

Development

by John Kuti

Why are there so many people in the world without food, water, schools and doctors?

For people living in the rich countries talking about “development” usually means feeling sorry for poor people in poor countries, or feeling happy about pop stars or politicians who say they have done something to help them. But, if you look at it another way, all of the human race is developing...

Twenty years ago the world was divided into three parts. The “first world” was the rich countries of Western Europe, North America and Japan. The Soviet Union and countries closely connected with it made another different world, and then there was the “Third World” – countries which had to choose which side they were on. The “Third World” did not get its name for being poor but for being outside of the Cold War, or in fact the places where the Cold War could turn into a real one.

Then the second world disappeared. This meant that poor countries were only left with one choice if they wanted to get richer – doing business with everyone else on the planet. Many of the poorest countries got professional “help” to do this from the International Monetary Fund, The World Bank and other organisations. These organisations lent them money and told them what kind of political changes to make in their country.

During the same period the economies of the rich countries have been changing. A lot of industries have closed down or been moved abroad, There has been a big increase in the employment of people who provide services – complicated services like investments or insurance and simple ones like sandwiches. It’s clearly not true that that these countries have finished developing, in fact they are changing faster and faster with every new technology and fashion.

Development is happening everywhere around the world and it has started to be called “globalisation”. There is a serious argument that this process is unfair and that it is causing a lot of poverty in poor countries and in rich ones.

Some of the “anti-globalists” are really not interested about economics at all. However, the economic parts of the argument go something like this:

International trade is good for a minority of people who receive the profits from big transactions. These rich people tend to spend or save their money in the capitals of rich countries, so they don’t do much to help people in their own countries. The worst situation occurs in areas where there are no resources that the rest of the world wants to buy. International trade can’t help these countries at all.

The world’s wealth ends up going to the richest organisations in the richest countries, the banks and the big companies that are involved in international trade. It leaves the poor countries either to pay back loans, or to buy expensive luxuries, weapons and other things that only the “First World” produces.