

NORTH VS. SOUTH

A Short Summary of World Development

By JOHN HAMILTON

The Third World. Underdevelopment. Foreign Aid. Multinational Corporations. Colonialism. If you are not familiar with each of these terms, no doubt you have heard them bantered about between politicians and in the media. Why is world development such a big issue today? After all, isn't development a natural process -- the western countries once went through primitive, pre-technical stages, and each race and continent must make its own way in man's progress. And as our duty as a wealthy, Christian nation, we must accelerate this process by providing financial aid to the underdeveloped world.

Well, this simple analysis of development is generally taken no farther. We send, food, and money, and technical expertise over to those countries (often places we have never even heard of before, and can much less pronounce) and feel that everything will be all right. The idea of underdevelopment is a very hazy one, especially to us in a rich, industrialized country. The fact is that international development is an incredibly complex topic involving world

WEALTH

- ★ More than three-quarters of all wealth created in 1981 went to the already rich quarter of the world's population.
- ★ Average rich world incomes increased by almost \$1,400 whilst the poorest quarter got an extra \$30.

During 1981 the Third World's repayments of past loans totalled about the same as all new aid and loans. The price the Third World gets for its raw materials again fell in relation to the price it pays for manufactured goods. So industrialised nations benefit from the 'terms of trade' as well as the employment and 'value added' from processing raw materials on which the poor world depends for its living.



FOOD

- ★ The 1981 harvest was big enough to feed 1 1/2 times the world's population.
- ★ Yet 100 million children went to bed hungry each night.

In global terms there is no food problem -- production has been expanding faster than population growth. But each year there are more malnourished people because of what the World Bank calls a 'shortage of effective demand' for food -- people can't afford to buy it. So one third of world cereal production goes to feed cattle, while 450 million people go hungry. The hungriest continent, Africa, is a net exporter of protein to Europe.



politics and economics, stereotypes and cultural misunderstandings, and historical and military factors, which when combined together make it a formidable subject for even the best-informed. This article will attempt to simplify and explain some of the facts and fallacies behind development.

First of all, where is the Third World? Well, we live in the first, or developed, world, consisting of Western Europe, North America, Japan, and Australia and New Zealand. The Soviet Union and its satellites comprise the Second World, and the Third World consists of over 100 countries in Africa, Latin America, Asia, and the South Pacific. Most of these countries have gained their political independence within the past 40 years, which makes many people wonder why there is a problem. After all, isn't an independent nation a self-sufficient entity? Well, even though the French or British or Dutch flags were hauled down and the colonial rulers went home, even though the new nations came under their own presidents they cannot be called fully independent. They have simply entered the era of neo-colonialism.

This new form of colonialism is of an economic, not a political form, reflecting the current power structure of the world. Nearly 90% of the developing countries are integrated into the western economic, or capitalist, system. Only a few countries, such as China, Cuba, and Albania, are exceptions. The economic domination of the world by the western countries, Canada, included, is both very simple and incredibly complex. Simply stated, the whole idea of making profits is at odds with that of development; raw materials

are purchased from the economically weak countries, processed and manufactured in the industrialized world, and sold back to the underdeveloped countries at a profit. Sugar cane is one example: Canada imports raw sugar from the south, refines it here, and sells back white sugar to those countries that don't refine it themselves... all at a profit.

Many countries depend on one or two products for the bulk of their foreign exchange. Sugar is one example; others are copper, coffee, and cocoa. Commodities such as these are bought in the international marketplace, where prices can rise and fall depending on many factors. For one-product countries like this, a sudden drop in the world price can spell disaster for their economies. This political independence seems a bit less important when one considers that essentially their economies are controlled by the outside, business world.

So why isn't change possible? Why can't these places industrialize like Canada has? Well, the rich countries seem to hold all the cards in the game of development: the west also holds the levers of economic change. The first world have a majority of votes in the world bank, the body that distributes billions of dollars of international loans. The rich countries have tariff regulations which actually discourage the poorer countries from processing their own raw materials. It is really to our benefit to keep the third world as it is, for it is both a source of cheap raw materials and a huge market for our manufactured goods, foods, and technical expertise.

HEALTH

- ★ Four out of five children in the Third World never see a health worker.
- ★ Out of 125 million children born in 1981, twelve million will die before their first birthday.

The causes of infant mortality are well known, as are the steps necessary to eradicate them. Primary health care aims to do it by training part-time village health workers. The problem is not in the theory but in the practice: it only works when doctors and hospitals are also made available to the majority through an effective referral system. Otherwise it can just be a way of fobbing off the poor with second-class medicine.

