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The politics of poverty in the periphery

By Timothy Shaw

"It's the same the whole world over
It's the poor what gets the blame
It's the rich what gets the pleasure
Isn't it a blooming shame."

— Song from the
1914-1918 war

"Current trends point to a sombre future for the world economy and international relations. A painful outlook for the poorer countries with no end to poverty and hunger, continuing world stagnation combined with inflation . . . the 1980s could witness even greater catastrophes than the 1930s."

— North-South
(Brandt Commission Report)
(1980)

The world now contains more poor people than ever; and their numbers are projected to continue to increase into the foreseeable future. Paradoxically, this post-war explosion in the ranks of the poor coincided with the movement towards decolonization in the Third World; just when the problems produced by colonialism were intensifying the colonial masters retreated to the comforts of their own surroundings. The new post-colonial leaders were immediately confronted with massive difficulties exacerbated by their peoples' wild dreams: how to control populations growing at exponential rates with great expectations about the golden age of independence?

Awareness about the intractable problems of poverty in the Third World grew slowly in the sixties—the decade of independence—but faster in the seventies—the second UN Development Decade. The 1980s have opened in an ambivalent mood. Development strategies are being reassessed given the lack of either growth or redistribution since independence. Moreover, the general global economic crisis from the mid-1970s onwards has produced a widespread re-evaluation of international economic relations and institutions. There is a danger that the plight of the poor will be overlooked as the very rich and middling rich countries scramble to salvage their own affluence. "Protectionism" and "reindustrialization" in the North threaten to take away even the marginal gains that the Third World has made in the last twenty or thirty years.

The poor continue to grow

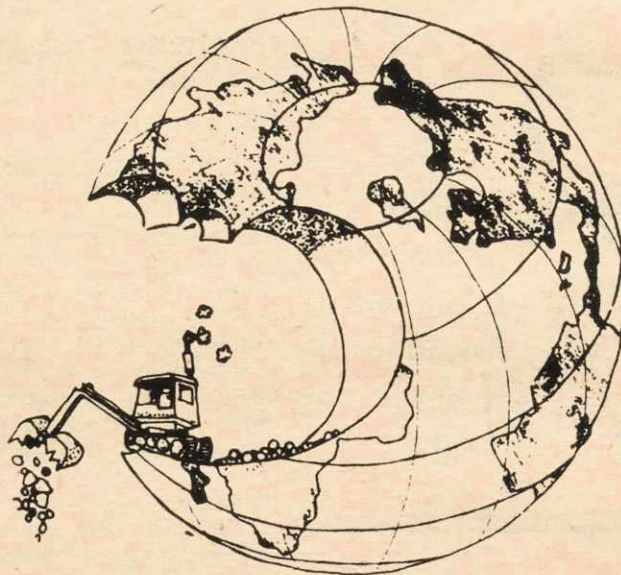
Because of low levels of economic growth and high levels of population growth "the number of people in absolute poverty has increased," according to the latest **World Development Report**. And the "gap" continues to widen. Over the last 30 years, the **economies** of the industrialized and middle-income countries have grown by 3% per annum; those of

the low-income countries by just 1.3% each year. By contrast, the **populations** of the former groups have grown by 1% or 2.5% per annum; of the latter by 2.4% each year. So income per person in the industrialized countries has almost trebled in 30 years from \$3,841 to \$9,684; in the middle-income countries it has more than doubled from \$625 to \$1,521; whereas in the low-income countries it did not even double between 1950 and 1980, just rising from \$164 to \$245 per person.

The Basic Human Needs of a growing number of people are not being met as the year 2000 approaches. As the Brandt Commission points out:

"Precisely how many people in the Third World live in such conditions of poverty, no one can say. The International Labour Office estimated the number of destitute at 700 million in the early 1970s. World Bank estimates today put them at 800 million. This suggests that almost 40% of the people in the South are

World coalitions—have begun to demand changes in the structure of the global economy to turn around such asymmetries and to permit the Third World to develop itself without having to subsidize growth in the First World. The Non-aligned were initially concerned with the Cold War and bipolarity; now they are demanding a New International Economic Order (NIEO) as a prerequisite for development and the satisfaction of Basic Human Needs in the Third World. Hence the special general assemblies of the United Nations on international development and the Conference on International Economic Cooperation (the Paris dialogue). But the range of issues is lengthy—trade, technology, finance, labour, energy, commodities, industrialization, corporations, etc.—and the number of actors is large. Progress has been retarded by the general recession in the global economy since the mid-1970s. The prospects for the Brandt Commission's "mini-summit" this summer in Mexico City are not good.



surviving - but only barely surviving - in . . . poverty . . . with incomes judged insufficient to secure the basic necessities of life.

The irrelevance of independence

Such poverty poses major political, as well as social and economic, problems for the new leaders of the Third World: instability and **coups** have their roots in the inability of these states to alleviate suffering. Despite the very considerable efforts made by national regimes and international organizations, standards of education, health, communications and services have not improved significantly since independence. Poverty cannot be attacked successfully without changes in the global as well as the local economy. The Third World was incorporated into the world system decades ago and the benefits of international exchange have flowed to the North, to advance its industrialization and affluence.

The Nonaligned States, and the Group of 77 in UNCTAD—two collective Third

From interdependence to isolationism?

However, disorder in the world system should act as an incentive to cooperation, restructuring and redistribution. As is pointed out in **North-South**, there is a mutual interest in moving beyond the post-war Bretton Woods system and towards some form of NIEO:

While the international system has become much more complicated, with more independent nations, more institutions and more centres of influence, it has also become much more interdependent. More and more local problems can only be solved through international solutions . . . the achievement of economic growth in one country depends increasingly on the performance of others.

However, even if awareness of interdependence expands, a tension remains over whether poverty in the Third World or inflation in the First World is the

primary issue. In 1964 Lyndon Baines Johnson asserted that "For the first time in our history it is possible to conquer poverty." Yet, there is more poverty now than ever and protectionist pressures in the North may retard progress in the South. Unless the Nonaligned continue to demand a NIEO we may even lose sight of international inequalities let alone begin to do anything about them. As the Brandt Commission laments:

Few people in the North have any detailed conception of the extent of poverty in the Third World or of the forms that it takes. Many hundreds of millions of people in the poorer countries are preoccupied solely with survival and elementary needs . . . In the North, ordinary men and women face genuine economic problems - uncertainty, inflation, the fear if not the reality of unemployment. But they rarely face anything resembling the total deprivation found in the South. Ordinary people in the South would not find it credible that the societies of the North regard themselves as anything other than wealthy.

Given inherited structures of international exchange, the North has grown because of the South. Processes of international dependence and underdevelopment mean that those of us who live reasonably comfortable lives in the North cannot escape from some recognition and responsibility of our association with the poverty of the South. As George Bernard Shaw said in **Man and Superman**: "I am a gentleman: I live by robbing the poor." The global poor are now demanding reparations and redistribution from the international aristocrats, not to catch-up or emulate but merely to begin to be able to satisfy their Basic Human Needs. President Julius Nyerere of Tanzania expressed the Third World's frustration well in 1977:

The complaint of the poor nations against the present system is not only that we are poor both in absolute terms and in the comparison with the rich nations. It is also that within the existing structure of economic interaction we must remain poor, and get relatively poorer, whatever we do.

Timothy M. Shaw is an Associate Professor of Political Science at Dalhousie. He has recently authored a monograph for its Centre for Foreign Policy Studies on **Towards an International Political Economy for the 1980s: from dependence to (inter)dependence**. It deals with several of the issues discussed in this article and includes two comments from experts in the field. It is available for \$2.50 (\$2.00 for students) from Room 351 in the Arts & Administration Building at Dalhousie.