3 GLOBAL DEVELOPMENT

**3.1 DEFINING AND MEASURING DEVELOPMENT, UNDERDEVELOPMENT AND GLOBAL INEQUALITY**

P.181 GETTING YOU THINKING

**Suggested answers**

**1.** No set answers.

**2.** First part: Reasons that blame Africans: criminal leaders, corrupt governments, civil war, mismanagement; reasons that blame the West: unfair terms of trade, debt, western indifference, western governments; reasons that blame geography: famine, disease, drought. (‘Poverty’: presumably included in the diagram by error.) Second part: no set answers.

P.186 fOCUS ON SKILLS: BURGERNOMICS

**Suggested answers**

**1.** Comparing countries in terms of their level of development is not easy. One could look at average incomes (converted into a single currency such as US$), but this would not allow for differences in the cost of living. Or, one could compare the price of a consumer product across different countries in terms again of, say, US$, but this wouldn’t allow for differences in incomes. The advantage of Pakko and Pollard’s measure is that it provides a simple metric that can be applied to many countries and takes account of both prices and incomes in each country.

**2.** In medicine, a holistic approach is one that argues that health requires that attention is paid to the whole person – mind, body and spirit. So a holistic approach to development would be one that didn’t focus on a single aspect – such as GNP (the monetary value of all goods and services produced in a set time period plus the value of exports minus imports) – but looked to improve the whole way of life of the members of a society.

**3.** The burgernomics index provides a relatively objective measure that facilitates cross-country comparisons. ‘Happiness’ by contrast is a subjective state which different countries could choose to measure in different ways, thereby making cross-country comparisons less reliable. (Note, though, that to say that the burgernomics index is more *reliable* is not to say that it’s more *valid*).

**4.** **The burgernomics index**: relatively reliable (though limited in application to those countries where McDonalds operates), but low on validity as it only measures one very narrow indicator of (economic) development.

**The gross national happiness index:** higher in terms of validity since it seeks to cover a range of measures of development, but if it used subjective measures of ‘happiness’ this would reduce its validity. Its reliability would be problematic if different countries used different indicators of happiness. (Note: its use is restricted to Bhutan currently).

**Gross Domestic Product:** (Note: GDP is more commonly used than GNP. GDP is equivalent to GNP minus the value of imports and exports.) GDP is the most widely used measure of development. It is relatively reliable since countries are required to follow established rules for measuring it. However, it is low in terms of validity since it is exclusively focused on economic output and doesn’t allow for differences in the population size of different countries. GDP per capita (i.e. per head of population) is more valid, but still represents a very narrow measure of development and conceals how equally or unequally national income is distributed amongst the population.

**Human Development Index:** The Human Development Index (HDI) is a tool developed by the United Nations to measure and rank countries' levels of social and economic development based on four criteria: life expectancy at birth, mean years of schooling, expected years of schooling and gross national income per capita.

In terms of validity, it includes a range of relevant indicators beyond GNI (equivalent to GDP) per capita thus enhancing its validity, although critics point out that it fails to include any ecological considerations. In terms of reliability, since the UN specifies how each of these indicators is to be measured, it should have reasonably high reliability.

p.197 FOCUS ON SKILLS: mICROCREDIT – BOOM FOR BUST?

**Suggested answers**

**1.** Microcredit is the lending of small amounts of money at low rates of interest to people who would not normally be able to borrow from commercial banks.

**2.** Microcredit is seen as a people-centred alternative because it puts money directly into the hands of poor people – particularly women – in contrast to Western aid which, Yunus claims, usually ends up in the pockets of the élite.

**3.** The main reasons for the difference in outcome of the provision of microcredit in Bangladesh compared to S. Africa appear to be that, in Bangladesh a special bank was set up to provide the loans whose primary goal was not profit; the loans were used for production and borrowers were closely monitored by loan officers. By contrast, in S. Africa, the loans were made mainly by commercial banks bent on profit; the loans were mainly used for consumption and borrowers were not closely monitored. In addition, in S. Africa, where loans were used for productive purposes, they had the effect of simply swamping an already vibrant informal economy, thereby pushing down prices and therefore incomes.

**4.** It is unclear whether microcredit schemes are more attractive to people living in developing societies than development schemes promoted by Western governments and agencies. It may depend, in part, on which ‘people’ in developing societies one looks at: élites or the rural poor. However, what is clear is that such schemes have had very different results in different countries and they appear to have done little to raise overall standards of living.

p.198 Check your understanding

**Suggested answers**

**1.** Development is about achieving economic growth and its positive social consequences, such as improvements in life expectancy, the lowering of infant and maternal death rates, mass education and literacy, the eradication of diseases of poverty, and so on.

**2.** The ‘crisis of modernism’ refers to the problems that modernisation has brought in its wake in the developed world, such as inequalities in the distribution of income and wealth which may be fuelling social problems such as poverty, homelessness, high rates of crime, drug abuse and suicide.

**3.** Dependency (theory) is associated with the economist-sociologist, Andre Gunder Frank (1971), who argued that developing countries have found it difficult to sustain development along modernisation lines not because of their own deficiencies, but because the developed West has deliberately and systematically underdeveloped them in a variety of ways, leaving them today in a state of dependency.

**4.** Many colonies have achieved political independence today, but dependency theory argues that their exploitation continues via neo-colonialism. Frank argued that these new forms of colonialism are more subtle but are just as destructive as slavery and colonialism. Frank identifies three main types of neo-colonialism. First, the terms of world trade are dominated by Western markets and needs. Second, Frank highlights the increasing transnational exploitation of the economies of developing countries. Third, Frank argues that aid is another means by which Western countries can exploit the developing world because it inevitably leads to such countries being in debt to Western governments and banks.

**5.** Two traditional values that inhibit modernisation, according to Parsons, are *religious values that stress patriarchy* – these particularly prevent intelligent and skilled women from competing equally with men and *ascription* – being born - and expected to remain - in a particular position, role, family, tribe, caste, gender and so on means that people lack both the motivation and the innovative ideas to try new roles or ways of doing things.

**6.** **The Human Development Index**: is a measure ofsocial wellbeing. It was created by the UN in 1990 and aimed to measure aspects of social wellbeing such as material standard of living as measured by income, years in schooling and adult literacy, the multiple disadvantages experienced by girls, life expectancy at birth, and the number of doctors per 100,000 of the population.

**Sustainable development,** although it has not been operationalised in the form of an index, would assess development in terms of how well it tackled a range of ecological worries – species loss, global warming, deforestation, toxic waste, the depletion of the world’s natural resources, and so on.

**Gross National Happiness:** This measure has been adopted by the government of the Himalayan kingdom of Bhutan, which has rejected Gross National Product (GNP) as a means of measuring development. Bhutan argues that the spiritual and emotional wellbeing of its people should take priority over wealth and income. Bhutan has therefore adopted a holistic approach to development focused on improving the environment in which people should live, regardless of their social backgrounds.

**7.** Two reasons why indicators such as GDP and GNP are seen as unsatisfactory measures of development are that they are very narrowly focused and assume that development is equivalent to economic growth, irrespective of other effects.

**8.** Two differences between traditional societies and societies characterised by high mass consumption are that, in the former, most of the population are dependent on subsistence farming and therefore eke out a living whereas, in the latter, most live in urban areas and enjoy an income that enables discretionary purchases.

**9.** This is the view taken by dependency theorists. It inspired the idea of ‘development as liberation’ from Western exploitation in Africa and in South and Central America, particularly in Cuba under Fidel Castro, in Venezuela under Hugo Chavez from 1999 until his death in 2013, in the Sandanista governments of Nicaragua in the 1980s, and in present-day Ecuador.

Critics of dependency theory have argued that a) ‘dependency’ is an extremely difficult concept to operationalise and therefore test or measure empirically, b) Frank paints the relationship between the metropolis and satellite as always negative, but some commentators have suggested this is over-simplistic. For example, it could be argued that Canada and Taiwan are satellites of the USA because both are very dependent upon US trade. However, it is doubtful whether these relationships are exploitative, c) Goldthorpe (1975) argues that it is incorrect to assume that colonialism, transnationals and aid are simply exploitative and that they have brought no benefits to the developing world. The British brought much-needed infrastructure to their colonies in the form of railways, roads, telecommunications, port facilities and urbanisation. Moreover, they provided people with wage-labour and organised land use to make it more efficient.

**10.** Modernisation theory agues that development requires societies to evolve through a series of stages: Stage 1 – The traditional stage. Stage 2 – The preconditions for take-off stage. Stage 3 – The ‘take-off’ stage. Stage 4 – The drive to maturity stage. Stage 5 – The age of high mass consumption.

Critics argue that a) it is ethnocentric because it clearly argues that Western forms of civilisation are technically and morally superior and that the cultures of developing societies are deficient in important respects, b) modernisation theory generally ignores the ‘crisis of modernism’ in the developed world, c) modernisation theory assumes that all societies cannot develop in the same way as modern Western societies because they exist within a global economy dominated by Western interests, e) the persistence of global poverty and inequality in 2015, after years of billions of dollars of investment in the development world, can be seen as the biggest thorn in the side of modernisation theory because most of that spending has been based on their principles.

**3.2 GLOBALISATION**

P.202 Focus on skills: THE GLOBALISATION OF MOBILE PHONES

**1.** (Note: the question should refer to *mobile phone* technology.) The statistics tell us that in 2014, 75 per cent of all telephones in Africa were mobile and Pew forecasts that by late 2019, there will be more than 635m mobile subscriptions in sub-Saharan Africa. However, the use of mobile phones is not evenly spread across the continent. For example, countries such as Nigeria and South Africa are phone-rich, while societies such as Ethiopia and Eritrea are phone-poor.

**2.** Among the reasons why mobile phone technology is increasing so rapidly in Africa are: a) the new range of smartphones are relatively cheap, costing less than £30, b) people are attracted by the easy access to social media, content-rich apps and video given the relative lack of radios, TVs and PCs, c) Africa lacks physical connectivity (i.e. roads and railways) and access to reliable electricity, d) they are also used to help poor people in remote areas find employment without travelling long distances.

**3.** Mobiles are more common than PCs or laptops because they are cheaper and because many people lack access to reliable electricity supplies.

**4.** Among the positive effects of mobile phones in terms of development in Africa are: a) data collection via cell phones has the potential to dramatically increase efficiency within health budgets, b) prepaid phone cards are also beneficial as a form of electronic currency: Africans in the developed world are buying prepaid cards and sending them to their relatives back home, who can then sell the cards to others, c) the mobile phone is creating virtual infrastructures, d) mobile money programmes enable citizens to trade money for goods or services, using their phones in place of banks, e) increased connectivity allows entrepreneurs to build support networks and expand their own services, f) they may be transforming African culture, infrastructure and politics: studies show that when 20 per cent of a population has the ability to exchange uncensored news and ideas through access to cell phones and text messaging, dictatorial regimes find it harder to control dissent.

**5.** Advances in mass communications and computer technology such as the internet, satellite television, mobile phones and social media have transformed the concepts of time and space. Information in all its varied forms – news, ideas, financial transactions and cultural products – can now be transmitted instantaneously to most global destinations. It is difficult to see how the acceleration in globalisation of the last few decades could have taken place without these technological advances.

P.209 CHECK YOUR UNDERSTANDING

**1.** Modelski (2003) defines globalisation as a historical process that is characterised by a growing engagement between peoples in all corners of the globe, while Cohen and Kennedy (2000) suggest that it refers to the increasing interconnectedness and interdependency of the world’s nations and their people into a single global economic, political and cultural system.

**2.** Neoliberalism refers to a set of political ideas /beliefs that have, arguably, dominated political discourse in the UK and USA and beyond since the 1980s. The key idea informing neoliberalism is that individual freedom is best guaranteed by the 'free market' and that the role of the state is to promote private enterprise (e.g. through privatisation) and remove barriers to the free operation of markets (eg by removing government regulation). Beyond this, the state should do as little as possible consistent with maintaining social order and providing a minimal safety net for those genuinely unable to support themselves (eg because of illness or disability).

**3.** Cultural globalisation refers to the rapid movement of ideas, attitudes, meanings, values and cultural products across national borders.

**4.** Wallerstein argues that the Modern World System is characterised by an international division of labour consisting of a structured set of relations between three types of capitalist zone: core, semi-periphery and periphery. The ‘core’, or developed countries, control world trade and monopolise the production of manufactured goods. The ‘semi-peripheral’ zone includes countries such as Brazil, India and South Africa, which resemble the core countries in terms of their urban centres but also have extremes of rural poverty. Countries in the semi-periphery are often connected to the core because the latter contract work out to them, such as the call centre or IT work done by Indians on behalf of British companies. Finally, Wallerstein identifies the ‘peripheral’ countries (such as much of Africa), which are at the bottom of this world hierarchy. These countries mainly supply minerals and cash crops to the core and semi-periphery, and are the emerging markets in which the core countries market their manufactured goods such as cigarettes.

**5.** Two examples of political globalisation are a) the development of supra-national political institutions such as the United Nations, NATO, the European community and the G8, and b) the rise of global social protest movements such as Amnesty International and Greenpeace, which aim to protect human rights and the environment respectively. In addition, an anti-capitalist global movement has developed, symbolised by protests outside G8 conferences, as well as the Occupy and Anonymous campaigns.

**6.** Three reasons why (relatively) free trade and market economies have become the norm globally since the early 1980s are: a) the collapse of the USSR and its alternative economic model of state socialism in the Eighties and Nineties, b) the embrace of neoliberal ideas by the USA and their subsequent spread because of the USA’s global dominance, and c) the adoption of neoliberal ideas by the arbiters of global economic policy, the WTO, the IMF and the World Bank.

**7.** According to Cohen and Kennedy (2000), the four transformations that have led to globalisation are: a) advances in mass communications and computer technology such as the internet, satellite television, mobile phones and social media which have transformed the concepts of time and space, thereby ‘shrinking’ the world, b) the development of an international division of labour and global financial markets, c) the development of cultural globalisation, and d) the development of reflexive modernisation, i.e. the unforeseen negative consequences of modernisation have come to preoccupy contemporary societies - problems such as terrorism, people-trafficking, climate change and environmental degradation, which emanate from much the same sources.

**8.** The key point here is that global risks have local consequences: in a globalised world, the local and the global are inextricably connected. For example, global warming and the resulting climate instability tend to effect coastal areas and those living in low-lying areas particularly, through gales and floods. Similarly, terrorist attacks tend to take place in particular locations: airports, big cities and international holiday resorts.

**9.** Marxists argue that capitalism has been an international phenomenon for hundreds of years. All we are experiencing at the moment, some argue, is a continuation, or evolution, of capitalist production and trade as the logic of capitalism propels manufacturing and marketing to seek greater profits in the global arena.

There is some truth in this claim, but the decades since the 1980s have arguably seen a whole new scale of capitalist expansion. For most of the twentieth century, capitalism was organised on a nation-state basis, but in the 1970s this system was faced with a crisis of stagnant growth and rising prices ('stagflation') and falling profits. Over the next two decades, Marxists such as William Robinson (2004) argue, capitalism was reorganised on a global scale with the growth of multi-national or transnational corporations (TNCs), under the influence of neoliberal ideas. Welfare capitalism in the First World was rolled back, the socialist project in the Second World ended with the so-called 'collapse of communism' and the countries of the Third World faced a debt crisis resulting from the failure of their developmentalist projects.

**10.** Arguments *for* globalisation as a positive phenomenon: Hyper-globalists (sometimes called optimists or positive globalists) suggest globalisation will eventually produce tolerant and responsible world citizens. This is the position of Sen (2002) who suggests globalisation represents hope for all humanity because it will produce a universal techno-scientific culture that will liberate people from poverty. Llosa (2000) suggests that much war and conflict is caused by local cultural differences, therefore the faster local cultures merge into a single global culture the better.

Arguments *against* globalisation as a positive phenomenon: pessimists argue that globalisation is a negative phenomenon because it is essentially a form of Western (and especially American) imperialism, peddling a superficial and homogeneous mass form of monoculture and consumption. Chang refers to the World Bank, the IMF and the WTO as the “Unholy Alliance” and claims they exist to “force” developing countries down the free-trade road. For example, the IMF and World Bank will often only lend money to developing countries on the condition that they adopt free-trade policies. Chang points out that, as a result, the neo-liberal world economy is dominated by the developed world – rich countries are responsible for 80 per cent of the output of manufactured goods, they conduct 70 per cent of world trade and are responsible for at least 70 per cent of investment.

**3.3 THE ROLE OF TNCs, NGOs AND INTERNATIONAL AGENCIES IN DEVELOPMENT**

P.215 Focus on skills: THE WORLD TRADE ORGANISATION

**1.** After the Second World War, in order to open up international trade, a General Agreement on Tariffs and Trade was signed to govern global trade and to reduce trade barriers and facilitate competition between nations. In 1994, an agreement establishing the WTO as a successor to GATT was signed because talks were taking place which would extend the trading system into several new areas, notably trade in services and intellectual property, and would seek to reform trade in the sensitive sectors of agriculture and textiles and it was felt that the GATT was unable to deal with these issues effectively.

**2.** The WTO is “adored by neoliberal thinkers” because it is seen as championing the free market and opposing government barriers to free trade.

**3.** Critics of the WTO claim that its policies are based on a “historical double standard” because it has, in the past, ignored the fact that developed countries have imposed tariffs on food imports and provided subsidies to their own farmers while expecting developing countries to remove tariffs and domestic subsidies. Efforts to deal with the former since 2001 have been unsuccessful.

**4.** The implication of seeing free trade as a more important goal than the protection of human rights or the environment is that the WTO will prioritise free trade in its negotiations and, at best, see the latter as of secondary importance and, at worse, ignore them.

**5.** If one looks at the agreements reached by the WTO over the years, there is plenty of evidence to support the Marxist view that it is an organisation that benefits TNCs at the cost of developing nations.

However, the WTO is a member organisation which seeks to reach agreement on the basis of consensus and, as the membership comprising developing nations has increased (in 2015, over three quarters of the 162 WTO members were developing or ‘least-developed’ countries) so the ability of developed countries to push through agreements that benefit themselves disproportionately has begun to be checked.

For example, at the most recent WTO ministerial summit in December, 2015 in Nairobi, Kenya, the rich nations wished to declare India’s National Food Security Act (which involves stockpiling food brought from farmers at fixed prices and distributing it to poor households at a discount when there are food shortages) as being in breach of WTO rules. They didn’t get their way because an agreement couldn’t be reached. The rich countries also failed in their attempts to get agreement on putting “investment” on the agenda.

As the NGO *Global Justice Now* argued: “The Nairobi deal hasn’t changed what remains a fundamentally unfair system of global trade. But for all that, the Kenya summit did show southern countries can still stand up and prevent the rich world running roughshod over them.” (Source: Alex Scrivener, 23/12/2015, *What really happened at the WTO summit?*)

However, in response to the increasing difficulties they face in gaining agreement at the WTO, neoliberal governments in recent years have sought to by-pass the WTO by negotiating bi-lateral, regional trade deals such as TTIP (the Transatlantic Trade and Investment Partnership) currently being negotiated between the EU and the USA.

According to Global Justice Now, these deals share many similarities: “(T)hey are designed to open up new markets for global corporations and create the conditions for them to be as lucrative as possible. Perceived barriers to trade, such as labour standards, food safety regulations and publicly provided services, are to be reduced or removed. Additional legal protection to safeguard corporate profits from the effect of government policy - such as raising the minimum wage or introducing plain packaging on tobacco products - will be introduced. And of course, the negotiations are held in secret and away from parliamentary scrutiny”.

Rather than the WTO, it is these deals which most clearly fit into the Marxist view. For example, one of the main aims of TTIP is the introduction of Investor-State Dispute Settlements (ISDS), which allow companies to sue governments if those governments’ policies cause a loss of profits. In effect, this would mean that TNCs could dictate the policies of democratically elected governments.

P.220 Check your understanding

**1.** Non-governmental organizations, or NGOs, were first called such in Article 71 in the Charter of the newly formed United Nations in 1945. While NGOs have no fixed or formal definition, they are generally defined as non-profit bodies independent of government (although they may receive government funding).Generally, the NGO label is given to organizations operating on an international level although some countries classify their own civil society groups as NGOs. NGO activities include, but are not limited to, environmental, social, advocacy and human rights work. They can work to promote social or political change on a broad scale or very locally. NGOs play a critical part in developing society, improving communities, and promoting citizen participation.

**2.** ‘Export Processing Zones’ or ‘Free Trade Zones’ are areas set up by developing countries in which TNCs are encouraged to build factories producing goods for export to the West. There are now some 5000 free trade or export processing zones in the world today, employing over 43 million workers, the majority of whom are employed in China’s Special Economic Zones.

**3.** This criticism is suggesting that NGOs don’t really want to end underdevelopment since they would then be out of a job. It can be regarded as a rather cheap shot since the same point could be made about any organisation whose clients are disadvantaged.

**4.** Oxfam, Christian Aid, the World Bank, the IMF.

**5.** NGOs carry out a wide range of functions in the developing world, including working on practical projects, education, human rights, lobbying and advice.

**6.** Chang (2007) refers to the WTO, the IMF and the World Bank as the ‘Unholy Trinity’ and suggests that they exist to strong-arm developing countries into accepting neo-liberal political policies in return for economic assistance.

**7.** Critics of TNCs argue that they should be subject to international law because they often operate with impunity in developing countries. For example, Shell in Nigeria and RTZ in Angola have exploited natural resources with ruthlessness and indifference. Indigenous people have had their land forcibly seized and, despite international protests, have been removed at gunpoint from their homelands by local elites working on behalf of these TNCs. Similarly, the sweatshop conditions of transnational factories in developing countries have been criticised, especially for their use of child labour and exploitative rates of pay. In Britain, chain stores such as Primark and Matalan have been accused of encouraging these exploitative practices.

**8.** The anti-globalisation movement has promoted debate about the relationship between the West and the developing world by engaging in a number of activities designed to alert the public to examples of corruption, exploitation and human rights abuses, such as boycotting goods because they are produced by environmentally unfriendly methods or by regimes with poor human rights records; signing petitions and engaging in full-blown street protests and anti-corporate behaviour that verges on the criminal, for example, vandalising the stores of global corporate ‘villains’.

**9.** See the answer to P38 Focus on skills: the World Trade Organisation, q5 above.

**10.** Neoliberals and modernisation theorists see TNCs as playing a major positive role in helping societies to develop. Rostow (1971), in particular, saw the injection of capital that is required in his ‘pre-conditions for take-off’ stage as partly originating in TNC investment. Such companies also bring in technology and knowledge that the host country does not possess. Rostow therefore saw TNCs as essential in kick-starting the economy. Similarly, neo-Liberals such as Friedman argue that TNCs benefit societies because they create jobs and provide local people with a regular wage (especially compared with subsistence farming). TNCs may also invest in education and skills as well as transport and communication infrastructures in the developing world.

However, any profits made are likely to leave the country since the majority of owners/shareholders will live in the West and the TNCs are likely to be registered in tax havens. Also, the tax take in the developing country is likely to be limited if the TNCs are located in EPZs or FTZs.

In contrast, Marxists are generally very critical of the activities of TNCs. They argue that TNC investment in development is very much a part of the modern type of capitalist exploitation known as neo-colonialism. Ellwood (2010) argues, for example, that economically powerful TNCs are bullying smaller, less economically powerful countries to open up their economies to private investment.

**3.4 DEVELOPMENT IN RELATION TO AID AND TRADE, INDUSTRIALISATION, URBANISATION, THE ENVIRONMENT, AND WAR AND CONFLICT**

p.227 Focus on SKILLS: AID, DEBT AND AFRICA

**1.** Calderisi argues that corruption in Africa undermines development because leaders are more interested in enriching themselves than helping their own people and corruption saps the energy of the poor, dulls their enterprise and makes them fatalistic and cynical about the possibility of change.

**2.** Sierra Leone was required to privatise many of its public enterprises including shipping and roads.

**3.** Calderisi argues that aid has failed to promote development in Africa because its leaders are often corrupt and therefore more interested in enriching themselves than helping their own people. Furthermore, these same leaders have badly mismanaged both their economies and their debts. Finally, Calderisi argues that Africa is characterised by a lack of unity because of tribal and border disputes and this has undermined the ability of African countries to cooperate with one another in trade and in sharing infrastructure such as transport and telecommunications.

**4.** The provision of aid by the IMF and World Bank is often tied in to Structural Adjustment Programmes which are based on neoliberal ideas relating to free trade, privatisation and shrinking state welfare provision. Moreover, given the embrace of neoliberal ideas by most Western governments since the 1980s, much government aid demands similar reforms – as in the case of Britain’s bilateral aid agreement with Sierra Leone in 2002.

**5.** Supporters of aid suggest that targeted aid has had some significant positive effects, especially if systems of accountability are firmly in place. They argue that the problem with most aid is that it is not targeted. It is generally just handed over to the government of the recipient country and often goes astray. Aid from this perspective, therefore, is not a bad thing but it does need to be reformed. The neo-modernisation thinker Sachs (2005) takes this reformist position when he insists that “aid works, when it is practical, targeted, science-based and measurable”. In particular, he argues that aid aimed at improving health, and especially child mortality, has been successful because it has resulted in mass immunisation for millions of children against diseases such as polio, diphtheria and measles.

Critics of aid acknowledge that the first 20 years of aid – from the 1950s to the 1970s – were relatively successful in improving life expectancy, reducing mortality rates, increasing literacy rates, and improving economic growth and therefore living standards around the world. However, these critics argue that the last 30 years of aid show that this progress has stalled and that aid is failing in its overall goals.

Neo-liberals such as Erixon (2005) argue that, although billions of dollars have been given in aid, most African countries, and Asian countries such as Bangladesh and Afghanistan, are poorer today than they were at the time of their political independence. Both absolute poverty and relative poverty (that is, the gap between rich and poor) in the developing world have actually increased in the past 40 years. Erixon also observes that aid to Africa generally seems to have lowered rather than increased economic growth.

Neo-Marxists, particularly Theresa Hayter (1981), reject the view that the primary function of aid is to assist development. Rather, they suggest that it deliberately functions to bring about and sustain underdevelopment, and to reinforce Western monopoly of wealth, consumption and political power.

Rist (2010) argues, from a post-development perspective - that foreign aid is merely another tool of US neo-liberalism that has attempted to dominate economic and political thinking worldwide since the end of the Second World War. He argues that aid sends out an ideological message to the developing world that the poor are guilty of not being rich and implies that this can be changed by adopting Western forms of economic thinking and consumer tastes. Post-development thinkers therefore see aid as a vehicle for accelerating the adoption of Western consumerism as a way of life.

The fact that countries such as China, Vietnam and Cuba have managed to grow and develop without aid suggests that it is not a necessary aspect of development. Moreover, as Marren notes, no country has ever developed through aid alone. Consequently, the view that aid is an essential agent of development is mistaken and the view that it has a positive impact at best dubious.

p.239 Focus on skills: civil war and blood diamonds

**1.** The RUF destroyed villages and raped women.

**2.** This claim is based on his assertion that $10,000 could buy an army of young men.

**3.** Kaldor (2006) argues that the wars that have broken out in the developing world differ considerably from ‘old wars’. She refers to wars in the developing world as “new” wars. She argues that such wars display 5 characteristics:

* they are often associated with ‘identity politics’ e.g. in terms of ethnicity,
* they involve guerrilla warfare and counter-insurgency rather than mass battles,
* they are funded through plunder, hostage-taking and the black market, or through external assistance – funding from their diaspora, the hijacking of aid, and support from neighbouring governments,
* TNCs may advance massive amounts of funding to rebel movements in return for resource concessions in the event of a rebel victory,
* rebel leaders or warlords are often influenced by globalised (consumer) culture.

The civil war in Sierra Leone was not based on ethnicity or any other aspect of identity politics and it does not appear that the RUF received funding from TNCs hopeful of gaining advantage if the RUF won. On the other hand, the fighting mainly took the form of guerrilla warfare, the RUF funded itself through ‘blood diamonds’ and it received help from the ex-president of Liberia, Charles Taylor. It is unclear whether the RUF leaders were influenced by global consumer culture. Hence, whilst Kaldor might describe it as an example of a ‘new war’, it doesn’t fulfil all the criteria.

**4.** The Kimberley Process Certification Scheme (KPCS) is the process established in 2003 by the UN to prevent "conflict diamonds" from entering the mainstream rough diamond market The process was set up "to ensure that diamond purchases were not financing violence by rebel movements and their allies seeking to undermine legitimate governments" (Kimberley Process website).

As such, the Process should help to reduce one of the potential sources of funds for rebel groups and, indirectly, armed conflict. However, the effectiveness of the Process has been brought into question by organizations such as Global Witness, which pulled out of the scheme on 5 December 2011, claiming it has failed in its purpose and does not provide markets with assurance that the diamonds are not conflict diamonds. This being the case, its impact on armed conflict in developing countries is likely to be minimal.

**5.** In 1998, a study of 34 of the world’s poorest countries found that two-thirds of them had either recently been involved in a civil war or were currently in one. It can therefore be concluded that poverty and underdevelopment are high risk factors with regard to civil conflict.

Collier agrees that underdevelopment can lead to civil war. He argues that civil wars, particularly in Africa, often occur in countries in which state revenues have declined because the economy is failing to grow. Collier notes that low income produces poverty and low economic growth produces hopelessness. Young men, who are the recruits for rebel armies, come cheap in an environment of hopeless poverty. Collier argues that life itself in developing societies is cheap, and joining a rebel movement gives young men a chance of riches.

P.240 Check your understanding

**1.** ‘Bilateral aid’ is aid given by one government to another and accounts for approximately 70 per cent of all official aid to developing countries.

**2.** The ‘bad governance trap’ is one of two problems that exist in recipient countries that can render aid ineffective, according to Collier (2008). Collier highlights the problem of kleptocracies – corrupt elites – which run many developing societies. The Commission for Africa (2005) estimated that the amount of money, often originating in aid, stolen by corrupt elites and held in foreign bank accounts is equivalent to more than half of Africa’s external debts.

**3.** “The Green Revolution was the notable increase in cereal-grains production in Mexico, India, Pakistan, the Philippines, and other developing countries in the 1960s and 1970s. This trend resulted from the introduction of hybrid strains of wheat, rice, and corn (maize) and the adoption of modern agricultural technologies, including irrigation and heavy doses of chemical fertilizer. The Green Revolution was launched by research establishments in Mexico and the Philippines that were funded by the governments of those nations, international donor organizations, and the U.S. government. Similar work is still being carried out by a network of institutes around the world.” (Encyclopedia.com) The green revolution is associated with the growth of ‘agribusiness’- industrial scale agricultural production.

**4.** ‘Tied-aid’ is aid that is given on the condition that recipient countries spend it on products and services provided by the donor country.

**5.** According to Kaldor (2006), ‘old wars’ tended to be between nation states in which the whole country was organised on a war footing to support its military efforts on clearly delineated battlefields. ‘New wars’ in developing countries tend to involve within-nation conflicts between governments and rebel groups seeking to overthrow the government using guerrilla tactics.

**6.** The four ‘Asian tigers’ are the high-growth economies of Hong Kong, Singapore, South Korea and Taiwan. They represent a sub-set of the broader category of Newly Industrialising Countries (NICs). They have consistently maintained high levels of economic growth since the 1960s, fuelled by exports and rapid industrialization, which enabled these economies to join the ranks of the world's richest nations. Hong Kong and Singapore are among the biggest financial centres worldwide, while South Korea and Taiwan are important hubs of global manufacturing in automobile/electronic components and information technology, respectively. These societies were able to develop ‘export-oriented industrialisation’ (EOI) because of substantial foreign investment in assembly-line production and computerised technology.

**7.** Two differences between cities in the developed and developing world are that cities in the latter tend to be characterised by high rates of urban unemployment, underemployment and subsistence poverty and the creation of extensive slums and shanty towns.

**8.** See answer to q5, Focus on skills: aid, debt and Africa (p50) above.

**9.** Duffield (2001) argues that “development is ultimately impossible without stability, and, at the same time, security is not sustainable without development.” In other words, war impedes development. He also argues that there is a growing recognition because of globalisation that an excluded developing world may encourage international instability through war, criminal activity and terrorism. Within this new security framework, “underdevelopment has become dangerous” and is often a motivation to engage in conflict and war. The current conflicts in the Middle East bear testament to these claims.

**10.** Historically, trade, industrialisation and urbanisation have all been associated with development, but it is unclear whether they are ‘essential’ features of this process.

In economics, the theory of comparative advantage suggests that if countries specialise in the production of goods and services for which they have a comparative advantage in terms of opportunity costs (i.e. the alternative goods and services they could otherwise produce) and then trade with other countries, all will benefit. However, the terms of trade are arguably loaded in favour of developed countries – hence the ‘fair trade’ movement. Moreover, the Asian tiger economies developed by adopting an interventionist, protectionist approach. They used subsidies to reward companies for meeting national targets and used tariffs and quotas to protect key sectors of their industries from imports whilst their industries became established. Only then did they turn to international trade.

Industrialisation is a more plausible ‘essential component’ since it is difficult to see how else developing countries could provide the infrastructure associated with development: clean water, sanitation, electricity, roads, bridges, tunnels, etc., let alone the consumer products associated with development (although these could be imported, of course).

Urbanisation too is probably a necessary component in terms of establishing the political, administrative and educational infrastructure associated with developed societies.

Nevertheless, it is not possible to entirely rule out alternative routes to development that could become available in the future.

**3.5 ASPECTS OF DEVELOPMENT: EMPLOYMENT, EDUCATION, HEALTH, POPULATION AND GENDER**

P.250 FOCUS ON SKILLS: HEALTH CARE IN CUBA

**Suggested answers**

**1.** Two obstacles that Cuba has overcome in order to provide its citizens with health care are limited resources and economic sanctions imposed by the USA. (Note: on the 20th March, 2016, President Obama made the first visit by a US leader to Cuba in nearly 90 years. Critics of the embargo are optimistic that this will signal its eventual repeal.)

**2.** Since 1963, Cuba has sent doctors and other health workers throughout the Third World to treat the poor. Currently, nearly 30,000 Cuban medical staff are working in over 60 countries around the world. In 2014, LABIOFAM, the Cuban chemical and biopharmaceutical research institute, launched a vaccination campaign against malaria in no fewer than 15 West African countries. Similarly, Cuba trains young physicians worldwide in its Latin American School of Medicine (ELAM). Since its inception in 1998, ELAM has graduated more than 20,000 doctors from over 123 countries.

**3.** The infant mortality rate at 4.2 per 1000 births in Cuba is lower than it is in the United States and is among the lowest in the world. It is the best performer on the continent and in the Third World generally.

With a life expectancy of 78 years, Cuba is one of the best performers on the American continent and in the Third World, achieving results similar to those of most developed nations.

**4.** The main reason why Cuba has managed to develop an effective health care system despite its limited resources is that it has concentrated on prevention rather than cure. The key feature of this model is an annual health assessment, a full health check-up which every citizen is required to undergo. To serve its population of 11 million, the country has 90,000 doctors according to the BBC (December, 2015). That is eight for every 1,000 citizens - more than double the rate in the US and in the UK (the US has 2.5 doctors per 1,000, the UK 2.7 per 1,000 according to the World Bank).

**5.** The Millenium Development Goals established by the UN in 2000 included 3 (out of the 8 total) that related specifically to health: to reduce child mortality; to improve maternal health and to combat HIV/AIDS, malaria, and other diseases.

There are a host of reasons why these have not been achieved in many developing countries including the failure to train sufficient numbers of medical personnel, the poaching of medical personnel by developed countries and the lack of affordable drugs. However, beyond these medical issues are the underlying problems of war, poverty, lack of clean water and sanitation, limited education, corrupt governments and so on.

p256 FOCUS ON SKILLS: the challenges of low status for women

**Suggested answers**

**1.** Two ways in which women in Bangladesh working in clothing factories are exploited are that they are required to work 14 hour days and have only 2 days off each month.

**2.** TNCs use sweatshops in developing countries because it reduces their costs: they can pay lower wages and often don’t have to worry about health and safety legislation or paying sick pay or holiday pay.

**3.** Most world religions originated in patriarchal societies. Religious fundamentalists interpret the original teachings of their religion literally. Consequently, they feel threatened by women who challenge the gender roles expected at that time.

**4.** Most people working in the field accept that education is a basic human right and a significant factor in the development of children, communities, and countries. It is seen as essential in breaking inter-generational chains of poverty because education, especially for girls, is fundamentally linked to other development goals, such as economic growth, gender empowerment, improving maternal health, reducing child mortality and fighting the spread of HIV. For example, education and qualifications can empower females both economically and personally, and this enables them to make confident choices that benefit their health and futures, such as delaying marriage, choosing to use contraception and choosing to reject female genital cutting. This is supported in the study by Murthi et al. (1995), who found that in quantitative terms the effect of female literacy on lowering child mortality is extraordinarily large.

**5.** Undeveloped countries by no means have a monopoly on gender inequality. For example, men earn more than women in all societies. However, the extract details some shocking examples of patriarchy in Bangladesh and the evidence suggests that gender inequalities generally are greater in undeveloped societies. For example, according to Seema Jayachandran (2014):

* The World Bank’s World Development Indicators (WDI) data set reveals a strong relationship between the size of the gap between male and female college enrolment rates and GDP per capita, with the lower the GDP per capita the greater the gap.
* In the World Values Survey (WVS) - a set of nationally representative surveys

involving both men and women - one of the survey questions in Wave 5 of the survey (2004-09) asked respondents if they agreed or disagreed with the statement, “On the whole, men make better business executives than women do.” The poorer the country, the more frequently respondents agreed with the statement.

* Using data from the Demographic and Health Surveys (DHS) - which are nationally representative surveys of women age 15 to 49 conducted in low- and middle-income countries (excluding China) - tolerance for gender-based violence varies considerably across countries (from less than 1 percent to over 85 percent), but it tends to be higher in poor countries.
* The same surveys also ask questions about authority relations within marriage, for example, whether females have a say in household decisions about making large purchases. The poorer the country, the less likely women are to influence these spending decisions.
* The GDP gradient in women’s welfare is also seen starkly in responses to a WVS question about one’s sense of control over one’s life; respondents were asked to rate “how much freedom of choice and control you feel you have over the way your life turns out.” Women in developing countries report having relatively less control over their lives than those in developed countries. There is particularly little freedom of choice for women in India, the Middle East, and North Africa.

p.258 CHECK YOUR UNDERSTANDING

**Suggested answers**

**1.** ’Demography’ is the study population and how it changes or stays the same.

**2.** The ‘informal economy’ refers to economic activity that is not officially recorded and may be unpaid.

**3.** ‘Biomedical health-care systems’ are health care systems that focus on treating sick people using knowledge, techniques and devices deriving from biomedicine. Ill-health, from this perspective, is seen as a product of genetic abnormalities, germs, accidents or injuries.

**4.** ‘Ecofeminism’ is a school of feminism which combines ecological concerns with feminist ones, regarding both as resulting from male domination of society.

**5.** Two cultural factors that, according to modernisation theory, can lead to overpopulation are: traditional religions such as Islam and Roman Catholicism, which are responsible for the high birth rates in the developing world because they oppose contraception and patriarchal belief systems that deny women access to contraception, education and employment.

The 1992 World Bank report pointed out that women without education, on average, have seven children, but education reduces the average to three children. Evidence from Bangladesh (a predominantly Islamic society) showed a 21 per cent decrease in fertility rates between 1975 and 1991 because of a national family-planning programme. McMichael argues that there is a clear correlation between improving women’s rights and declining fertility rates.

**6.** Education is seen as essential in breaking inter-generational chains of poverty because education, especially for girls, is fundamentally linked to other development goals, such as economic growth, gender empowerment, improving maternal health, reducing child mortality and fighting the spread of HIV. For example, education and qualifications can empower females both economically and personally, and this enables them to make confident choices that benefit their health and futures, such as delaying marriage, choosing to use contraception and choosing to reject female genital cutting. This is supported in the study by Murthi et al. (1995), who found that in quantitative terms the effect of female literacy on lowering child mortality is extraordinarily large.

**7.** One reason why there are global inequalities in health is the existence of global inequalities in standards of living. The main reason for the initial increase in longevity in the developed world was not medical developments, but improvements in water supply, sanitation, diet, air quality and so on. The poverty of underdeveloped countries has a number of consequences for health: it often results in malnutrition for children, which makes it difficult for them physically to fight disease; it means societies often lack the cash to invest in public-health systems such as clean water, toilets and sewerage systems (water-borne diseases caused by sewage are major causes of death in many developing societies) and it means that many developing societies do not have the money to invest in national health-care systems or even to immunise their children.

Another reason is the high cost of manufactured pharmaceuticals and medical technology, which are mainly produced by Western-based multi-national companies and which developing societies often cannot afford.

**8.** Work in the formal sector is generally regulated, to a greater or lesser extent, by the state and subject to income tax. The bulk of the work undertaken in the informal sector is low-paid, insecure, unsafe and of low productivity. Also, as it goes untaxed it does not contribute to the funds that would be available to governments for infrastructure or social investment.

**9.** In 1925, there were only two billion people on the planet. In 2015, the population of the world was 7.3 billion people. The United Nations forecasts that, by 2050, the world’s population will hit 9.2 billion and nine out of every ten people in 2050 will live in a developing country. Before 2020, more than half of the total population in developing countries is expected to be living in cities and towns and this proportion is likely to increase subsequently. Both these developments have massive environmental implications in terms of how they can be fed, clothed and housed without further environmental degradation.

**10.** For feminists, patriarchy is a universal feature of all societies and therefore something that women everywhere have to cope with. But as the answer to Q5 of *Focus on skills: the challenges of low status for women* (p79) makes clear, women in the developing world generally have it tougher. It is also the case that women’s experience is not just a matter of gender and nationality, but varies with social class, ethnicity (including religion), age, ability and sexuality, in particular.