

Orsaken till tredje världens fattigdom

Kompendium SP3de

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Vad är fattigdom?

Definitionerna av fattigdom är många och skiftande. Enligt Världsbanken är en mycket fattig person en människa som har mindre än en dollar om dagen att leva på. Med Världsbankens angivelse av fattigdom är drygt en miljard av världens sex miljarder människor mycket fattiga.

FNs utvecklingsprogram UNDP har utvecklat ett index för graden av fattigdom som tar hänsyn till ett antal faktorer. Fattigdomsindexet är en sammanvägning av levnadslängd, läskunnighet, och dräglig levnadsnivå.

Vägledande för svenskt utvecklingssamarbete är i dag en mångdimensionell definition av fattigdom. Fattigdom innebär inte bara låg inkomst utan också brist på tillgång till hälsovård, skola och social trygghet. Brist på demokratiska rättigheter och politiskt deltagande är också viktiga orsaker till fattigdomens fortlevnad.

De fattiga kvinnor och män som själva fått definiera sin egen fattigdom har betonat att det handlar om bristen på tillgång till mat, mark, boskap, jordbruksredskap, vatten och hälsovård. Andra viktiga frågor har varit skolgång för barnen, att kunna ge döda släktingar en hedervärd begravning och tillgång till sociala nätverk.

En tyst tragedi



Det sydafrikanska turistrådet lockar besökare med budskapet att en hel värld finns i landet. Det är sant i mer än ett avseende. En titt på det så skevt fördelade resurserna i Sydafrika är en spegelbild av hur hela världsekonomin är beskaffad; relationerna mellan rik och fattig i Sydafrika är påfallande lika förhållandet mellan Nord och Syd, den globala krutdurk som har axlat de en gång så sura relationerna mellan Öst och Väst.

Liksom i Sydafrika ökar klyftan mellan den norra och södra hemisfären. På 1960-talet var i-länderna tio gånger rikare än u-länderna. I dag är vi i Nord hela sextio gånger rikare än de fattiga länderna i Syd.

Enligt FN använder en femtedel av jordens befolkning 85 procent av världens resurser. Resten sipprar långsamt ner längs den globala hierarkin. Längst ner på stegen befinner sig de som lever i "absolut fattigdom". Det är de 1,3 miljarder människor i Syd som tjänar mindre än en USA-dollar om dagen.

Bakom denna sifferexercis döljer sig en tyst tragedi. Den som besökt Jerusalem har kanske sett Yad Vashem, ett av världens mest sorgsna minnesmärken. Det står där till minne av bland annat de en miljon barn som miste livet i judeutrotningen.

I dag dör samma antal barn i Syd varje år. Faktum är att ännu ett ungt liv kommer att ha avslutats innan du läst färdigt denna mening. Enligt Världshälsoorganisationen faller de allra flesta offer för okomplicerade åkommor som mässling, som skulle ha kunnat förhindrats för mindre än en krona per barn.

Det är en pågående katastrof som sällan skapar några stora tidningsrubriker. För de 23 barn som dör i denna minut kommer det inte att upprättas några minnesmärken. De förblir bortglömda i en värld där en stor del av befolkningen hjälplöst hamnat på efterkälken. Kanske är det tid att ställa den fråga Nelson Mandela ställt till Sydafrikas välbeställda vita till oss själva: Vad är vi villiga att uppoffra för fredens och försoningens skull?

3/3 -98

Annika Forsberg

Från världsbankens hemsida

Trends in poverty over time

[Latest Trends in Poverty update](#)

**Living standards have improved...
[...but wide regional disparities persist.](#)**

Living standards have improved...

Living standards have risen dramatically over the last decades. Per capita private consumption growth in developing countries has averaged about 1.4 percent a year between 1980 and 1990 and 2.4 percent between 1990 and 1999. So millions have left behind the yoke of poverty and despair. But population in the developing world has grown rapidly -- from 2.9 billion people in 1970 to 5.1 billion in 1999 -- and many have been born into poverty.

The proportion of the developing world's population living in extreme economic poverty -- defined as living on less than \$1 per day (in 1993 dollars, adjusted to account for differences in purchasing power across countries) -- has fallen from 29 percent in 1990 to 23 percent in 1999.

Substantial improvements in social indicators have accompanied growth in average incomes. Infant mortality rates have fallen from 107 per 1,000 live births in 1970 to 59 in 1999. On average, life expectancy has risen by four months each year since 1970 (see also [trends in life expectancy](#)). Growth in food production has substantially outpaced that of population. Governments

report rapid progress in primary school enrolment (see also [trends in education](#)). Adult literacy has also risen, from 53 percent in 1970 to 74 percent in 1998. And gender disparities have narrowed, with the female-male difference in net enrolment rates decreasing from 11 percent in 1980 to 5 percent in 1997. The developing world today is healthier, wealthier, better fed, and better educated.

...but wide regional disparities persist.

While there has been great progress in alleviating poverty, it has been far from even, and the global picture masks large regional differences.

Poverty is rising rapidly in Europe and Central Asia, and continuing to rise in Sub-Saharan Africa. In Asia, where most of the world's poor live, the proportion in poverty has declined dramatically over the past two decades, but the recent crisis has slowed progress. And 490 million people still remain in poverty in South Asia.

There are sharp regional differences also in a number of social indicators.

Most developing regions have seen **infant and child mortality rates** decline sharply. But South Asia's infant mortality rates today are about the same as East Asia's in the early 1970s, reflecting both poor progress in South Asia and favourable initial social conditions in East Asia. Sub-Saharan Africa's infant mortality rates are well above those in East Asia some 30 years ago, and child mortality is rising because of the AIDS epidemic. On average, 151 of every 1,000 African children die before the age of 5, and 92 in 1,000 before the age of 1. Nine African countries have under-five mortality rates in excess of 200 (Angola, Burkina Faso, Guinea-Bissau, Malawi, Mali, Mozambique, Niger, Rwanda, and Sierra Leone). (For more information, see [trends in infant and child mortality](#)).

Gross primary school enrolment rates have risen in all regions. But Sub-Saharan Africa's rates, having risen from 51 percent of the eligible population in 1970 to 80 percent by 1980, fell back to 78 in 1994, reflecting larger problems. Again, averages disguise wide country disparities. Nine countries in Africa have fewer than half their children enrolled in primary school (among them, Burkina Faso, Ethiopia, Mali, and Niger). (Click here for [trends in education](#)).

The extent of **gender disparities in education**, as measured by the male-female gap in the percentage of 6-14 year-olds in school, varies enormously across

countries. Female disadvantage in education is large in Western and Central Africa, North Africa and South Asia. In several Latin American countries, instead, there is a female advantage (see also [trends in education of girls](#)).

UR Ung Vänster handlingsprogram **En orättvis världsordning**

De globala orättvisorna inte bara består utan har ökat dramatiskt de senaste decennierna. Fler människor än någonsin lever nu i absolut fattigdom. Aldrig tidigare har kravet på en ny världsordning varit mer angeläget än idag. Vissa menar att det är den snabba befolkningsökningen i de fattiga länderna som är den främsta orsaken till svält och fattigdom. Även om Ung Vänster medger att befolkningsökningen är ett problem, är det största hotet mot vår värld idag den rika världen som bara är 20% av världsbefolkningen, men som konsumerar 85% av jordens resurser. Det finns alltså tillräckligt med mat för att föda jordens befolkning. Vad det handlar om är att fördela resurserna rättvist! Kapitalismen grundar sig på utplundring, kolonialisering med militärt våld och ekonomisk kontroll av länderna i Syds råvaror och marknader. Under 1900-talet har kapitalismen blivit ett världsomspännande, imperialistiskt system, som sprängt nationsgränserna i sin jakt på nya marknader och råvarukällor. Imperialismen understöds av statsapparaterna i de dominerande staterna med ekonomiska, politiska och militära medel. Imperialismen kännetecknas alltså av att kapitalismen blivit internationell, makten koncentrerats och stora världsomfattande monopol bildats som dominerar hela marknader. De stora bank- och industrikoncernerna har smält samman. Kapitalisterna samarbetar i allt större omfattning i internationella karteller och organisationer med syfte att skydda sina intressen, kontrollera priserna, fördela marknader emellan sig och driva igenom sina ekonomiska och politiska projekt. I början av seklet hade länderna i Nord styckat upp jorden mellan sig i olika kolonier och intresseområden. Under perioden efter andra världskriget ledde självständighetskampen i de koloniserade länderna till att många av dessa erövrade sin suveränitet. Även om man tillkämpat sig formell självständighet är de flesta av länderna i Syd ekonomiskt beroende av i-länderna genom handelsrelationer, krediter och bistånd. Även det militära våldet som påtryckningsmedel kvarstår.

De transnationella företagen är så mäktiga att de kan utmana och dominera hela stater. Den ekonomiska utsugningen av hela befolkningen i de fattiga länderna och den hänsynslösa rovdriften på råvaror och miljö har gjort att imperialismen står i direkt motsättning till inte bara nationell självständighet och social rättvisa utan också till hela mänsklighetens överlevnad.

Sverige är med sin ekonomiska struktur, sina transnationella företag och medlemskap i GATT/WTO, IMF och Världsbanken, en del av imperialismen. IMF och Världsbanken tvingar genom sina så kallade stabiliserings- och strukturanpassningsprogram skuldsatta länder i Syd att föra en ekonomisk politik som är anpassad efter i-ländernas behov. Det slår hårt mot de fattiga i dessa länder.

För att bryta detta mönster krävs ekonomiska och politiska relationer samt en världshandel grundad på solidaritet, jämlikhet och rättvisa. I-länderna måste sluta kräva frihandel av länderna i Syd samtidigt som man själv tillämpar protektionism. Vi bör tillåta länderna i Syd att skydda sina hemmamarknader. Vi är positiva till handel mellan länder men frihandel är i sig inte något mål. Världshandeln måste få regleras med hänsyn till miljön och andra sociala faktorer.

Skuldbördan är ett hinder för många länders utveckling som måste lösas med avskrivningar av de fattiga ländernas skulder. Enda sättet att uppnå detta är internationell solidaritet och gemensam kamp. Eftersom imperialismen är världsomspännande kan inte denna kamp begränsas av nationsgränser. Genom praktisk solidaritet och utbyte med progressiva rörelser i syd kan vänstern i i-länderna arbeta för en förändring av det nuvarande systemet och tillsammans arbeta för en ny och rättvis världsordning.

Bistånd i olika former kan aldrig lösa den grundläggande konflikten mellan Nord och Syd, mellan utsugare och utsugna, men är ändå ett viktigt medel för att i dagsläget kunna bistå fattiga länder. Trots att det totala biståndet till länderna i Syd idag uppgår till stora summor så är nettobalansen för många länder noll eller negativ, det vill säga att det ofta strömmar ut mer pengar från dessa länder än vad som kommer in. Det är

därför nödvändigt att knyta frågan om en definitiv lösning av skuldbördan till frågan om bistånd.

Syftet med bistånd måste vara att försöka förbättra de fattigas situation i de utsugna länderna, minska inkomstklyftorna och främja en demokratisk utveckling enligt landets egna förutsättningar. Biståndet får inte tillåtas att bli ett medel för att öka svensk export. Inte heller kan biståndsorganens egen prestige och anseende få bestämma biståndets inriktning.

Trots att FN:s makt är koncentrerad till de imperialistiska länderna är FN ett viktigt internationellt organ för dialog och konfliktlösning. För att FN skall kunna bli ett verkligt redskap för en rättvis världsordning måste de fattiga länderna få ett större inflytande och FN demokratiseras. Detta kräver naturligtvis ett avskaffande av vetorätten och permanenta medlemmar i säkerhetsrådet. Denna förändring bör ske samtidigt med ett ökande av FN:s resurser och befogenheter.

Europa har idag stora problem. De förhoppningar som föddes med murens fall har inte infriats. Istället har Östeuropas försök att övergå till kapitalism fördjupat en social och ekonomisk kris medan miljoner drivits in i fattigdom av nyliberala experiment. Detta har utgjort grogrund för nationalistiska och fascistiska strömningar som vuxit sig starka och i flera fall lett till väpnade konflikter.

Istället för en politik och debatt om hur Europas problem kan lösas satsas alltmer kraft på den Europeiska Unionen. Den Europeiska Unionen byggs upp med stora och allvarliga demokratiska brister och med den otyglade marknadsliberalismen som ideologisk grund. EU:s vilja att skapa fri rörlighet för kapital och varor överordnas sociala och ekologiska hänsyn. EU är ett maktblock som sätter det europeiska storkapitalets intressen främst.

Ung Vänster vill inte att Sverige skall vara medlem i EU och vi jobbar därför för ett svenskt utträde. Vi är också motståndare till att EU utvecklas till en förbundsstat. Vi vill inte heller vara med i en ekonomisk monetär union eller en försvarsunion. Ung Vänster motsätter sig skarpt EU:s ambitioner att skapa en gemensam flykting- och asylpolitik genom det så kallade Schengenavtalet, som bygger upp nya murar mot omvärlden. Den europeiska förbundsstat EU håller på att utvecklas till är en stat som saknar folklig förankring, demokratisk legitimitet och vilja att lösa Europas verkliga problem; massarbetslöshet, växande sociala klyftor och de akuta miljöproblemen. Vi vill istället att Sverige och andra länder bidrar till att skapa mellanstatliga och demokratiska samarbetsformer som inte begränsar sig till ett fåtal västeuropeiska länder. Det finns mycket som idag gör att det krävs mer globalt och regionalt samarbete i världen, jämfört med ett par årtionden innan. Nationalstaterna har spelat ut sin roll som enda politiska nivå. Vissa frågor måste lyftas upp över nationell nivå. Då är oftast mellanstatliga organ bästa lösningen. Andra frågor måste flyttas ner på en lokal nivå. EU däremot är ett typiskt exempel på en organisation som beslutar en mängd saker som mycket bättre skulle behandlas på lägre nivå.

I en värld där klyftan mellan fattiga och rika ökar och där krig och förtryck råder lämnar allt fler människor sina hemländer för att söka sig en mer människovärdig tillvaro. Problemet med ökade flyktingströmmar kan bara lösas med en rättvisare världsordning. Flyktingpolitiken är en viktig värdemätare på vilken vikt samhället tillmäter försvaret av de mänskliga rättigheterna. Genom att ge asyl åt de vars mänskliga rättigheter är i fara visar vi att rättskränkningar i den asylsökandes hemland är oacceptabla. Miljökatastrofer, krig, våld, förföljelse och svält är de viktigaste orsakerna till att människor drivs på flykt. Därför är det viktigt att även dessa räknas som skäl för att erhålla flyktingstatus.

Sverige måste lägga ner ökad kraft på att tillsammans med andra demokratiska krafter förebygga uppkomsten av nya flyktingströmmar. Under tiden måste de som är politiskt förföljda eller har starka humanitära skäl kunna få fristad i Sverige. Ung Vänster är för en generös och humanistisk flyktingpolitik. Sociala orättvisor såsom arbetslöshet och utslagning är en grogrund för rasistiska strömningar. Därför är kampen för ett jämlikt samhälle en viktig del i kampen mot rasism och fascism

FN:s åtta millenniemål

1. **Utplåna extrem fattigdom och hunger**

Mellan åren 1990 och 2015 ska andelen människor som lever på mindre än en dollar per dag halveras. Samtidigt ska andelen som lider av hunger halveras.

2. **Uppnå allmän grundskoleutbildning**

Alla flickor och pojkar ska få grundskoleutbildning senast år 2015.

3. **Främja jämställdhet och ökade möjligheter för kvinnor**

Utbildningsskillnader beroende på kön ska elimineras, helst före år 2005, men inte senare än år 2015.

4. **Minska barnadödligheten**

Dödligheten bland barn under femårs ålder ska minska med två tredjedelar fram till år 2015.

5. **Förbättra mödrars hälsa**

Att minska mödradödligheten med tre fjärdedelar fram till år 2015.

6. **Bekämpa hiv/aids, malaria och andra sjukdomar**

Spridningen av hiv/aids, malaria och andra sjukdomar ska stoppas före år 2015.

7. **Försäkra en miljömässigt hållbar utveckling**

Alla länder ska arbeta efter principerna om hållbar utveckling. Och slöseriet med naturresurser ska minskas.

Att halvera andelen människor utan tillgång till rent vatten före år 2015. Att livsvillkoren för minst 100 miljoner människor som lever i slumområden signifikant ska ha förbättrats före år 2015.

8. **Utveckla ett globalt partnerskap för utvecklingssamarbete**

Marknadstillträdet ska förbättras och en hållbar skuldsituation ska uppnås. Biståndet ska höjas till 0,7% av BNI (bruttonationalinkomsten).

Denna text är hämtad från ett amerikanskt universitet. Någonstans glömde jag att notera källan. Sorry! Texten handlar ju om orsaker till fattigdom *inom* ett land men är intressant ändå.

Causes of Poverty

I. Types of causes of poverty.

One set of forces explains the aggregate amount of poverty. These are aggregate causes, also called social explanations of poverty. We have approximately 35 million poor people in America. This set of forces should explain why we have that poverty. Another set of forces explains the allocation of this total among individuals.

These are called individual causes or explanations of poverty. This set of forces should explain the makeup of that 35 million, that is, what individuals are poor.

A. Individual

Poverty is explained by individual circumstances and/or characteristics of poor people. Some examples are:
amount of education, skill, experience, intelligence.
health, handicaps, age.

work orientation, time horizon, culture of poverty.
discrimination, together with race, sex, etc.

B. Aggregate

There are two types of aggregate poverty theory: case and generic. There is no agreement on which is the correct explanation of most poverty.

1. Case. Add up all poverty explained by individual theories, and that is equal to total or aggregate poverty. In other words, according to case theories of poverty, individual and aggregate explanations are really the same. According to these theories, aggregate poverty is just the sum of individual poverty.

2. Generic. Poverty is explained by general, economy-wide problems, such as
inadequate non-poverty employment opportunities
inadequate overall demand (macro problems, macro policy)
low national income (Less Developed Country)

If generic theories are correct, poverty is caused by one set of forces (general, economy-wide problems) but distributed according to individual theories.

II. Case vs. Generic Theories of Poverty

A. What difference does it make whether poverty is caused by case or generic causes?

Answer: It makes a lot of difference.

Example #1: Suppose somehow we significantly reduce racial discrimination. Will total poverty fall?

Case answer: Yes.

Generic answer: No. Poverty will only be redistributed.

Example #2: Suppose we give poor people effective skill training and compensatory education. Will total poverty fall?

Case answer: Yes.

Generic answer: No. Poverty will only be redistributed.

B. What can you do about poverty?

1. If case theories are correct: Address the individual cause of poverty. For example, if poverty is caused by inadequate skills or education, then the solution is skill training or compensatory education. If poverty is caused by discrimination, then the solution is antidiscrimination policies.

2. If generic theories are correct: Improve the quantity and quality of jobs.

C. How can you tell which is correct--case or generic theories?

1. Remember that the things that cause poverty in case theories explain its distribution in generic theories. Because of this, both theories are consistent with the same facts (statistics). Therefore, it is very difficult, maybe impossible, to determine which is correct through direct test.

2. There's some indirect evidence pointing to generic theories: For example, there is the failure of poverty to fall during periods of large training programs, and the failure of poverty to fall with rise in general educational

level of population. Further indirect evidence later on in the course.

3. Most people assume case theories are correct. Why?

Micro experience (fallacy of composition -- assuming that what's true of the part must be true of the whole).

Poverty scholars study the poor instead of the economy.

Antipoverty policy would be too hard (expensive) if generic theories were true.

Blaming the victim.

A desire to help the poor. (P.S. If generic theories are true, how can you help the poor?)

Causes of Poverty

by Anup Shah

Hämtad från <http://www.globalissues.org/TradeRelated/Poverty.asp>

- Half the world -- nearly three billion people -- live on less than two dollars a day.
- The GDP (Gross Domestic Product) of the poorest 48 nations (i.e. a quarter of the world's countries) is less than the wealth of the world's three richest people combined.
- Nearly a billion people entered the 21st century unable to read a book or sign their names.
- Less than one per cent of what the world spent every year on weapons was needed to put every child into school by the year 2000 and yet it didn't happen.

[More Facts »](#)

All over the world, disparities between rich and poor, even in the wealthiest of nations is rising sharply. Fewer people are becoming increasingly "successful" and wealthy while a disproportionately larger population are also becoming even poorer.

There are many issues involved when looking at global poverty and inequality. It is not simply enough (or correct) to say that the poor are poor due to their own (or their government's) bad governance and management. In fact, you could quite easily conclude that the poor are poor because the rich are rich and have the power to enforce unequal trade agreements that favor their interests more than the poorer nations.

Structural Adjustment -- a Major Cause of Poverty

The IMF and World Bank-prescribed structural adjustment policies means that nations that are lent money are done so on condition that they cut social expenditure (which is vital for economic growth and development) in order to repay the loans. Many are tied to opening up their economies and being primarily commodity exporters, which, for poorer nations lead to a spiraling race to the bottom as each nation must compete against others to provide lower standards, reduced wages and cheaper resources to corporations and richer nations. This further increases poverty and dependency for most people. It also forms a backbone to what we today call globalization. As a result, it maintains the historic unequal rules of trade. [Find out more.](#)

[Poverty around the World](#)

Around the world, inequality is increasing, while the world is further globalizing. In many cases, international political interests have led to a diversion of available resources from domestic needs to western markets. Historically, politics and power play by the elite leaders and rulers has meant that people and their land can be controlled, which has further increased poverty and dependency. These have often manifested themselves in wars, hot and cold, which are mainly trade and resource-related. Those mercantile practices still happen today. Even the wealthiest nation has the largest gap between rich and poor compared to other developed nations. Poverty is therefore not just an economic issue, it is an issue of political economics. [Find out more.](#)

[Economic Democracy](#)

This next page is a reposting of a flyer about a new book from J.W. Smith and the Institute for Economic Democracy, whom I thank for their kind permission. The book is called Economic Democracy: The Political Struggle Of The 21st Century. Typically on this site, I do not advertise books etc, (although I will cite from and link to some, where relevant). However, in this case, I found that just the text in this flyer alone to provide an excellent summary of the multitude of issues that cause poverty and its historic roots. (Please also note that I do not make any proceeds from the sale of this book in any way.) [Find out more.](#)

[World Hunger Related To Poverty](#)

People are hungry not because of lack of availability of food, or "over" population, but because they are too poor to afford the food. Politics and economic conditions that have led to poverty and dependency around the world. Addressing world hunger therefore implies addressing world poverty as well. If food production is further increased and provided to more people but the underlying causes of poverty are not addressed, hunger will still continue because people will not be able to purchase food. [Find out more.](#)

[Food Dumping \[Aid\] Maintains Poverty](#)

Even non-emergency food aid, which seems a noble cause, is destructive, as it under-sells local farmers and can ultimately affect the entire economy of a poor nation. If the poorer nations are not given the sufficient means to produce their own food, if they are not allowed to use the tools of production for themselves, then poverty and dependency will continue. [Find out more.](#) Here you will also find a chapter from a book which describes this situation in detail and looks at the myth that "more US aid will help the hungry" as the chapter is titled. A must read!

[IMF & World Bank Protests, Washington D.C.](#)

To complement the public protests in Seattle, the week leading up to April 16th/17th 2000 saw the other two global institutions, the International Monetary Fund (IMF) and World Bank, as the focus of renewed protests and criticisms, in Washington, D.C. The purpose of the mass demonstrations were to protest against the current form of globalization, which is seen as unaccountable, corporate-led, and non-democratic and to show the link with

poverty due to the various policies of the IMF and World Bank. [Find out more.](#)

[Poverty Facts and Stats](#)

While the world is globalizing and the mainstream media in many developed nations point out that economies are booming (or, in periods of downturns, that the current forms of "development" and economic policies are the only ways for people to prosper), there are an increasing number of poor people who are missing out on this apparent boom, while increasingly less people are becoming far more wealthy. Some of these facts and figures are an eye-opener to say the least. [Find out more.](#)

Denna text är hämtad från <http://www2.tpgi.com.au/users/resolve/globalcrisis/3rdwld.html>

THIRD WORLD POVERTY AND UNDERDEVELOPMENT

No issue sets more serious challenges to our affluent society than does the plight of the Third World. In historical terms the Third World has achieved considerable economic growth and some countries have had spectacular success. Between World War II and 1976 infant mortality, literacy and length of life improved considerably. However the progress since 1975 has been much less apparent and many countries have even slipped backward.²

"The 1980s have been marked by a sharp increase in poverty and inequality throughout the Third World..."

W. Bello *Brave New Third World?* 1989.

"For the poor, particularly in Africa and Latin America, the 1980s have been an unmitigated disaster..." "A third of the population of the entire world live in countries which experienced either zero growth or actual decline during the decade."

G. Lean et al., *The Atlas of the Environment*, London, Arrow Books, 1990, pp 4, 44.

"The Third World has had 40 years of development and things are not getting better... time after time development seems simply to modernise poverty at huge environmental cost..."

E. Mayo, "Seeking out those developing alternatives" *New Economics*, 27, 1993, p.7.

Following are the main reasons for the conclusion many have come to; i.e., that the conventional approach to development is not at all satisfactory.

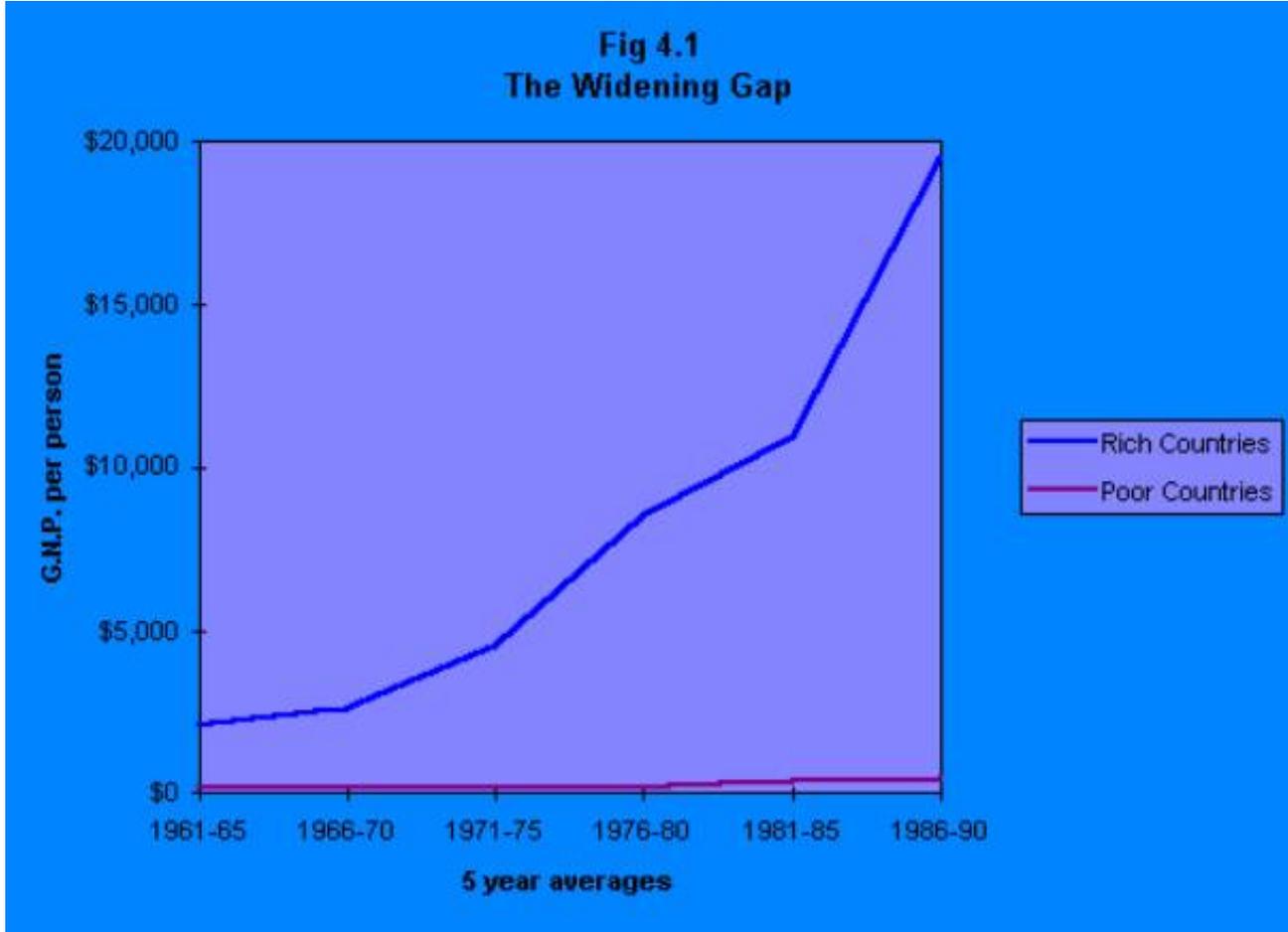
The majority of Third World people remain extremely poor with around 1000 million engaged in a desperate daily struggle to survive. At least 400 million and possibly 1400 million do not get adequate food. Possibly 2 billion, half the Third World's people, do not have safe water to drink, and more than 40,000 children die every day from deprivation.

The rate of development, conventionally defined in terms of per capita GNP growth, has been very slow; around 1.3-1.6% p.a. Such a rate would have to be kept up for 150 years before per capita incomes rose to half the present 1980 rich country level.

"Even if the growth rate of the poor countries doubles, only 7 would close the gap with the rich nations in 100 years. Only another 9 would reach our level in 1000 years."

Robert McNamara, President of the World Bank, Speech to the Board of Governors of the Bank, quoted in W.R. Thompson, Ed., *Contending Approaches to World Systems Analysis*,

Far from progressing towards “self-sustaining, economic growth” and prosperity, the Third World has fallen into such levels of debt that few would now hold any hope of repayment (\$1,320 billion in 1990). Some countries now have to pay out most of their annual income just to meet interest payments on the debt. Meanwhile many Third World governments deprive their people and strip their forests more and more fiercely to raise the money to meet the debt repayments.



In 1989 rich world banks lent \$87 billion to the Third World, but got back \$130 billion in loan repayments and interest.

The editors, Review of the Month, Monthly Review, March 1992, p.16.

The magnitude of the debt problem sets a major challenge to anyone who still believes the conventional development strategy can lead the Third World to prosperity.

Table 4.1

	Population (mid-1990) (million)	GDP/cap (\$ 1990)	Growth rate per capita (1965-90)	Energy consumption (kg oil per capita 1990)
Industrial Market Economies	816	19,590	2.4	5158
USA	250	21,790	1.7	7822
Australia	17	17,000	1.9	5041
Middle-Income Economies	1,087	2,220	2.2	1357
Low-Income Economies	3,058	350	2.9	339

Source: World Bank, World Development Report, 1992

“In 1960 rich world average income was 20 times poor world income. In 1980 rich world average income was 46 times poor world income. In 1990 rich world average income was 55 times poor world income.”

World Development Reports, World Bank.

What about the Newly Industrialising Countries?

Conventional development thought has recently placed considerable emphasis on the export-led strategy as the path whereby several Third World nations, notably Taiwan, South Korea, Singapore and Hong Kong, have developed at a rapid rate. However, it is not plausible that these set an example which the rest of the Third World could follow. These NICs have prospered by winning the very tight competition to export manufactured goods to the quite limited markets of the rich countries. There is only room for a very small number of countries to succeed in that arena. The four countries listed above total a mere 2% of the Third World's population. Advocates of the export oriented approach to development fail to deal with the fact that it could only succeed if there were vast untapped markets in the developed countries permitting continual expansion of Third world manufactured exports. But in reality there are large and chronic trade problems: export markets are glutted, protection is rampant, commodity prices are low, world trade has slumped since 1980, and rich countries are already importing far more than they could pay for if they were not going so far into debt.

Conclusions

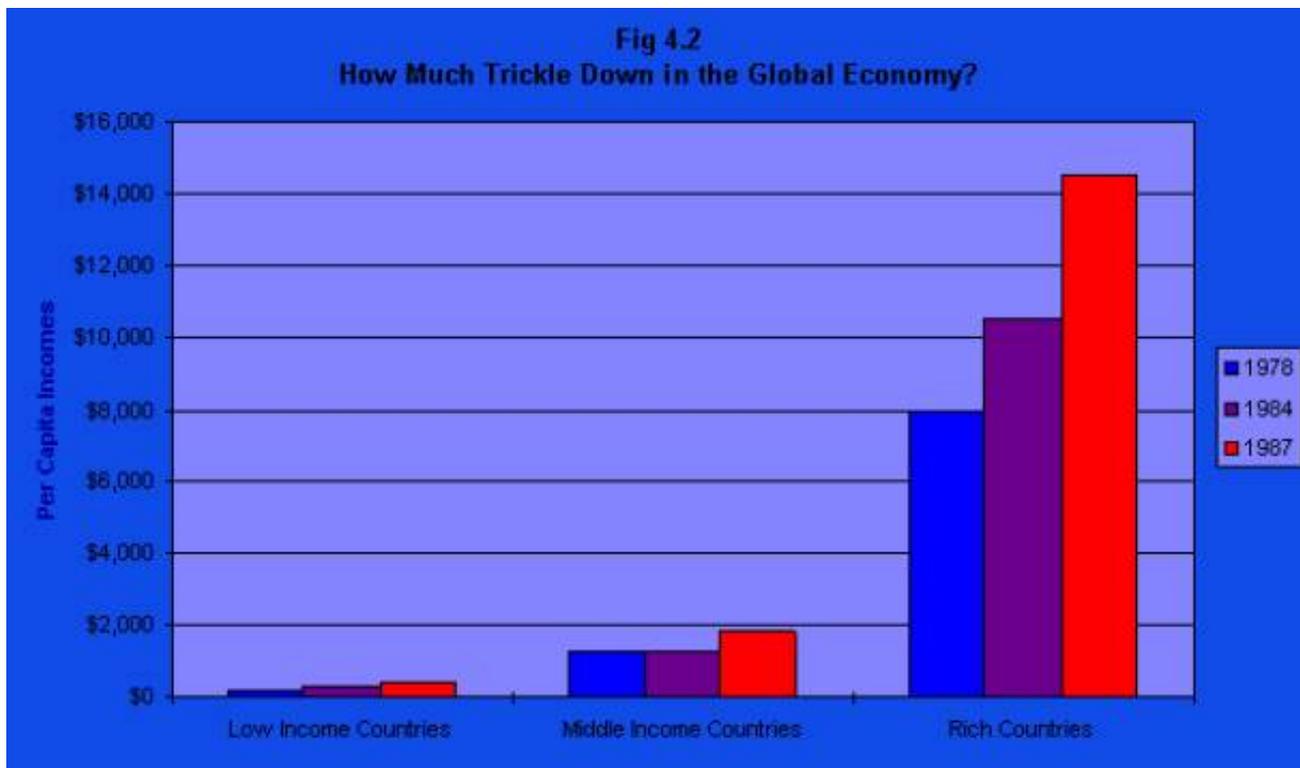
There is therefore a considerable case against conventional development theory and practice. Much literature that has accumulated over the last two decades concludes that the current approach to development cannot hope to solve the problems of the majority of Third World people.

“GROWTH AND TRICKLE DOWN” THEORY

Conventional development theory and practice are based on the crucial assumption that it is best to promote economic growth because this will “bake a bigger cake” of national wealth and then there will be more to trickle down to all. The goal is therefore to “get the economy going”, to promote more and more business turnover. The term “trickle down” is rarely if ever used, but this is obviously the mechanism assumed by development strategies, which rely primarily on free market principles and are reluctant to impose social control over development goals or to redistribute wealth.

There is now a great deal of evidence that, as Fig 4.2 shows, very little trickle down ever occurs. This may well be the most clearly established proposition to have emerged from three decades of development research. Indeed conventional growth strategies often result in the very opposite of trickle down.

Fig 4.2 shows that although world incomes grew a great deal between 1978 and 1987 almost all of the gains went to the rich countries. Much the same picture is evident when the distribution of income within particular countries is examined.



Only about 10-15c in every dollar spent in rich countries on a commodity like coffee goes to people in the Third World and nearly all of that goes to big plantation owners. Far more poor people could benefit if the land growing export crops was used by them to grow food for themselves. Many sugar workers in the Philippines only earn enough to buy 1 kg of rice a day.³

The Core Issue: Market Forces Produce Inappropriate Development

The basic problem in Third World development is not any absolute shortage of resources such as land and capital, but their extremely uneven and unjust distribution. So we must ask why the distributions are so bad. The essential answer is very simple.

The global economy is a market system. Market forces have a powerful, indeed typically an overwhelming tendency to make the wrong development decisions. The three major effects of the market system on development are:

1. Market Forces Allow the Relatively Rich Few to Take More or All of the Available Resources. The one fifth of the world's people who live in the developed countries, East and West, consume approximately 4/5 of the resources produced for sale. Their per capita resource consumption is approximately 17 times that of the poorest half of the world's people. For example, while possibly 700 million people lack sufficient food, which might require 40 millions tonnes of grain equivalent to remedy, over 540 million tonnes of grain alone are fed to animals in rich countries each year.

“Markets...enrich the rich and pauperise the poor.”

Mahbub U1 Haq, *The Poverty Curtain*, 1976, p. xii.

“...resources are shifted to suit those who can best pay for them, the rich, and not to those who need them most, the poor.”

G. Lacey, *Enabling All to Survive*, 1976, p. 6.

A market economy is an ingenious device for ensuring that when things become scarce only the rich can get them!

These very unfair distributions of the world's resource wealth come about primarily because rich countries can outbid poor countries. If you allow the market to allocate scarce things like oil, when a few are rich and many are poor, then inevitably the rich will get most of them. The market has no concern whatsoever for what humans need; it will always distribute things according to "effective demand", which means that richer people and nations can take what they want first.

2. Market Forces Have Predominantly Produced the Development of the Wrong Industries in the Third World

A great deal of development has taken place; the trouble is that it has not been development of the most needed industries. It has been mostly the development of industries to provide crops and consumer goods for the small rich local elites or for export to the rich countries, i.e. it has been inappropriate development.

This is precisely what should be expected when development resources are invested in what will make the highest profits or contribute most to GNP.

3. Much of the Third World's Productive Capacity has become Geared to the Demand of the Developed Countries

This is most evident in the case of export crops. In some countries half of the best land grows crops to export to the rich countries. This is a direct consequence of allowing the highest bid to determine the uses to which the Third World's productive capacity is put.

These export applications of Third World productive capacity yield to the people of the Third World only minute proportions of the wealth generated. For instance in Central America a 3000 ha cattle ranch might provide (very low) incomes for only 2 people, yet one ha of intensive home garden might feed 5-10 people.

The Core problem is not the lack of development; it is the inappropriateness of development. To allow market forces, the profit motive and the maximisation of economic growth to be the overwhelming determinants of development is to guarantee that mostly inappropriate development will result. This is a natural and inevitable outcome in our economic system. Available resources will always go to those who can bid most and investment will always go into the most profitable ventures, i.e., those which provide what richer people want. Thus conventional development can be seen as a process that automatically develops Third World countries to provide the rich in this world with what they want.

Export crops: Inappropriate Development

"In Central America, where half the children are malnourished 50% of the land is used to produce crops for export. Mexican land can yield 12 times the profit resulting from producing food for local consumption if it is put into production of tomatoes for export to the U.S.

In Central America 80 times as much is made on export of carnations as would be made if the land was put into food production."

P. Adamson, Editor of the New Internationalist, speaking on ABC Guest of Honour Program, 4th June, 1977.

"For as far as the eye can see the rolling fields of southern Mindanao are blanketed with banana trees. No Filipino will ever eat them, only Japan's consumers and Angus cattle".

Far Eastern Economic Review, July 13, 1979, p. 51.

“In Senegal a subsidiary of the giant American transnational Bud Antle ...has established huge irrigated 'garden plantations' on land from which peasants have been moved. These plantations produce vegetables in the winter and feed for livestock (for export) in the summer. None of this produce is eaten in Senegal. This process is occurring across all of North Africa. In Ethiopia in an area where thousands of people were evicted to make way for agribusiness and then starved to death, international firms are producing alfalfa to feed livestock in Japan.”

W. Murdoch, *The Poverty of Nations*, 1980, pp 297-298.

“In the Caribbean people starve beside fields growing tomatoes and flowers for export.”
Beyond Brant, *Third World First* pamphlet, p.4.

“Much of the protein wasted on the livestock eaten by the West comes from the poor countries; oilseeds and peanuts from West Africa, fishmeal from Peru, soybeans from Brazil...”

P. Harrison, *Inside the Third World*, 1979, p. 276.

“Third World fodder... provides every tenth litre of milk and every tenth pound of meat produced in the EEC.”

K. Jannaway, *Abundant Living in the Coming Age of the Tree*, Leatherhead, Surrey, 1991, p.11.

The Basic Mistake: Identifying Development with Economic Growth

The mistake that has been the most basic source of the whole development problem has been the unquestioned assumption that development is essentially a matter of “getting the economy going”, i.e., of stimulating as much production for sale as possible. (Although conventional theorists now often say they realise economic growth is not sufficient.)

If the goal of development is to increase the amount of economic activity, i.e., the GNP, rapidly, then development resources will inevitably be devoted to the production of relatively high priced consumer goods and luxuries, especially exports, and not to meeting basic needs. But if the goal is development which meets urgent needs then the development resources will go into things like clean water supplies which will not add much at all to GNP, and in fact will often reduce it (e.g., if export plantations were turned into community gardens to supply villagers with free food and materials and thus enable them to avoid the cash economy.)

Critical development theorists stress that the growth principle is the problem. The suffering of Third World people is essentially due to deprivation. Millions of people are without sufficient food and materials for reasonable lifestyles and more importantly without the small amounts of productive capacity (e.g. land) that would enable them to produce for themselves most of what they need. The required land, water, capital etc. exist in adequate and often abundant quantity in most if not all poor countries. It is the normal functioning of the global market economy which delivers the available resources to a few and deprives the majority. The drive to maximise output, sales and returns on investment inevitably leads to focussing on the already rich. They are the ones most able to maximise consumption of increased output, and producing luxuries for them is much more likely to increase returns on investment than producing necessities for destitute people.

Therefore we can state a most important economic law which conventional economists never

consider...GROWTH DEPRIVES! If you make the maximisation of growth of GNP your supreme development goal then you will facilitate the flow of development resources into the most profitable ventures. But these will always involve production of things for richer people, especially for export to consumers in developed countries. Not only will the poor majority in the Third World derive little or no benefit from such development, it will deprive them of the productive capacity they once had, because it will draw these, especially their land, into production for the rich.

"...it became obvious, around 1970, that the pursuit of development actually intensified poverty..."

W. Sachs, *The Development Dictionary*, 1992, p. 29.

Conventional development is therefore only development in the interests of the rich. It is always important to ask questions like "What sort of development is taking place here?" "Who will benefit from this development?" and "What things are being developed?" Conventional development is a process which develops mostly the wrong things, in view of the most urgent needs. Conventional development is only that type of development you get when you gear everything to maximising GNP, business turnover and profits to those who have capital to invest. There is a huge gulf between conventional development and appropriate development.

Aid and Foreign Investment

According to the conventional view foreign investment is crucial to facilitate development. The critical view is that it certainly promotes development, but mostly inappropriate development. Foreign investors never invest in the production of the most needed things, such as cheap food, clean water or simple housing. Foreign investment goes mostly into producing things for the urban rich or for export to rich countries.

"...and you thought foreign investment brings capital in!

"In the period 1966-1978 US multinational corporations exported \$11 billion to invest in underdeveloped countries but the return flow to the US on this investment was a fabulous \$56 million dollars."

The Editors, "US foreign policy in the 1980s", *Monthly Review*, April, 1980

It is a mistake to think that foreign investment is essential because poor countries lack capital. Foreign investors actually raise about 80-90% of the capital they invest from Third World banks, meaning that there is plenty of capital in the Third World in relation to the things that need developing.

What's more, it appears that the more foreign investment a country has the slower the development! (For extensive documentation see Bornschier, note 6.)

The International Monetary Fund

Countries in extreme debt must accept the IMF's restructuring of their economies. The Fund's standard package is designed to "get the economy going again" by boosting exports and cutting the government's spending. Its consequences for the poor are catastrophic because it encourages more land to be put into exports (increasing dependence on costly food imports), wages to be cut, reduction in state assistance to the poor and increased ease of access for foreign corporations. These policies are delightful for the rich countries, but they have had such savage effects on poor third World people that "IMF riots" break out from time to time.

Maintaining our Empire

Critical development theorists emphasise that the present global economic system constitutes an empire which functions mostly in the interests of the rich in this world, including the consumers in the developed countries. They get most of the world's wealth essentially because the Third World follows free market principles. These enable the rich few to outbid the poor majority in the scramble for the world's wealth and they give the corporations access to buy up Third World produce and to put Third World land into export production. If poor countries closed their doors and refused to participate in the global economy the rich would lose their access to many of the resources, cheap labour and markets they now enjoy.

It should therefore not be surprising that rich countries go to a great deal of effort to keep poor countries to free enterprise economic policies and to the growth and trickle down development model, which functions mostly in our interests. These policies maintain our empire: i.e., the arrangements whereby we get so much of the world's wealth. The living standards we enjoy in rich countries such as Australia benefit greatly from the way the global economy works. What would our tea and coffee cost if those who produced them were paid a decent wage, or if the land growing coffee were put into food crops for them? (This would probably feed 100 times as many people per ha compared with the wages plantations pay per ha.)

“...the high standard of living in the West is owing partly to the extraction of a surplus in the form of cheap labour in the less developed countries.”

W. Murdoch, *The Poverty of Nations*, 1980, p. 25

“...reference should be made to the 450,000 US troops stationed abroad, in a total of three hundred major military bases...What would happen to your living standards if those troops were brought home? Many Third World regimes would be swept away in no time if it were not for our support. Some of them would probably be replaced by even worse communist regimes, but some would take land out of coffee and distribute it to the peasants, thus causing coffee prices to rise. Whatever else they are doing those 450,000 troops are also protecting our high living standards.”

F E Trainer, *Developed to Death*, 1989, p. 151.

“To maintain its levels of production and consumption... the US must be assured of getting increasing amounts of the resources of poor countries... This, in turn, requires strong American support of unpopular and dictatorial regimes, which maintain political and police oppression while serving American interests to the detriment of their own poor majorities. If on the other hand, Third World people controlled their political economies, the export prices of their primary products would be significantly increased.”

W. Moyer, “De-developing the United States”, In *Alternatives, Freedom From Hunger Campaign*, 1973.

Mostly your empire is kept functioning simply by the dominance of conventional development theory; by the fact that almost everyone believes that growth and trickle down and therefore export plantations etc., are the best/only way to develop... (because a vast army of conventional economists and development advisers constantly say so!)

For the most part the rich extend their power, take over more resources, and gain control of other countries economies simply by being able to beat other firms, bidders and countries in

economic competition. That's why the dominant countries like free trade: they can produce more cheaply, pay more than the poor, give better returns to lenders etc. Hence poorer countries find their land drawn into exporting and their factories taken over and their productive capacity put into inappropriate purposes, not as a result of military conquest, but quietly and legally because of the superior economic power of the dominant countries. If you insist on freedom of trade and markets, the rich and powerful will dominate.

But from Time to Time Repression is Needed

Now people do not like being deprived, hungry and exploited. From time to time they tend to protest! In many countries people can only be kept working in the mines, plantations and sweatshops for starvation wages through violent repression. Often the brutality is inflicted willingly by the local ruling classes who benefit most from the situation, but often rich countries give arms, training and other assistance.⁷

It is most important that people in rich countries such as Australia and the US should become more aware that our living standards could not be so high as they are if there were not huge numbers of people in poor countries producing goods for us at very low wages, and more importantly, if the governments of rich countries were not prepared to ensure that most Third World countries keep to the economic policies and the development strategies that deliver much of their wealth to us.

Repression and Our Empire

“Since June 1980, 38,000 civilians in El Salvador have died, mostly at the hands of right-wing death squads... the regime which presides over these ...measures would long since have collapsed were it not for the support of the United States.”

New Internationalist, Feb., 1983, p.30.

“Trosan and Yates list 23 countries with poor human rights records. All have been recipients of US military aid. “Without US help they would be hard pressed to contain the fury of their oppressed citizens, and US businesses would find it difficult to flourish.”

E. Trosan and M. Yates, “Brainwashing under freedom”, Monthly Review, Jan, 1980, p.44.

Other Factors are Important Too

The argument in this chapter has been that by far the most important factors to be attended to in the explanation of the Third World's situation are to do with the way the global economy function, the way market forces work, and the over-consumption of the rich countries. But this is not to deny that other factors are relevant or significant. Often the situation is partly due to difficult climates, lack of expertise, bungling or corruption on the part of governments and to the greed of rich and powerful Third World classes.

The Limits to Growth Perspective: Overlooked Implications for Development

It is remarkable that the development literature has given so little attention to the “limits to growth” analysis of our global predicament. If this view is at all valid it will be totally impossible for all people to rise to the material living standards presently enjoyed by the 1/5 who live in rich countries. (See pp 36-38). These are therefore the over-developed countries while the rest are the never-to-be-developed countries. The rich one fifth have their high living standards because they are taking far more than their fair share of the world's dwindling resource wealth, and they can only expect to remain so affluent if the rest continue to remain

much poorer.

This “limits to growth” perspective requires the total rejection of any view of development which assumes growth and trickle down, or which takes Western affluent living standards as the goal of development. There is no chance that the world's resources and ecosystems will allow this approach to bake a sufficiently big cake for trickle down effects to solve the problems of the poor majority, let alone allow all to develop to rich world living standards.

“... the Third World cannot conceivably attain the sort of affluence that we know today in the affluent world.”

E. Goldsmith and N. Hildyard, *Battle for the Earth*, 1988, 133.

The conclusion, which has been emphasised in the limits to growth literature for at least two decades, is summarised by the statement...

THE RICH MUST LIVE MORE SIMPLY
SO THAT
THE POOR MAY SIMPLY LIVE

The Alternative: Appropriate Development

It is unfortunate that often the only alternative imagined to the free enterprise or capitalist approach to development is the big-state socialist/communist approach. The advocate of the conserver or appropriate development strategy enthusiastically rejects both of these.

Fortunately attention is now being given to the nature of appropriate development. Its essential elements involve:

* Developing only those things most appropriate to the needs of most people and most likely to raise the overall quality of life (therefore ignoring GNP growth as a development goal, and indeed preventing many developments that would boost the GNP.)

*Abandoning the assumption that western industrialised- affluent society is the goal of development, and aiming at only low but adequate material living standards.

*Building highly self-sufficient local economies, so that the people in a village can produce for themselves most of the things they need and thereby minimise the need to import or to become involved in the national and international economies. Similarly nations should minimise trade, borrowing, foreign investment and dependence on imported energy and spare parts.

*Villagers defining, planning and carrying out the development activities for their area, in participation and cooperative ways, using mostly intermediate technology.

However, appropriate development in the third World cannot get far unless the rich countries also shift to appropriate development strategies. Only if they adopt ways that enable them to move down to using something like their fair share of the world's scarce resources can the Third World's productive capacity freed to meet its own needs.

It must be stressed that the appropriate development path is not an alternative way for Third World countries to succeed in the conventional economy. It is about avoiding that economy as

much as possible, through building highly self-sufficient local systems focussed on production to meet local needs.

Part 3 of these pages emphasises how easily most of the things needed for low but satisfactory material living standards can be produced. It is especially urgent that the potential abundance of local systems and alternative technologies should become more widely appreciated within development circles. Permaculture strategies can provide Third World villages in even the most impoverished and difficult regions with most if not all the sources of food and materials required for adequate material living standards, in a relatively short period. Unfortunately, most development theorists, radical as well as conventional, recommend acceptance of decades of further suffering on the part of billions of people until trickle down saves them (or capitalism self-destructs), essentially because they do not understand the abundance, scope and potential of existing alternatives.

Notes

1. The account in this Chapter is similar to that in the following works by T. Trainer; *Abandon Affluence!* London, Zed Books, 1985, in *Developed to Death: Rethinking Third World Development*, London, Greenprint, 1989, and in *Development Economics*, Melbourne, Heinemann, 1990, The Conserver Society, London, Zed, 1995 and *Towards a Sustainable Economy*, Sydney, Envirobooks, 1995. [Back](#)

2. For documentation of a review of some 120 recent books and articles, almost all arriving at negative conclusions, see F. Trainer, *Third World Development: Documents*, (Edited Collection), Menzies Library, University of NSW, Open Reserve WP0164. [Back](#)

3. N. Rowling, *Commodities*, London, Free Association, 1987. [Back](#)

4. F. Trainer, *Development Economics*, Heinemann, 1990, p 47 and F. Trainer, *Developed to Death*, Greenprint, 1989, p 89. [Back](#)

5. F. Trainer, *Developed to Death*, Greenprint, 1989, p 68, and F. Trainer, *Development Economics*, Heinemann, 1990, p 78. [Back](#)

6. V. Bornschier and C. Chase-Dunn, *Transnational Corporations and Under Development*, New York, Praeger, 1985. See also C. Payer, *Lent and Lost*, 1991, p 29. [Back](#)

7. See *Developed to Death*, op cit, Chapter 7. Although communist countries have also been extensively involved in repression, rich Western countries are far more heavily involved. See *Developed to Death*, op cit, p 144. [Back](#)

8. From F. E. Trainer, *Abandon Affluence*, Zed Books, 1985, p 174.

Part 1: The Problems

[1. Environment] [2. Population] [3. Resource Scarcity] [You Are Here] [5. Peace] [6. Inequality] [7. Food and Agriculture] [8. Social Breakdown] [9. Can't Technology Solve the Problems?]

Part 2: The Causes

[10. Our Economic System] [11. Our Expensive Way of Life] [12. Values]

Part 3: The Alternative

[13. The Radical Conserver Society] [14. The Transition to It]

Subject: The Economist on poverty, growth, aid, WB, IMF, and PRSP: don't miss it.

Contents: *Old battle; new strategy*

Despite all the hope, more than one billion people still live in abject poverty. This article looks at changing ideas on how to help them; the Economics Focus at why developing countries may be able to grow richer

POINTY-HEADED bureaucrats from Washington jet into yet another poor country and demand a slew of economic reforms in return for aid. The government is overwhelmed by the numerous conditions, resents the imposition of politically unpopular reforms by outsiders, and implements them half-heartedly. The aid is ineffective and poverty continues.

No longer will policies be devised in Washington; instead, they must be owned by national governments. These should put together Poverty Reduction Strategy Papers (PRSP) through a participatory process of consultation with all groups of society, especially the poorest. No longer should the focus be simply on growth-enhancing economic reforms; lending should be more explicitly geared towards reducing poverty. Instead of fulfilling reams of individual conditions, governments should set a few broad outcomes such as reducing infant mortality, or improving school enrolment ratios.

The new strategy will have the most immediate impact on the 41 heavily-indebted poor countries. But it will be applied over the next couple of years to all the poorest countries. The idea is to concentrate development efforts towards reaching the goals that rich-country aid givers have set themselves for 2015. These included: reducing by half the proportion of people living in extreme poverty; reducing mortality rates for infants and children under five by two-thirds; reducing maternal mortality rates by three-quarters and ensuring that every child goes to school. Given that the share of people living in extreme poverty defined as less than \$1 day has fallen only from 28% in 1987 to 24% in 1998, this is an ambitious goal (see chart). The number of the abject poor has stayed approximately constant, at 1.2 billion.

The obvious reaction to such grand ambitions is cynicism. In recent decades, the World Bank and, to a lesser extent, the IMF have been through numerous fads. In the 1970s everyone talked about basic needs; in the 1980s it was structural adjustment. Now the buzzwords are poverty reduction, governance, participation, civil society and putting the country in the drivers seat. So this latest revamp may be just more window-dressing. The renaming of the IMF's much-criticised lending tool, the Enhanced Structural Adjustment Facility (ESAF), for example, suggests an emphasis on form rather than substance. The facility is now to have the friendlier title of the Poverty Reduction and Growth Facility.

But there are signs the Fund and the Bank are undergoing more than a cosmetic makeover. First, the new approach forces much closer co-operation between the two institutions, which should lead, at least, to better analysis. Extraordinary as it seems, there has in the past been little connection between the IMF's macroeconomic analysis and the World Bank's work on poverty.

The traditional and correct assumption underlying adjustment programmes was that faster economic growth is the best way to reduce poverty. So IMF lending concentrated on pushing sensible macroeconomic and structural reforms (such as tight fiscal and monetary policies, trade liberalisation, deregulation and privatisation). There was little analysis of the effect of these reforms on poverty still less a ranking of budget priorities on that basis. Similarly, there was little analysis of what overall impact the World Bank's portfolio of loans that might cover areas ranging from banking to the environment would actually have on a borrowing country's poor people.

It would be a great shame if the current obsession with poverty obscured the institutions traditional focus on enhancing economic growth, which remains the best way to reduce poverty levels, even if the fall is not automatically commensurate with the growth. Ten years ago, the World Bank produced an influential analysis predicting that, if good policies were followed, global poverty rates would fall from 33% in the mid-1980s to 18% in 2000. Overall economic growth rates in some developing countries in fact turned out much higher than the Bank expected. But poverty rates have fallen much more modestly. Moreover, the nature of poverty can vary enormously in countries with similar income levels. For instance, in countries whose average income per person, after adjusting for exchange-rate differences, is \$2,000 a year, the proportion of poor children who are underweight varies from about 15% to more than 45%. If the new focus on poverty leads to a better understanding of the relationship between poverty and economic policies, that in itself will mark a big step forward.

Who runs the show?

Even more important than an improved analytical capability will be the extent to which these anti-poverty strategies are truly devised and owned by the countries involved. No one doubts that such ownership is important.

Recent research on the history of foreign aid by David Dollar, an economist at the World Bank, offers two simple lessons: aid works when a country follows sensible economic policies; but the aid itself does little actually to influence policies. It will work only if countries are truly committed to economic reform. Less obvious is how to achieve such ownership. Prompted in large part by pressure from non-governmental organisations, the new Bank/Fund approach emphasises the role of consultations with all national stakeholders. Awkwardly, this participatory approach has in effect been imposed on poor countries.

But might it work nonetheless. There are already a few poor countries that have developed their own broad-based anti-poverty programmes. Uganda, for instance, has had tremendous success with its national Poverty Eradication Action Plan. Mozambique also has a countrywide poverty plan. Guinea has a national strategic vision, which was developed after a series of meetings with national stakeholders. Nonetheless, an enforced participatory approach has problems. It risks involving the international institutions too intrusively in a country's national politics, and giving undue weight to unaccountable (but vocal) NGOs at the expense not just of dictatorships but, sometimes, of democratic governments.

The new approach from the Bank and the Fund could prompt a much broader rethink of foreign aid. If it takes root, bilateral aid donors would be under greater pressure to support a country's own anti-poverty strategy, rather than to push their own aid programmes. More assistance would be provided as straightforward budgetary support rather than as funding for pet projects. Aid would be more selectively focused on countries with high levels of poverty and good strategies for dealing with it.

Such changes would have huge consequences. In another recent paper, Mr Dollar, together with Paul Collier another economist at the World Bank suggest that, even on today's growth and policy trends, levels of poverty in poor countries will fall by about 50% by 2015. But the fall will be highly concentrated mainly in East and South Asia. In Africa poverty will barely budge, while in Eastern Europe and Central Asia it will actually rise. Just a bit more aid, however, directed more efficiently and combined with poor-country reforms, would ensure that poverty rates fell by half or more throughout the developing world. Even if, like every other human endeavour, development finance were subject to fads and fashions, achieving such an aim would justify all the heart-warming rhetoric.

Gæld - et af u-landenes største problemer

(från <http://www.nord-syd.dk>)

Afbetaling på gæld til udlandet udgør et af de allerstørste strukturelle problemer for især de fattigste udviklingslande. I de seneste år er presset fra folkelige bevægelser og NGOere på de rigeste lande og de internationale finansielle institutioner for at eftergive gælden blevet meget stort.

Historien om ulandenes gæld

Gældsfølelsen smækkede for alvor sammen om verdens fattigste lande i begyndelsen af 80'erne, hvor en uheldig cocktail af prisstigninger på olie og en stram monetær politik i de største af de industrialiserede lande medførte skyhøje rentesatser og en international økonomisk nedtur. Samtidig førte mange udviklingslande i bedste tilfælde en fejlslagen økonomisk politik og i værste tilfælde var landene anført af korrupte diktatorer, som stak de internationalt tilegnede ressourcer i egne lommer. Denne uheldige tendens blev blandt andet gjort mulig af en politisk anvendelse af långivning i kold krigs konteksten i 80'erne.

I 1982 meddelte først Argentina og dernæst Mexico, at de ikke så sig i stand til at møde sine forpligtelser på afbetaling af gæld til udlandet. Dette var en alvorlig trussel mod det internationale finansielle system fordi Mexico og flere andre større latinamerikanske lande havde lånt meget store summer i især amerikanske kommercielle banker. Udeblevne betalinger fra denne gruppe af lande kunne føre til et sammenbrud i tilliden til det internationale banksystem og i værste fald til en international depression. Derfor blev krisen set på med alvorlige øjne og USA tog lederskabet i en international håndtering af krisen, der blandt andet også gav IMF en vigtig rolle.

De mest centrale elementer i den efterfølgende krisehåndtering var indførelsen af muligheden for låntagning gennem IMF i bytte for indførelse af aftaler om økonomisk stabilisering, omlægning af gælden til kommercielle banker samt ny offentlig og privat långivning. I denne krisehåndtering indgik ikke egentlig gældseftergivelse, det forventedes at udviklingslandene relativt hurtigt ville komme tilbage på 'rette spor' og dermed have muligheden for at tilbagebetale gælden fuldt ud. På trods af en umiddelbar forbedring af de gældsplagede landes overholdelse af deres forpligtelser førte initiativerne ikke til en løsning af gældskrisen. Tvært imod. De hårde økonomiske reformer satte landenes økonomier i stå og de fleste lande røg ind i en recession.

De efterfølgende forsøg på at komme ud over gældskrisen kan differentieres mellem privat og bilateral gæld. For den private gælds vedkommende har det været kendetegnende at de multilaterale institutioner som Verdensbanken, IMF og de regionale udviklingsbanker langsomt har påtaget sig en central rolle for gældsomlægningen. Parisklubben har stået for håndteringen af bilateral gæld siden sin oprettelse i 1956. Fra 1987 har klubben imidlertid vedtaget en række initiativer for gældseftergivelse, hvilket har udmøntet sig i en række forskellige vilkår. I 1994 blev Napoli-vilkårene vedtaget, som i modsætning til tidligere vilkår sigter mod en eftergivelse af hovedstolen på den bilaterale gæld.

Siden 1996 har gældseftergivelse mere eller mindre været synonymt med initiativet for højt forgældede fattige lande (HIPC initiativet). De højest forgældede fattige lande, hvoraf langt hovedparten er lande fra Afrika syd for Sahara, har haft en gældssammensætning der er karakteriseret af at den største del af gælden er til de multilaterale institutioner. HIPC initiativet har som sit centrale mål at nedbringe HIPC landenes gæld til et bæredygtigt niveau.

Från Richard Pipes bok Communism

Conventional wisdom holds that poverty breeds Communism. Reality is different: poor countries do not opt for Communism. Nowhere in the world has a poor majority, or any majority for that matter, voted the Communists into power. Rather, poor countries are less able to resist Communist takeovers because they lack the institutions that in richer, more advanced societies thwart aspiring radical dictators. It is the absence of institutions making for affluence, especially the rights of property and the rule of law, that keeps countries poor and, at the same time, makes them vulnerable to dictatorships, whether of the left or right variety. In the words of a student of the Cambodian Communist regime, the most extreme on record, 'the absence of effective intermediary structures between the people and their successive leaders predisposed the society to the unrestrained exercise of power.' Thus, the same factors that keep countries poor – above all, lawlessness – facilitate Communist takeovers.