctions, refugees, terrorism, warfare, etc. — affect it.

Then, he says, the work begins: Design programs and institutions to address all of the problems in each poor country. He says all of the problems causing poverty have answers — with the difficult ones being addressed through such entities as Columbia University's Earth Institute — they just need to be put in place.

The money to fund all this would come from donor countries, filtered through UN programs to ensure it is used efficiently and responsibly. And according to him, in each poor country all areas that need fixing must be funded, or the program will fail in each country where money is lacking. It cannot be done piecemeal. He says, "One of the weaknesses of development thinking is the relentless drive for a magic bullet, the one decisive investment that will turn the tide. Alas, it does not exist." Hence, he says, the failure of public aid programs up to the present time.

The aid that Sachs wants donors to provide is not meant to be a Band-Aid, slowing countrywide bleeding; it's supposed to serve as a literal boost up to the first rung of the economic ladder, to begin the process of wealth creation. And it sounds good in theory, but realities on the ground show that it is not likely to succeed as planned.

#### **Facts on the Ground**

It is true, as Sachs claims, that statistics provide strong evidence showing that business activity and





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

employment work together to reduce poverty, while public aid, per se, does not. The blog Our World in Data states: "In 1981 around 88% of the Chinese population lived in extreme poverty (i.e., below the International Poverty Line). According to the latest estimates, extreme poverty — measured in the same way — has declined to 2% in China." That means that as late as 1981, 880 million Chinese were living in extreme poverty — on less than \$1.90 per day — yet through economic growth caused by Westerners providing infusions of business capital and technological knowledge, the Chinese population in extreme poverty dropped to a little under 28 million in 2017.

Most of the remainder of the world's decrease in poverty also happened in places where business activity flourished, especially India. Its population of more than 1.3 billion saw extreme poverty decline from somewhere in the range of 50 to 60 percent in 1981, to between 20 and 30 percent in 2017, thanks to laws freeing businesses to operate, rather than having to function under paternalistic government "protections." An interactive map by Our World in Data does a good job of showing changes in poverty by country. Meanwhile, according to World Bank statistics, the percentage of people living in extreme poverty in Sub-Saharan Africa — an area that has received large-scale aid for decades — is barely decreasing, and actual numbers of the extreme poor there are increasing because of population growth.

The reality on the ground belies Sachs' expectations of success.

Sachs wants donors to pony up big money despite the fraud that is pervasive in the public aid world and in the Third World. Unless fraud is dealt with, the poverty will continue. (See article on page 25.) And it isn't that he doesn't recognize that aid fraud exists; he simply believes that good people can sidestep it.

He says,

Today's [global welfare] situation is a bit like the old Soviet Workers' joke: "We pretend to work, and you pretend to pay us!" Many poor countries today pretend to reform while rich countries pretend to help them, raising the cynicism to a pretty high level. Many low-income countries go through the motions of reform, doing little in practice and expecting even less in return.

He adds that the big public-aid agencies play the same propaganda games:

The aid agencies, on their part, focus on projects at a symbolic rather than national scale, just big enough to make good headlines. In 2002, the United States Agency for International Development (USAID) proudly trumpeted its West Africa Water Initiative, noting that "a reliable supply of safe water, along with adequate sanitation and hygiene are on the front line in the combat against water-related disease and death." Fair enough, but what was USAID's actual contribution? A pitiful \$4.4 million over three years. If West Africa has a population of some 250 million people, \$4.4 million over three years would be less than a penny per person per year, enough to buy a Dixie cup, but probably not enough to fill it with water.

He says that with the amount of money now spent on aid, countries such as Ethiopia would never meet the Millennium Development Goals of the UN for reducing poverty in certain timeframes, yet the public for decades has been continually fed lies to keep the status quo going: essentially, keeping the money coming in and retaining good jobs for bureaucrats. (According to the Organization for Economic Cooperation and Development, 30 countries in 2016 belonging to the Development Assistance Committee (DAC)contributed a total of \$142.6 billion to poor countries, while donors outside of the DAC also have contributed sizable amounts, with China alone giving \$69.9 billion in 2019. This represents aid not





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

devoted to military spending.)

The fact that the UN and its affiliates lie to make themselves look good and appear to be the world's white knights, instead of its monsters, should not be surprising to anyone who follows the UN, as the organ-ization's corrupt core not only bubbles to the surface with regularity, but pokes out in obvious places.

The *New York Post* reported in a 2015 article entitled "The Long Sordid Tale of Corrupt UN leadership" about the mischief that UN General Assembly presidents get into, including John Ashe of Antigua and Barbuda, who was arrested by the feds on charges of bribery-related tax evasion.

The paper related,

According to the rap sheet, Ashe, who was General Assembly president two years ago, allegedly received millions of dollars from a Chinese-based real-estate mogul, Ng Lang Seng.

Ng allegedly used several UN-related NGOs to transfer cash, gifts and airfare tickets to Ashe and his co-defendants, trying to enlist their help in promoting a pet project: He wanted to build a UN center in Macau.

Ironically, the bad acts brought to light by the paper were dismissed as inconsequential by the UN because the head of the General Assembly has little power. Just imagine how much trouble UN bureaucrats who have real power can get into. We know of a few examples to help spark your thoughts:

- UN funds earmarked for tsunami relief in Indonesia simply disappeared.
- On August 9, 2005, *The Economist* reported, "The UN's biggest-ever humanitarian undertaking seems to have become its biggest-ever scandal." At the time, Iraq had trade restrictions placed on it, and it was getting food to feed its people by selling oil via the UN. The UN's head of the program, Benon Sevan, was taking kickbacks while he was in charge of the program, and another UN official was soliciting bribes.

After the corruption came to light, UN Secretary-General Kofi Annan claimed that Sevan had taken a paltry \$150,000 out of \$64 billion contract, reported *Commentary Magazine* in an article entitled "How Corrupt Is the United Nations?" However, according to an independent investigation, Sevan actually received \$1.2 million, yet he was allowed to retire on a full UN pension, free of any criminal charges. Worse, "UN agencies had kept for themselves at least \$50 million earmarked to buy relief for the people of Iraq." And UN agencies charged with investigating corruption in the program spent more on renovating their New York offices with oil-for-food money than on investigating fraud. At the same time, the dictatorial head of Iraq who was supposed to be suffering from the sanctions, Saddam Hussein, was allowed to skim between \$12 and \$17 billion from the program to buy loyalty in his country and buy weapons.

- The *Commentary* article also explained about "a bribery scandal centered in its procurement department, which handles the Secretariat's buying of everything from paperclips to peacekeeper rations.... A UN staffer named Alexander Yakovlev pleaded guilty in federal court to taking hundreds of thousands of dollars' worth of bribes, involving possibly hundreds of millions' worth of tainted contracts."
- The world's worst human-rights abusers are often members of the United Nations Human Rights Council. Members have recently included Venezuela, even as Nicolás Maduro was starving his country's





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

populace; Cuba, which has imprisoned, starved, and even shot political dissenters; Saudi Arabia, which commonly beheads people in public for dissent; and China, which routinely "disappears" people, tortures them, and slices them up for organ donations.

• UN peacekeeping missions are rife with the rape of women and children by the troops — rapes the soldiers commit with impunity, as the United Nations whitewashes their actions. When a high-level UN whistleblower named Anders Kompass came out publicly about the crimes, the UN did everything in its power to discredit him and make his life unbearable, rather than address the crimes.

There are many more, but these examples should suffice to show why Sachs' globalist plan is doomed to fail: Sachs believes that the United Nations, one of the most irredeemably corrupt organizations in the world, an organization that is larded with dictators and human rights abusers, will actually work diligently toward the goal of the betterment of man — and not toward the goal of the betterment of UN insiders.

Naïve, to say the least — and that's not even considering the rampant corruption in the aid-receiving countries.

Sachs' plan is socialism writ large — funneling money and power into a centralized governing entity to take care of the world's problems — but he doesn't see how his plan would assuredly end up following the same failure as past socialism, such as that which caused economic devastation in Venezuela, the Soviet Union, North Korea, Zimbabwe, and more. When a centralized governing entity is given the power to do good, it is also given the power to do bad, and under socialism the people don't have the power to right wrongs when they occur.

In fact, nearly the entire continent of Africa went the socialist route after the countries were freed from colonialism, and the result was that the GDP of the continent went down, not up, over the following decades — with corruption becoming among the worst scourges.

Sachs' plan shouldn't be surprising, because he doesn't see socialism as bad. He seems to assume that socialism is only bad for countries because socialism limits the countries' willingness to trade. He says socialist countries become so protectionist that they strangle themselves economically — their one main downfall, according to him.

#### Variants on the Mainstream Plan

Other people who want to "fix" or "tweak" world poverty programs believe other adjustments are needed. Poverty specialists Francis Moore Lappé and Joseph Collins promote not just changing the aid system, but changing government systems, as well.

They are co-authors of two books that are considered by many to be the progressive answers to world hunger, *World Hunger: Twelve Myths* (1986), and *World Hunger: Ten Myths* (2015).

Since by-and-large their books seem to be considered the old and new testaments of something like a progressive poverty bible, and likely reflect the thinking of a sizable number of so-called progressives, they deserve some exploring.

To remedy the decades-long failures of international aid, Lappé and Collins say that along with more "democracy" in government, the world needs an "expansion of basic human rights. They [the rights that the duo want] include education (particularly for women) and economic opportunity, as well as access to food, health care. And contraception."





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

A primary contention of theirs is that because private corporations have too much control of the world, people go hungry, so the people must be empowered to save themselves. They add that the world, even the Third World, produces enough food to feed everyone. Outside of the United States, about 30 percent of the people are obese or overweight — but the food isn't getting fairly distributed and the poor don't get their share, and the poor are being cheated out of land and opportunities to get ahead.

Though the authors don't outwardly say they are for socialism as a solution, that's what their plans amount to.

The authors do offer a couple options for success against poverty without greatly enlarging the power of governments, but that prohibition doesn't last. Briefly they refer to redirecting government aid to fix apparent problems, instead of growing government. They say we should cut back on subsidizing beef for the rich (so we don't use so many crops to feed animals) and use those monies to convince people not to eat meat (this is supposedly to reduce the costs of food for the poor by making more grains available to them, though this is basically illogical because recent years have seen worldwide grain gluts to the extent that all the grain grown can't be consumed).

For the same reason, they want to reduce wasted food (as if people don't try to keep their food from rotting and not waste money). They are also adamant that farm yields in poor countries can be increased merely by abandoning the idea that modern Western agricultural practices will help the poor and by training the poor to more intensively grow crops on very small parcels of land and by doing things such as growing trees amid the crops, since tree-growing makes crops less susceptible to drought, and certain trees fix nitrogen in the soil. They call their plan "agroecology."

But the rest of their suggestions rely on large, powerful, benevolent government — as if that is easy to achieve, or even ever achievable.

First, the authors want poor countries to store food for when famine happens, and for governments to make food a human right: "Since food is both necessary to life itself and a market commodity, the only way this right can be realized is if democratic government ensures that every person has the means to secure enough healthy food through access to employment at a living wage; or, if blocked from paid employment by old age, ill health, or family responsibilities, one has access to public support."

Next, the authors require that electric power be provided by "green energy" (which would literally cover the Earth with solar panels and wind turbines, and would be hardly good for the Earth, and would only provide intermittent power — because neither the sun nor the wind stick around). And they demand that the world get rid of most pesticides and synthetic fertilizers and their costs, as well as genetically modified seeds, while having communities take control of local resources such as land (redistributing land), instead of individuals owning the resources. (The authors deride big landowners, saying that they have access to more land simply because they are rich, rapacious, and powerful, and since all they care about is profits: "Many big growers often overuse the soil, water, and chemical inputs, thoughtlessly eroding the soil, depleting the water, and poisoning the environment.")

Finally, they want to end the trade preferences given to powerful Western countries through the WTO and multinational trade treaties because the trade preferences allow Western governments unfair advantages in trade over Third World ones, keeping the poor destitute.

While the authors might have a valid point in their criticisms of how the world trade system is rigged against Third World countries, the remainder is a case of wishful thinking: asserting as true what they





Published in the September 7, 2020 issue of the New American magazine. Vol. 36, No. 17

want to be true — planning for wonderful results from socialism despite its horrific track record, and expecting altruistic good deeds from governments that have up to now continuously shortchanged and abused the poor.

To achieve their goals, they claim what is needed is "a particular kind of government: What we call a Living Democracy, engaging citizens and accountable to them." Though the authors deny they want drastically empowered centralized government, implementation of their plans would require centralized, massively powerful government to make it happen. Consider that governments would need to seize private property to be able to redistribute it; governments would need to control all facets of work in order to guarantee employment at a living wage (communism, anybody?); and governments would have to be vested with the power to create and destroy rights in order to expand rights to include education, economic opportunity, food, healthcare, and contraception.

The flaws are obvious, except to someone who can't see the forest through the trees. First, if a person must ask permission of government to do something, it's not really a right, and when property is taken from someone to redistribute to others, it is theft.

Second, since there is no way that any Third World country can afford any of the main initiatives, governments would have to try to force some of their people to provide services for free — or at least provide them for less than the services or goods cost to provide them — or have First World countries foot the bills. (All of the authors' solutions represent hardcore socialism and are doomed to fail just as surely as are all price-control schemes, such as those that are causing mass starvation in Venezuela at the present time.)

Third, even if the governments managed to benevolently use their powers to redistribute wealth, not rampage over people, and instead allow democracy in all facets of life — as in the authors' proposed Living Democracy — majorities of voters would merely be empowered to tell the minority what to do. That is hardly in line with citizens having real rights or autonomy or personal empowerment, and hardly different in behavior from the present, abusive Third World governments.

Finally, African countries have been socialist from the start of their independence from colonial powers, and have had the ability to do all of the above, but instead have inflicted poverty, starvation, and rigid controls on their populaces with the power they were granted. Unless the two authors are thinking about having a Western army invade every poor country in the world to install citizens- and rights-friendly governments — something that, by the way, has recently already failed in Libya, Afghanistan, and Iraq — there's no way any of this is happening. The plan is Marxist fantasy to its core, considering that once governments gain near-total control over populaces, they rarely readily give up that power.

Ironically, the authors say that "concentrated power — whether public or private — undermines freedom and leads to the death of effective markets." How right they are. To find out a genuine solution to world poverty, see our article on page 25.

Photo credit: AP Images







## **Subscribe to the New American**

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



## **Subscribe**

### What's Included?

24 Issues Per Year
Optional Print Edition
Digital Edition Access
Exclusive Subscriber Content
Audio provided for all articles
Unlimited access to past issues
Coming Soon! Ad FREE
60-Day money back guarantee!
Cancel anytime.