

Global development – Topic Four – Development in relation to aid and trade, industrialisation, urbanisation, environment and war & conflict.			
<p>Aid – refers to financial grants and loans to developing countries – it can also include military supplies, medical and technical assistance. Two main sources are- INGO's collect money from public in the west e.g. Oxfam. Official development assistance (ODA) – loans and grants directly from governments or IGO's. Aid can be tied or conditional. Aid usually goes from rich to poor nations.</p>	<p>Case for AID Aid from the north can give a helping hand –allows them to reach prosperity. Aid saves lives e.g. disasters, famines. Aid stops things getting worse Aid works- leads to improvements in education, healthcare, infrastructure. Aid increases world security- reduces poverty driven social unrest, illegal economic migration, wars and drug production for wealthy countries. Aid is morally and ethically right.</p>	<p>Case against AID Neoliberal view Aid creates a culture of dependency Aid doesn't mean cultural values change Aid interferes with the free market as it is a form of subsidy – reduces competit. Aid is lost money – if a project was viable it would take place anyway. Aid fosters corrupt. &amp; poor governance. Neo Marxist view Aid is imperialism- rich exert power Most aid doesn't alleviate poverty Aid creates jobs and exports for donors Most Aid doesn't go where it's needed</p>	<p>Evaluation of AID + - The right kind of aid –small scale, knowledgeable, local and NGO funded is normally positive. + - Aid in a disaster can be vital. X – Aid is not to solve the problems of poverty. X – Aid results in money leaving poorer countries – e.g. Africa. This occurs in loan repayments etc.</p>
<p>The Debt crisis- Dependency theorists argue that inappropriate or embezzled foreign aid and a history of colonialism mean LEDC's need to borrow to develop. Mod. And NL believe lending money allows development and then interest and loans can be repaid. &gt; Economic recession in rich countries in 1980's cut the export markets of poorer countries, SAP's didn't give expected ec. Growth &gt; A growing debt crisis – LEDC's couldn't repay loans and borrowed even more – more getting spent on loan interest &gt; Debt boomerangs – George said that the debt crisis caused problems for the North in 'debt boomerangs' &gt; Highly indebted poor countries initiative launched in 1996 by IMF and world bank due to protests from global social movements&gt; New debt crisis – in 2016 loans to LEDC's were growing again – many countries still facing extreme poverty.</p>			
<p>Modernisation and Neo liberal view of trade Trade is key to economic growth, especially int. trade Trade helps development through free trade Production of goods at competitive prices leads to development Free trade is more effective than aid Increased wealth from trade leads to 'Trickle down'</p>	<p>Dependency and Radical view of Trade Trade helps neo colonial exploitation of the south LEDC's still dependent on the export of a few primary products, but the rich MEDC's make most in profit in processing etc. Prices are also at the mercy of markets. Terms of trade can be negative – world trade system often leads to poor prices. LEDC's are forced into free trade whilst MEDC's still use protectionism.</p>	<p>Fair Trade – tries to alter the terms of trade to give producers in LEDC's more profit and ethical prodn. Neoliberals oppose fair trade as it interferes with free trade – it gives unfair subsidy to a small number of producers in fair trade schemes. Some argue that the fair trade logo as a marketing device by big businesses to sell products by deceiving customers – claiming that they are ethical.</p>	
<p>Industrialisation- the move from small scale agriculture and workshops to commercial agriculture and large scale factory production.</p>			
<p>Import substitution indn. (ISI) ISI replaces imported goods with home produced ones. Used by many LEDC's</p>	<p>Export orientated indn. (EOI) Started in the 1970's – production of goods that they had a relative advantage in to sell in MEDC's.</p>	<p>Tourism- internat. Tourism is the world's third biggest industry. +Globalisation has led to the growth of non-western tourism and it has become particularly popular in cheaper countries +Developing tourism in LEDC's has increased jobs and income. -environmental damage</p>	<p>Evaluation of industrialisation and development. Industrialisation can bring own problems</p>

<p>in the 1950's/60's e.g. Argentina and India.  + helps them become less dependent on MEDC's  + gives more control over their own economies  +enables reinvestment of own profits  -wasn't very successful  -Protection of infant industries can make them inefficient  -can lead to retaliation from MEDC's e.g. tariffs</p>	<p>+ encourages development by getting taxable profits - reinvest.  + worked well for Japan and NIC's  -Export was at the expense of domestic markets- reliant on export.  -LEDC's don't have access to the capital investment and skills for EOI- means TNC's take advantage of cheap labour= few benefits for LEDC.  -Success of Japan and Asian tigers reduced opportunities for others.</p>	<p>-growing inequality between those who do and don't benefit  -seasonal employment only, risky to rely on tourism for dev.  -Hotels import majority of foods etc. – local ec. Doesn't benefit  -Profits do not stay in country – go back to foreign tour comps.  Agriculture- some LEDC's have concentrated on this rather than industry for development .g. Cash crops, Fair trade, superfoods.  Industrial techniques are often used – but environmental problems are caused e.g. pesticides.  Production and export often controlled by TNC's – this doesn't really help broader development.  Data processing and software development – globalisation has opened up benefits for LEDC's in this area. Global communications technology has allowed customer services in the west to be outsourced to cheaper nations e.g. call centres.</p>	<p>e.g. environmental issues.  Industrialisation often doesn't match social development e.g. education, workers' rights, democracy.  Benefits tend to end up with TNC's or local elites.  It can be fragile and unsustainable if it relies on a single industry or product.</p>
<p>Urbanisation – driven by push and pull factors as people search for a better life and move away from poverty and a lack of opportunity.  Modernisation- urbanisation is essential for cultural and economic change required for development. Provides a labour force in one place for business and industry.  Provides cultural change and modern values – this moves away from traditional rural life and to western values essential for development.  Dependency- many cities have not grown due to industrialisation but were instead colonial outposts. Under colonialism a two-tiered system grew with colonial administrators and local elites at the top with very little improvement for the mass population. Things have not improved now and TNC's have replaced colonial powers.  Urbanisation creates inequality and social problems that hinder development. Cities divided into ruling elites and mass poverty. High levels of unemployment or under employment. The growth of urban squalor – shanty towns with lack of clean water, sanitation, planning waste disposal, education and healthcare. LEDC's cannot take the same route to development as MEDC's in the past- people are marginalised and will not come together as Marx said of the urban poor in western cities of the 19C.  Differences in urban and rural poor-urban conditions often worse than rural. Due to SAPS urban water has often been privatised. Rural poor often get money sent home.</p>			
<p>The Environment- development can have negative impacts on environment- need to go to sustainable development. Poor are people most affected by env. Problems.</p>			
<p>View of neoliberals- solution to environmental problems is the free market. Capitalism may have contributed to env. Issues, but will also lead to the fix. Privatisation of public goods can help solve e.g. water supply.</p>	<p>View of neo-Malthusians and modernisation- growth of population threatens environment – most issues come from rural poor. Pop. Growth leads to over farming = desertification. Problems are internal –need for soc. Cult. And Ec. Modernisation to improve them.</p>	<p>View of Anti-Malthusians and dependency theorists- many env. Problems in LEDC's due to uneven distribution of resources. Exploitation of LEDC resources allows MEDC mass consumption. TNC's often pressure for weaker env. Laws. Western countries should reduce their own consumption.</p>	
<p>War and conflict  Why are there so many civil wars in the poorest countries? Kaplan (neo malth.) says pop. Growth, urbanisation etc. leads to scarcity of resources = struggle to survive and leads to civil war.  Modernisation- civil wars are part of process to create modern states. CW will reduce with mod. Values, free trade &amp; democracy.  Dependency- caused by external factors. Globalisation increases inequality. Unequal AID. Changes to trade terms can increase pov.</p>	<p>What are the effect of war on development?- negative for development  War is expensive. War cam make trade impossible. War destroys the infrastructure required for ec. and soc. dev.. War creates poverty and it is difficult for aid workers to work in war zones. War can damage environmental infrastructure. War kills and can harm health long after its end because health services are destroyed. War destroys security and effective government.</p>		

