

Argentine faithful pray for jobs as poverty soars

By MICHAEL WARREN (AP) –

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BUENOS AIRES, Argentina — Now even the Pope says Argentina's sharp rise in poverty is a "scandal," and the government has been forced to agree, with former president Nestor Kirchner offering new poverty numbers that would represent a 50 percent rise this year alone.

Pope Benedict XVI's declaration came as thousands lined up to offer prayers Friday to Saint Cayetano, the patron of jobs and unemployed people.

The government hasn't updated its poverty rate since the end of 2008, leaving it stuck at 15.3 percent while making a series of changes to its official inflation index. Argentina's bishops, seeing growing crowds at soup kitchens, estimate that 40 percent of the nation of 37 million now lives in poverty.

Aides to President Cristina Fernandez had rejected the criticism until the Pope weighed in Thursday night, urging his bishops "to reduce the scandal of poverty and social inequality" during their annual charity drive. It was unusually strong language for the pontiff, and Fernandez quickly conceded, calling it scandalous that anyone is poor in a country as rich as Argentina.

"How can poverty not be scandalous?" added her husband, Kirchner, who oversaw continued growth during his 2003-2007 presidency, as Argentina recovered from a ruinous economic collapse in 2001.

"The important thing is the numbers. We have reduced poverty. And we are going to defeat it for everyone," Kirchner declared at a meeting of his political allies, where he claimed that "no more than 20, 22 or 23 percent" of Argentines are in poverty.

Independent economists say poverty is much worse, but even 23 percent would mean poverty has jumped by half in the last six months.

The inflation numbers compiled by the national statistics institute are key to all manner of economic activity in Argentina, from payrolls to pensions to bond payouts. Officially, inflation has risen just 2.7 percent in the first half of the year, but the official numbers have little credibility — only one in 10 Argentines surveyed last year believe them.

Actual inflation during the period was about 6.7 percent, according to Milagros Gismondi, an economist at private consultancy Orlando Ferreres y Asociados.

The lower official numbers have saved the government billions in payouts on inflation-indexed peso bonds, but uncertainty about their accuracy has reversed economic growth. Economy Minister Amado Boudou announced last week that a team of university experts would work with the statistics institute to "reinforce" the numbers.

After years of growth, the economy has been shrinking this year, and unemployment and inflation have risen sharply.

The official poverty rate assumes that a family of four can be fed on 445 pesos (\$116) a month. Gismondi estimates the real cost is 800 pesos (\$209), meaning millions more are in poverty.

"Justice, Bread and Work Wanted," is this year's theme at the capital's San Cayetano church, where people lined up all night to be among the first to touch the saint's image. They left bread crumbs as a symbol of thanks for what they have, or what they need.

"The motto was suggested by the same faithful who come to this sanctuary," explained the parish vicar, Marcelo Campesi. "They need to feel more secure, with decent jobs, and that all can have something, not just the few."

Associated Press writers Debora Rey and Mayra Pertossi contributed to this report.

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