

## COMBATING POVERTY

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### Summary

In relation to nature, humanity was born poor. And yet, in ancient societies poverty was never a factor to differentiate one human being from the other. There was societal poverty, without the existence of the individual poor.

Unable to control nature, primitive groups were poor, faced with food shortages, bad weather, and wild animal threats. But poverty did not strain social relations because everyone was equal.

As scarcity and dependency on nature diminished, making humans less poor, technology made poverty an inequality factor, separating one human being from another. Technology not only differentiated humans from nature, by creating wealth, but also differentiated one individual from another individual, fabricating poverty.

Technology brought civilization and, with it, poverty between people. An ethic of solidarity was there from the beginning among unequals—of the “haves” with the “have nots.” And yet, throughout history, some humans were not considered kin—there was often no sentiment of solidarity for slaves, Indians, prisoners of war, and infidels.

The solidarity of the wealthy towards the poor makes the idea of fighting poverty longstanding, taking various forms from time to time according to their main motive and historical purpose.

### 1. Mitigating Poverty with Solidarity: Charity for the Poor

The first and most direct way to mitigate poverty is by giving leftovers from the rich to alleviate the needs of the poor. Throughout the centuries, those who had something gave to those who had nothing. Helping the poor was an ethical duty but was never translated into a real commitment to eradicate poverty. The commitment was to feed the hungrier with leftovers from the tables of the rich, and to dress the naked with old rags. By giving to the poor for their basic needs, the rich obtained some spiritual compensation.

That is how, throughout history, religions transformed the act of giving into a transaction of mutual benefit: bread in exchange for heaven. While paradise was assured to the poor, the rich could only buy their lodging in paradise by buying a piece of heaven with alms.

In each of the great religions, alms was seen for the rich as a stairway to heaven; the state of poverty was the means of ascension for the poor. While becoming an instrument to mitigate poverty, alms also became a way to acquire virtue in order to win a better place in eternity.

Other religions consider wealth as a part of the divine acknowledgement of the qualities of the well off, but they retain charity as a refined form of philanthropy and as a virtue required by success.

In all cases, charity is an instrument that does not seek to eradicate the need for giving nor does it serve to fight poverty, rather it helps to maintain poverty. Alms is necessary to create virtue, and to exist it requires poverty. In this way, alms is a link in a vicious circle in which poverty and wealth depend on each other to justify the virtue of the poor and of the rich: of the poor for being poor, and of the rich for helping the poor (see *Changing Patterns of Consumption and Economic Security and the Environment*).

## **2. Fighting Poverty through the Economy: The Generation of Wealth**

The industrial revolution changed the idea of poverty and the way to fight it. Poverty became an economic phenomenon and no longer an ethical one. The way to defeat poverty was thought to be through economic growth, which only occurred fully with the abolition of poverty. Industrial civilization created a virtuous circle by which the rich wished to eliminate poverty so that they could become even richer. Economic growth is perceived to be the way to defeat poverty, and poverty is seen as a restraint to economic growth. As religious sentiments waned, paradise was transferred to earth: that is, wealth allowed humanity to build a utopia enabling all to be rich, even in life.

The promise was not to eliminate poverty but to build wealth for all.

In the same way that, in the Middle Ages, the poor were indoctrinated with the concept that they would more easily enter heaven than the rich, economic growth in the twentieth century spread among the poor the idea that, by working for the rich, they would be able to move out of their poverty. Being employed in industries that make products for the middle and upper classes would enable the poor to escape poverty by buying the goods and services they needed. And, with this spiral, social wealth would increase.

This logic is more visible in the countries that form the developing world, where the majority of the population have low incomes. In these countries, the governments and the elite treat poverty as the opposite of wealth. The accepted idea has been that poverty would be reduced as social wealth increased due to economic growth. The promise and sentiment has been that the wealth would be spread, thereby alleviating, reducing, and abolishing poverty when everyone was rich, and richer each year.

### **3. The Struggle through Sharing: The Role of the State**

This sentiment brought on a new phenomenon: the consideration that beyond poor people and rich people there were poor and wealthy countries, and that overcoming poverty among people was to be preceded by overcoming poverty in the country. The country had to be developed in order not to have poor. The way to eliminate poverty was different in the wealthy countries than in poor countries.

#### **3.1. The Struggle against Poverty in the Wealthy Countries**

Economic crises showed that economic growth does not automatically strengthen the battle against poverty. Recessions that bred unemployment interrupted the march towards reduced poverty.

Using the state to stimulate the economy was a brilliant way out of recession. During a recession, when the economy generated poverty through unemployment, which in turn created a deeper recession, the solution was for the state to employ the unemployed. The resultant increased demand for goods and services stimulated the economy, which, once again, would employ the unemployed. With its norms and instruments, the state assumed the role of reducing poverty by stimulating the economy: increasing production and distributing income among the poor.

Poverty was thus attacked on two fronts: firstly, assisting the poor with food stamps and unemployment insurance and secondly by creating economic growth. All taxpayers contributed to transforming the poor into consumers and the state was the instigator of the virtuous circle. Whereas the rich acted to alleviate poverty through alms during the Middle Ages, in the twentieth century the state began reducing poverty by enhancing the economy that induced wealth of the rich and reduced poverty through its distribution. The reality of decades of welfare has shown that it really has reduced poverty, but it has not abolished it. The USA and Europe have built dynamic economies that maintain centers of poverty and social exclusion at their core, and have exported poverty or the feeling of poverty around the planet.

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## Biographical Sketch

**Cristovam Buarque** has a mechanical engineering degree from the University of Pernambuco and a Ph.D. doctorate from the University of Paris, Sorbonne, in economics. Beginning his career as an industrial consultant in the Regional Development System in Brazil, he then worked for nine years with the Inter-American Development Bank, in Washington, D.C., and Latin American countries. In 1979 he became professor in the Department of Economics, University of Brasilia, a position he continues to hold. Professor Buarque also served as the rector/chancellor of the University of Brasilia from 1985 to 1989 and in 1986/87 he was concurrently elected as vice-president and president of the Council of the University for Peace of the United Nations in Costa Rica. From 1995 to 1999, Professor Buarque was governor of the Federal District-Brasilia. In 1999 he established the nongovernmental organization Missao Crianca, or Child Mission, which aims to help the children of poor families attend school, and he continues to act as its president. Professor Buarque has written 19 books (including four fiction) and many academic articles and has co-authored several books. His books (translated into English) include *The End of Economics* and *Abolishing Poverty*.