

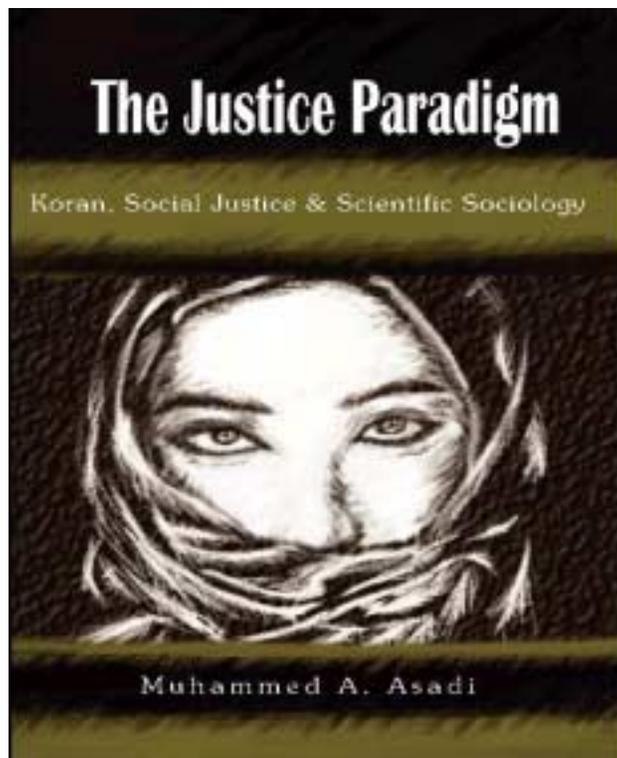
# Constructing a Global Ghetto:

*Racism, the West & the "Third World"*

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To order The Justice Paradigm visit <http://www.amazon.com>



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 a 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 scale.

The emerging dominant philosophy was capitalism, the driving force of which was competition, based on ideas similar to Social Darwinism. An ideology of superiority emerged within the ruling elite, an idea that led to the patterned underdevelopment of certain groups of people.

The purpose of this analysis would be to explain qualitatively using historical and comparative analysis, and empirically using existing aggregate data, the cause of unequal development in the world, controlled by a few dominant nation-states. Qualitative analysis would include tracing the development of the ghetto in the United States, in comparison to the globalization of poverty and the development of the “Third” and now the “Fourth” world. It will focus on historical and comparative research.

Quantitative analysis will focus on aggregate census, World Bank and United Nations data to document development indicators that suggest differentials within the United States and between the developed and underdeveloped world.

The nation-state was central to Western economic and political domination (Alexander 1996). Nationalism on a global scale can thus be compared to racism within states. Both are driven by an ideology that assumes superiority of one group over another. I explain this linkage

by comparing the relationship between the West and the “Third World” to the dominant ideology that determines race relations between white and black communities in the United States.

Alexander's book gave insights into this comparison based on the model of the South African apartheid regime.

Once the cause of the problem is identified scientifically, solutions can be better focused for equitable development and less isolation of the "Third World". As nations come together and the concept of a nation-state becomes blurred, the barriers within societies that prevent equitable development have to be overcome as well. If they are not overcome, then visible borders are simply replaced by invisible barriers.

Ideas of race superiority, made moral by a ‘white’ hierarchical religion, 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 the newly discovered areas of the world, and over a third of its population (Delavignette 1964:1). Historical analysis by Griffin, Delavignette, Alexander and others arrive at the same conclusion.

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, over 50 million "savages" were killed by the "civilized" West (Zinn 1990:1). American “National security” guised by an idea 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. The fate of the Australian Aborigines<sup>1</sup>, persecuted, killed and forced on reservations was another racially

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<sup>1</sup>At the time of European colonization in the 18<sup>th</sup> century, Aborigines numbered about 1 million. At present, according to the 1986 Census, they number 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 [Encyclopaedia 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" [World Almanac and Book of Facts 2000].

motivated national act, as was the dropping of the atomic bomb on Japan and not on white Germany. “Turning the other cheek”, pulling out peacekeepers, and not stopping the genocide 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 War similarly destroyed millions and plundered the earth. This is the nature of racism. 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.



Joel Robine / AFP

*Terms and their use:*

Let me clarify my use of the word “West” and “Third World” in this paper. When I say “West”, I mean the white- male elite, (of European origin) who command decisions in the world (Mills 1956) 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 supposedly 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 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*” (Ed. Stasiulis et al 1995:12). It operates within the communities just like neo-colonialism operates on a global scale.

*Theoretical Background:*

The "West" (also called the North or the “core”<sup>\*</sup>), 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).

Wallerstein (1974) the person who first formulated the *World Systems Theory* suggested that since the 16<sup>th</sup> 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

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\*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)

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 sub-urbanization within the United States as well. In the U.S from 1920 through the 1960s, sub-urbanization 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 the "underclass."

In recent times 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. They are part of 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. 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)."*

This hierarchical classification signifies a grouping of states that are similar to each other and superior to the countries beneath them, the "Third World" countries. The "West" or the "First

World" is similar in terms of the Christian religion and being white (for the most part), and the "Third World" is predominantly non-white and thus considered inferior and uncivilized. It is implicitly acknowledged and "politely" enforced by the West that white Christian nations are superior to all others and so are God-appointed leaders, "*the white man's burden*". This ideology has its history in the fall of the Roman Empire, and the subsequent success Europeans had in dividing the world among themselves. The moral justification to subjugate people was provided by the Bible.

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 (Ed. Vanhorne 1997:116)*

Recognizing this group tendency, the elite exploited it through moral reinforcement, which over time became "institutionalized" in Western thought, to an extent that in modern times it has become an almost unconscious group response. Carl Jung, the analytical psychologist, described it as the "Collective unconscious". Cultural transmission by the West, through its export of media, to the "Third World", has ensured that this idea of superiority of the West gains acceptance among the poor masses in the "Third World" as well<sup>•</sup>(3). The most effective "power" is the one where the oppressor can get the oppressed to voluntarily work for their advantage through institutional legitimization. Thus the oppressed deem that they are doing 'good' even

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<sup>•</sup> 3.The influence of the media is illustrated in a recent study done in Fiji. Within three years of the introduction of television in 1995 to the island, the number of female teenagers at risk of eating disorders nearly doubled. The "thin is sexy" image presented by the American media, made those who watched television heavily, 50% more likely to describe themselves as fat and 30% more likely to diet than those who watched it moderately (Kilbourne 1999:135). Thus the cultural ideal, for a woman, that had existed for centuries changed, following after a "superior" West.

though they are working against their own interests. The Koran accurately described such "social construction" of reality centuries back:

*“[Can anyone be more misled] than them, the harmful nature of whose deeds is made fair-seeming to them so that they deem them good (Koran 35:8).”*

According to this Western ideology, all non-white races (as such the "Third World") are inferior and need to be led, controlled and kept in servitude. Civil rights legislation that attacks the effects of such prejudice and not the cause have thus failed to significantly alter race relations in the world. The example of America should suffice as evidence. Except for an extremely small group of elite African Americans (the "semi-periphery"), most have not gained from nearly half a century of legislation-based solutions. Problems perpetuated by ideology require a shift in ideology, without which all legislation is bound to fail.

*"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 section completely removed from mainstream America. Here alien and "odd" norms prevail, similar to "Third World" culture, which to many conservatives threatens what is described as "our way of life".

According to them, the members of the "underclass" have a "foreign" or "alien" family structure (*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"\*(4). The people living in such a section of society are not termed "aliens" like people

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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/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 red lining is still alive and well.

"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’ like Libya, Iraq and Afghanistan, 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 250,000 American and millions more around the world, yet the system doesn’t declare “war” on them.

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 etc. These

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\*4. The New England Journal of Medicine (January 18, 1990, Vol322, No3, p.176) reported that "Death rates for those between the ages of 5 and 65 were worse in Harlem than in Bangladesh." (As quoted by Chinyelu 1999: 1)

areas 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.

It 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, when the economy is good, just as the forced-exchange of manufactured goods for scarce raw materials with the "Third World". If the person is lucky, he/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 overcome.

It is a section where the majorities, if not all the people are non-white (like the "Third World"). An area, the rest of 'civilized' society wants to be separated and protected from, thus leading to brutal policing similar to the "terrorism" hypes that make the West militarily police and economically sanction "rogue nations". The area being talked about 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.

*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, as 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 15<sup>th</sup> 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..(Ed. Vanhorne 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 thus became a ‘religious institution’ in America (Griffin 1999:125). Justification in the logic or the pseudo-science of ‘color superiority’ collapsed over time; the only vehicle that remained to carry it to the present generation was the Bible which was extremely flexible to incorporating the doctrine of innate superiority based on the “chosen” status of the Jewish people presented in the Old Testament.

The relationship between the use by the elite of Christianity and the subjugation of African Americans was well understood by Malcolm X:

*“The greatest miracle Christianity has achieved in America is that the black man in white Christian hands has not grown violent. It is a miracle that 22 million black people [now*

*over 30 million] have not risen up against their oppressors- in which they would have been justified by all moral criteria, and even by the democratic tradition! It is a miracle that a nation of black people has so fervently continued to believe in a “turn-the-other-cheek” and “heaven-for-you-after -you-die” philosophy (Haley 1973).”*

The Koran, fourteen centuries back, described the use of pseudo-religion by the elite to further their economic desires:

*“Woe to those who write the book with their own hands and then say, “This is from God,” that they may exchange it for some miserable economic gain. Woe to them for what their hands do write and woe to them for what they earn therewith (Koran 2:79).”*

The forced 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 might 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 ‘the most civilized nation on earth.’

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).”*

The fifty-five *men*, who drew up the Constitution of the United States, were undemocratically picked. There was no representation of over half of the population that were women and over a fifth of the population that were African Americans. Further there was no representation by American Indians, whose land was forcibly taken, in drawing up this document. The roots of what the capitalist elite describe as the “greatest” democracy on earth, therefore are itself undemocratic (Zinn 1990:234). 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 of "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.

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), inspired by whom, 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. When Paul politically “Romanized” Christianity by bringing into it concepts of “man-god”, “son of God” and “Trinity” etc, membership into this “new” version of Christianity increased but it lost the radical “non-elite” reform goal that Jesus envisioned. Jesus himself was a radical reformer. His actions in the temple with the moneychangers (The Bible, New Testament, Mark 11:14-16) shows that he was well aware of economic exploitation.

With Paul however, not only did membership increase but internal strife and factionalism increased as well. This is exactly what *Social Movement Theory* (Collective Identity) would predict happens with an “inclusive” ideological shift (Stoecker 1995). Something similar happened to Islam, two hundred years after Muhammad’s death. *Hadith* and other literature were deceitfully introduced as competing canons to the Koran, to boost numbers by making doctrine “inclusive”, against the doctrinal “exclusiveness” of the Koran, which resulted in fragmentation and strife, injustice and the replacement of the original goal of universal justice with imperial designs. In small segments, due to such a doctrinal shift away from the Koran, pockets of an oppositional culture were born. Similar to the "code of the street" that leads to inner-city crime, this "code of terror", to terrorism. Street crime and terrorism are the offspring of an elite manipulated social and world system. There has been no police solution to inner city crime, similarly there can be no "military" solution to terrorism.

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. 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.

By strategically displacing jobs and people and concentrating poverty in the inner cities, the elite 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).”*

Those who refuse this subjugation through this “structural” alienation are offered “chemical alienation” through alcohol and drugs<sup>•</sup> (8), which chemically produce temporary bouts of “anomie”, i.e. normlessness and alienation<sup>•</sup>(9). 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 at times artificially engineered and socially constructed illusions, perpetuated by institutions designed by the elite to serve their economic and political aims.

Alexander (1996) notes:

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<sup>•</sup> 8. 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).”*

<sup>•</sup> 9. 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.”

*“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 (1996:209).”*

Similar to the ‘liberation’ of the colonies, the ‘liberation’ of slaves in America was accomplished because it was economically ‘useful’ to the white male elite in the North. “Chattel” slavery and indentured servitude, was replaced by “wage” slavery for blacks and poor whites, which continues to this day among the masses. "Wage" slavery results in a bigger market and greater profits for capitalists than does "Chattel" slavery.

Talking to a delegation of freed blacks, Lincoln, who is widely proclaimed for abolishing slavery, stated:

*“On this broad continent, not a single man of your race is made the equal of a single man of ours (as quoted by Alexander 1996:52).”*

Since African American life is "cheap" to the elite (similar to the lives of the masses in the "Third World"), they are welcomed to join the Army and fight America's wars. Among all American casualties in Vietnam, 25% were African American compared to their population of 11% at that time (Alexander 1996).

This "dehumanizing" of African Americans began with European voyagers traveling to Africa in the 16<sup>th</sup> 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 (as 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 can't 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...(as 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 growth rate of "new" cases is lower for African Americans than for white communities (Smith 1998). Whereas the break-up of the family, in the case of African Americans was a direct legacy of slavery, the breakup of the white family may be attributed to a careless attitude towards sex and marriage, the "popular" culture of the "Hollywood" elite. Thus the "morality" issue is forcibly imposed on African Americans instead of on 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)."*

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, Regan, 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 Arabs and Muslims (Heinman 1998:145).

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)”, a few years back. 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 don’t have much knowledge of biology, their ideologically manipulated data, comparing IQ to socioeconomic status, has been widely criticized. Ignoring the social legacy of slavery and the subsequent discrimination against blacks as being causal variables, they conclude that innate (biological) intelligence is the cause. This is based on weak correlation of 0.1 [a strong case cannot be made for causation based on correlation alone especially weak correlation]. The cultural bias in the IQ test itself is conveniently ignored (ed Fraser 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.

It can be argued that the cumulative “implicit” cost of the “superior” final product that capitalists so often “preach” about is much higher (due to the wasted resources of all the competitors who were “killed” along the way) than the “inferior” product of a non-competitive system. By literally “squeezing” the life out of the earth, and leading it towards a premature

death, capitalism shows 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, blame the “underclass” for a similar trait (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 "code of the street" and the "culture of terror".

*Colonization: The “Third World” developed the West:*

Due to the nature of this paper, the historical formation of the “Third World” will not be traced in detail, however major features that led to the persistence of poverty, and the permanence of the “ghetto” will be discussed briefly. The “Third-World” directly led to the development of the West that we see today and the West directly led to the persistence of poverty in the “Third-World”. This claim will be substantiated in the paragraphs to follow.

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 US 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 USA, 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.

As a result 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 US 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 up 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% 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).

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 to its white suburbia and the creation of empowerment zones in the inner cities. The 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).
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, 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 US 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)

6. 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 via (Alexander 1996):

1. Under priced raw materials, and the vast capital flows from the “Third World” sustained Europe during the 19<sup>th</sup> 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, country including the people that live around the oil fields are plagued with unemployment, poverty and lack of health care (Chinyelu 1999).

*Quantitative Findings:*

Charles Glock and Rodney Stark (1967) reported empirical data that showed that Church members that held orthodox beliefs in the Bible were more likely to be anti-Semitic than less orthodox members (as quoted by Babbie 1992:82). In 1963 Lott and Lott provided empirical evidence that the “ethnocentrism” scale is related to the “*judgments about the relative superiority of one’s own country as compared with another (as quoted by Rosenberg 1968:17).*”

Empirical evidence provides overwhelming evidence that nationalism and racism are both linked to “feelings about superiority.” Empirical evidence also shows that orthodox Christianity is linked with racism. It is little surprise then that we find Christianity, racism (or white supremacy) and nationalism common features in the old “Apartheid” regime of South Africa, the West and the Ku Klux Klan<sup>•</sup>(10). The only thing that differs among them is the degree of openness about belief.

In searching for a proximate determinant of racism in the West, Christianity, as a factor precedes<sup>•</sup> (11) other ideas about white supremacy. It has already been shown how it is correlated with such ideas (this will be replicated below). If a variable precedes another with which it is correlated, “*direction of determination*” can be demonstrated. Thus, using the criteria of causality

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<sup>•</sup>10. Alexander (1996) notes that the ideology of ‘Apartheid’ in South Africa was, “rich with references to Christianity, and divine destiny...and a common belief about ‘white supremacy’”(Alexander 1996:233).

<sup>•</sup>11. According to Griffin (1999), Kenneth Stamp noted that in the early seventeenth century in Virginia, “Blacks and whites seemed to be remarkably unconcerned about their physical differences. They toiled together in the fields, fraternized during leisure hours and, in and out of wedlock, collaborated in siring a numerous progeny.” (As quoted by Griffin 1999: 26).

in social sciences, elite sponsored Christianity can be termed as a “cause” of racism, or being related to it through some factor of causation (according to Mills’ method of concomitant variation).

Martin Bernal writing about the roots of racism in the US stated:

*The new racists tried to enlist religious backing for their ideological requirements. There was an emphasis among Christians of the 17<sup>th</sup> century for the Talmudic interpretation of the (creation) story of Genesis...in which it was Ham the ancestor of the Africans and not Ham’s son Canaan who had been cursed by his father Noah and that that curse had consisted of blackness, ugliness and the fate of perpetual slavery (Ed. Vanhorne 1997: 83)*

If we analyze data around the world and within white “settler” societies, it provides overwhelming evidence of how this interpretation of the ‘prediction’ of the Biblical curse has been self-fulfilled by being ‘forced’ upon African societies, around the globe.

An analysis of census data in the United States shows that the structure of the African American population in the United States resembles populations of the “Third-World” more closely than the general population of the society in which they reside. 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).

In the 1940s, blacks made up less than 10% of US population, yet 60% of prisoners executed were black. Unemployment rate for blacks (16 and above) is 11.3% while national unemployment rates have been around 3% nationally in the past few years. 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 (Ed. Wright. 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, which 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. 15% 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.

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).

Economic exploitation and detachment from the mainstream society, leads to a profile of African Americans that closely resembles the profile of "Third World" countries. Distribution of diseases also reveals the colonial status of African Americans in the US. African Americans and Hispanics make up around 15% of the US population yet they make up 49% and 20% of all AIDS cases reported among those 13 to 19 ([www.icare.to/caucus/health](http://www.icare.to/caucus/health)). 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.

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 30<sup>th</sup> birthday (Ed.Stasiulis 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..(Ed Stasiulis 1995:102)*

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".

The "Stolen Generation" inquiry found that:

*"From about 1946, laws and practices which, for the purpose of eliminating indigenous cultures, promoted the removal of indigenous children for rearing in non-indigenous institutions and households were in breach of the international prohibition of genocide (Commission on Human Rights, 56<sup>th</sup> session).*

Consider this 'testimony', by the Indians (based upon the reality of their experience) who seized Alcatraz Island in the San Francisco Bay area in 1969:

*"We feel that this so called Alcatraz Island is more than suitable for an Indian Reservation as determined by the white man's own standards. By this we mean that this place resembles most Indian reservations in that:*

- 1. It is isolated from modern facilities.*
- 2. It has no fresh running water.*
- 3. It has inadequate sanitation facilities.*
- 4. There are no oil or mineral rights.*
- 5. There is no industry, so unemployment is very great.*
- 6. There are no health care facilities.*
- 7. The soil is rock and non-productive, and the land doesn't support game.*
- 8. There are no educational facilities*

9. *The population has always exceeded the land base.*

10. *The population has always been held as prisoners and kept dependant upon others.*

*Further it would be fitting and symbolic that ships from all over the world, entering the Golden Gate, would first see Indian land, and thus be reminded of the true history of this nation...”(Luhamn & Gilman 1980:189)*



Consider the case of Canada. According to some estimates, the unemployment rates for the Native American population in Canada has never gone below 80%, and most of those working are working at projects funded by the government (Powless 1985). In 1970, 24% of Indian males made more than \$6000 per year compared to 52% of Canadian males. The earnings of the average Canadian are 29% 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% more than the average native man in the same occupation with the same skill level. In 1969, 80% of the Indian families were below the poverty line. The death rate for Indian people is six times that 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% of the Indian population was using social assistance compared to 6% 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% of the penitentiary population.

In his report *Native People and Employment: A National Tragedy (1985)*, Richard Powless concludes:

*The greatest and single most cogent reason for the current situation of Native people in Canada has been this inability to understand and accept the value and legitimacy of other peoples and cultures in Canada. In essence this is racism. Canada's history and system of governance and behavior have institutionalized this racism into current reality (Powless 1985:5)*

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% 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 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 30 percent of the population

in those countries controls over 50 percent of their resources, an even smaller group controls the world (Blau 1999:5). Over 85 percent of the world population gets less than 20 percent of total world income. The poorest 20% of the world's population get around 1% of world income (Macionis 1996:189).

The numbers however, are only partially telling. They understate and mask 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).

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, the emphasis of conflict shifts from its source, the capitalists, to the masses.

**TABLE 1**

REGION	LIFE EXPECTANCY (YEARS)	INFANT MORTALITY RATE Per 1000 live births	GNI. PPP PER CAPITAL IN US \$	POPULATION DENSITY PER SQ MILE	POPULATION INCREASE 2001 TO 2050 PERCENT	TOTAL FERTILITY RATE
<b>Western Africa (AVERAGE)</b>	<b>51</b>	<b>88</b>	<b>1000</b>	<b>101</b>	<b>393%</b>	<b>5.8</b>
<b>Eastern Africa (AVERAGE)</b>	<b>50</b>	<b>97</b>	<b>850</b>	<b>102</b>	<b>128%</b>	<b>5.7</b>

<b>Middle Africa (AVERAGE)</b>	<b>48</b>	<b>113</b>	<b>1500</b>	<b>39</b>	<b>203%</b>	<b>6.6</b>
<b>South Asia (AVERAGE)</b>	<b>61</b>	<b>72</b>	<b>2250</b>	<b>362</b>	<b>66%</b>	<b>3.4</b>
<b>United States</b>	<b>77</b>	<b>7.1</b>	<b>25440</b>	<b>77</b>	<b>45%</b>	<b>2.1</b>
<b>Canada</b>	<b>79</b>	<b>5.5</b>	<b>31910</b>	<b>8</b>	<b>18%</b>	<b>1.4</b>
<b>Australia</b>	<b>79</b>	<b>5.7</b>	<b>23850</b>	<b>6</b>	<b>29%</b>	<b>1.7</b>

**US Bureau of Census 1995 & Population Reference Bureau, 2001 Washington, DC**

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, that becomes the 'opium of the masses'. 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.

Evaluating a list of eight Black stereotypes including "prefer to accept welfare" and have "less native intelligence", 75% of the Whites agreed with one or more and over 50% agreed with two or more, in a recent national survey of the Anti-Defamation League. About 30% 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% placed Whites on the "lazy" end of the spectrum, a little under 50% placed Blacks in that category (Feagan-White Racism).

*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, two-thirds of the Whites said that they would have a negative reaction if a close relative married a Black person. Only 5% said that they would have a positive reaction.

*Neocolonization & Perpetuation of Poverty:*

W.E.B Dubois, sums up the cumulative effects of slavery on the economic life of African Americans after emancipation (what happened in the “Third World” was an exact parallel in many ways):

*“I will not stop to ask whose duty it was, but I insist it was the duty of someone to see that these working men were not left alone and unguided, without capital, without land, without skill, without economic organization, without even the bald protection of law, order and decency, -left in a great land not to settle down to slow and careful internal development, but destined to be thrown almost immediately...in an economic system where every participant is fighting for himself, and too often utterly regardless of the rights or welfare of his neighbor (Dubois 1903:192).”*

A modern political scientist, Clarence Stone writes:

*“A brutally suppressed community overtime is conditioned to coping with disappointment and frustration. Thus they lose the motivation to develop (Stone 1993:15,1,21).”*

In 1881, Cecil Rhodes (using wealth from African Gold and Diamonds) formed a secret society to create a federation of all English-speaking people. This federation became the foundation on which the Council on Foreign Relations (CFR) in America and Royal Institute for International Affairs in Britain were founded. They comprise of the economic and political elite who shape “consistent” Western policy all over the world and who helped create the League of Nations, British Commonwealth, United Nations, Treaty of Rome, NATO and the G-7

(Alexander 1996:206). It is no surprise then that all these organizations have failed to realize world equity.

*“There is no good in much of their secret conferences except in them that enjoin charity for goodness and reconciliation among humankind...(Koran 4:114)”*

Plans for the perpetuation of poverty were already underway during World War II. In 1944 Britain and the United States met at a conference at Bretton Woods, in the State of New Hampshire. This conference would ensure the subjugation and poverty of the ‘Third World’ till the present day and well into the future.

It was realized that it was no longer in the best interest of the West to maintain formal colonies. It would be more cost-effective to "in formalize" the control and ensure the integration of ‘resource-supplying’ countries into the capitalist economy, implicitly based on ‘separate-development’- (similar to apartheid in South African or ‘Jim Crow’ in America). Thus were born the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (later a part of the World Bank) (Danaher 1994:1).

The implicit agenda was the continuation of colonization without formal colonies while the explicit agenda was the treatment of ‘Third-World economic pathologies’ by providing ‘economic medicine (Chossudovsky 1997:33)’. The ‘economic pathologies’ of the "Third World" nations include over-valued currencies, high public expenditure, low taxes, low interest rates etc. What are termed 'Third World' pathologies are surprisingly enough ‘positive’ campaign issues for the Western economy. Thus we hear presidential candidates advocating lower taxes, higher spending on education and health and economic growth without inflation. If their domestic agenda were what the IMF is offering as “solution” to the "Third World", we would probably see an unstable government, riots and a not so exemplary "democracy".

This same cultural elite also discusses the life-style ‘pathology’ of the ‘underclass’ in America. The pathologies in the ‘underclass’ are normally described as laziness or lack of work ethic, drug addiction, alcohol abuse, an easy attitude towards sex and a lack of commitment to

marital stability (Hadjor 1995:114). However if such were the pathologies of the 'underclass' then the 'over class' especially the Hollywood elite and role models of society suffer from the same illness. Nobody however, discusses what 'medicine' to give to them.

The conservative right in America argues that the ghetto dwellers have bad "work-ethic". "Why don't they go out of the ghetto and travel to where the jobs are," they say. They however conveniently forget historical facts. African Americans did travel long distances to seek employment in the North after the cotton industry started using labor saving devices in the South. Why "travelling" to the suburbs is not done to seek jobs that moved out of the cities, has to do with something other than distance. A similar "culture of poverty" style argument has been used to show the 'benefits' of colonization that European colonizers provided to an "ailing" culture in Asia and Africa.

Advocates of colonization similarly argued that the 'whole' of Africa lacked the work ethic. Setting up industries in Africa would thus have not worked, they said. 'People did not like travelling long distances to work,' they say (Fieldhouse 1999). However, these arguments are naïve to the fact that the "same" people whom they say wouldn't travel, do travel long distances to overcrowd "mega-cities" in the 'Third World' in search for employment. The 'mega-city' phenomenon has almost become an ecological pattern in most of the poorer countries of Asia and Africa. For the majority of these people, it is a first time trip from a rural to urban area, for the explicit purpose of employment, without any coercion like a 'hut' or 'head' tax of the colonial era.

The only change that the colonial powers brought about through such coercion was speeding up, without corresponding development, a surplus labor force to meet its profit and political agenda throughout the world. The forced migration of this 'surplus' whenever and wherever the metropolis desired is ample proof of this assertion. In many ways these coercive measures helped develop a worsening work ethic (rather than a positive one) as they interfered

with people's freedom and creativity by making them mere mechanical operators (and extensions of machines), at below subsistence level wages, with little or no choice of investing their surplus in their own growth and development. The problem of the 'discouraged worker' has been clearly demonstrated in economic literature. In most cases, the local workers in Asia and Africa were paid ten times below what Europeans doing the same work were paid. Further, the pay was so meager that it could not even support the person, who then had to grow food to survive (Rodney 1982:149).

Another common tactic employed by the oppressor on the oppressed, to show 'sincerity' is to employ people of the oppressed group in such institutions. The World Bank and the IMF employ a large number of people from the 'Third World' in relatively senior positions. As a result we find Vice Presidents of different sections of the Bank with names like Masood, Ibraheem, or Ismail. Colonial England employed a similar tactic in the colonies. In order to get predatory information about the masses; Britain employed indigenous elements 'below' the European ruling elite. These officials began the never-ending cycle of 'Third World' political corruption (Fieldhouse 1999:79). Similar instances can be found today in police organizations in the United States, set up to control the ghetto and prevent race riots. Race riots erupted in the United States in 1964, in nine separate cities in 1965, to a total of 128 cities in 1967. The Kerner Commission report proposed that to keep race riots in check, apart from Aid for black businesses, more black troops should be hired to give "insight" into problems "before they occurred." (Hadjor 1995:175). Thus were appointed African American police chiefs who brutally cracked down on black communities.

Sociologist Philip Selznick, described this process of co-optation:

*“One means of winning consent is to co-opt elements into the leadership or organization, usually elements which in some way reflect the sentiment, or possess the confidence of the relevant public or mass...It is met in colonial countries, where the*

*organs of alien control reaffirm their legitimacy by co-opting native leaders into the colonial administration. We find it in the phenomena of “crisis patriotism” where formally disfranchised groups are temporarily given representation in the councils of government in order to win their solidarity in a time of national stress (American Sociological Review 13:1948:25-35, as quoted by Shafirtz & Ott).”*

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.

*‘Democratic’ Loans:* 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 145000 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.

*Loaning Out Poverty:* The boom in the oil prices in 1973 and the US 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 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 1981:52\* (12)). The 'weighted' vote of the United States and the West in decisions is comfortably placed in such institutions, to guarantee decisions in their favor.

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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 also 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 falling through the security net.

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

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\* 12. 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)

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 GNP is less than General Motors or the Ford Motor Company. 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 "Ghetto Lords" 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, compared to the double digit inflation in the 'Third World'.

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, 0.57 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:* However, 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 don't have jobs they spend less on consumption. Therefore, money is freed to service the debt while people live at near starvation levels. 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. Thus 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 restore 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 control 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 (IFI), 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 25% according to the UN Commission on Africa (Alexander 1996:127).

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 import. 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 is the case 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 lightening speed in the "Desert Storm" fashion.

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).

*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 who 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.

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 this regard, Citibank has been doing a lot of shopping overseas. 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- as quoted by Chossudovsky 1997:69).”*

*Conclusion & Solutions:*

As we saw above, 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/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.

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:

*As 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...(Ed. Staliusis et al 1995:97).*

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.

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.

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 perpetuates street crime. Similar to the oppositional culture that capitalist alienation and drugs nurture and tolerate (Anderson 1999: 111). 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)

#### *I. 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 humankind\*. Malcolm X witnessed such unity in Mecca during *Hajj*, the Muslim pilgrimage.

By emphasizing the common, non-hierarchical origin of humankind, under one creator God (Koran 4:1), the Koran constructs a society where illogical ideas of superiority are not only considered ignorant, they are looked upon as a major source of evil in the world.

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

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\* 6. In the 1990s, U.S cities had an average 'segregation index' of 66.5%. This means that around 67% of blacks would have to move to make the neighborhood integrated [Massey & Denton 1996:222]. Christian churches are even more segregated than U.S cities [Griffin 1999].

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 (as quoted by Zinn 1990:40). Such a justification is not possible if ideology is based ‘exclusively’ on a constitution that says:

*“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 (Koran49: 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)”*

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 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, pitching one against the other. By reducing the worth of everything, including human relationships to their "money" value, Capitalistic 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 don't even realize the depth of their bondage.

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:**

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 are among the poorest in this country, have lacked access to the media and effective public relations. 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.

### 4. *Investment Banks, Cartels and Counter Trade Embargoes:*

Cartels to control the price of primary commodities should be set up, so that the West doesn’t 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 U.S gas, as was witnessed last summer. 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.

##### *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” should 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”.

#### **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 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 colonialization 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 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. Let us also hope that the

masses in the West recognize this and change the agenda of the elite before the West “self-destructs” forcing history to repeat itself.

*“ 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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