

The World Bank suddenly discovers 400 more million poverty-ridden people

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The World Bank recently acknowledged significant mistakes in its figures concerning poverty in the world. Indeed, while “the WB’s estimates of poverty are improved thanks to more reliable data on the cost of living”, the outcome is a head-on questioning of statistics produced by this institution, which has been facing a serious legitimacy crisis for several years: all at once the WB has just found out that 400 million more people live in poverty than earlier thought. In other words more than half of the sub-Saharan population!

This reflects the lack of reliability of statistics published by the WB and shows that their main objective is to back up the neoliberal policies imposed by its own experts the world over. As can be read in its press release,[1] 1.4 billion people in the developing world (one in four) were living on less than US\$ 1.25 a day in 2005, while previous estimates were around 1 billion. Yet the WB still finds grounds for rejoicing, since what matters in its eyes is not the number but the proportion of poor people. Why is this? Because with a rampant world demography, the latter figure can more easily suggest improvement: if for instance the number of poor people does not increase, the proportion will automatically fall with the passing years.[2]

This is why the Millennium Development goal is to reduce by half the proportion of people living on less than a dollar a day between 1990 and 2015. But given the WB’s huge mistakes in its accounts, the set of current international policies against poverty collapses. Structural adjustment policies (reducing social budgets, cutting costs in the field of health and education, an agriculture geared to export with consequent reduction of staple food crop cultivation, relinquishing food sovereignty, etc.) that have been enforced by the IMF and the WB since the early 1980s have seriously worsened living conditions for hundreds of millions of people throughout the world.

There has been a lot of criticism of the WB in this respect since Thomas Pogge, professor at Columbia University, wrote recently: The World Bank’s accounting policies are most questionable. We have good reason to think that with a more credible method we would observe a more negative trend and more widespread poverty. [...] As long as the WB’s current method and the data it produces are used by international organisations and university research on poverty, the problem cannot really be considered seriously.[3]

The WB has exposed its weakness both statistically and politically. More than ever our objective must be threefold: turning away from the logic of structural adjustment, doing away with the WB, and developing a new international institutional architecture.

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Debt, www.cadtm.org), author of *L'Afrique sans dette*, CADTM/Syllepse, 2005.

Eric Toussaint, President of CADTM Belgium, author of Banque du Sud et nouvelle crise internationale, CADTM/Syllepse, 2008.

Article in french: <http://www.mondialisation.ca/index.php?context=va&aid=10154>

Translated by Christine Pagnouille in collaboration with Judith Harris

[1] See <http://go.worldbank.org/C9GR27WRJ0>

[2] See Thomas Pogge www.etikk.no/globaljustice/oslo_Global_Justice_mainlecture.doc

[3] www.cadtm.org/spip.php?article3282

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