

THE BIG PICTURE



DOMINANCE



Why are income levels in the global South so much lower than in the North? On average, a person living in the South has less than one-quarter the income of one in the North. Within the South, regions' income levels and rates of economic growth vary, but the bottom billion people remain trapped in extreme poverty, without access to basic necessities.

The history of imperialism weighs heavily on today's gap between rich and poor countries. The South was colonized and developed to suit the colonizer's needs. In this clear example of the dominance principle, capital investment was often concentrated in sectors

that exported raw materials to the North, such as oil, mines, and tropical agriculture. In Africa, especially, badly drawn colonial borders left independent states with ethnic conflicts that ignited decades of civil wars. After independence, many former colonies also faced problems of corruption and mismanagement that held back development.

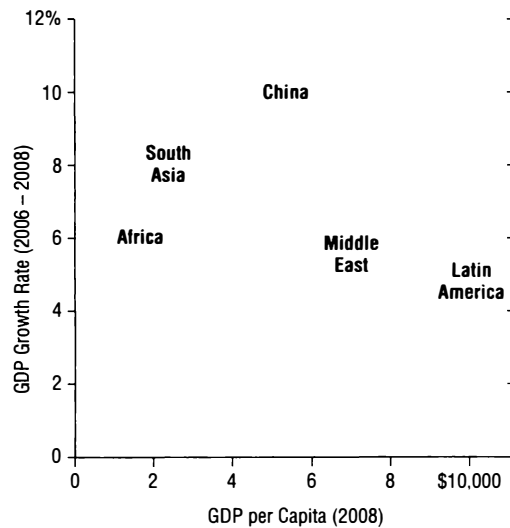
To hear the authors of this book discuss this issue, with an example from recent history, download the "IR Talk" podcast for Chapter 7 from www.IRtext.com.



have lagged for decades. Two decades ago the concentration was as strong in South Asia, but economic growth there has greatly reduced extreme poverty. Still, the average income per person in South Asia—home to 2 billion people—is only \$2,600 per year, and in Africa \$2,000 (even after adjusting for the lower costs of living in these regions compared to richer ones). Although billions of people are rising out of poverty, because of population growth the number of very poor people nonetheless remains about the same. The bottom line is that every six seconds, somewhere in the world, a child dies as a result of malnutrition. That is 600 every hour, 14,000 every day, 5 million every year. The world produces enough food to nourish these children and enough income to afford to nourish them, but their own families or states do not have enough income. They die, ultimately, from poverty. Meanwhile, in that same six seconds the world spends more than \$200,000 on military forces, a thousandth of which could save the child's life. Likewise, people lack water, shelter, health care, and other necessities because they cannot afford them. The widespread, grinding poverty of people who cannot afford necessities is less visible than the dramatic examples of starvation triggered by war or drought, but affects many more people.

The UN in 2000 adopted the **Millennium Development Goals**, which set targets for basic needs measures to be achieved by 2015 and measured against 1990 data. The first of the eight goals is to cut in half the proportion of the world's population living in "extreme poverty," defined as income of less than \$1 per day (in 1990 dollars, or about \$1.70 in 2009 dollars). For the global South as a whole, that proportion fell from 31 percent to 20 percent between 1997 and 2007. China's rate has already dropped by half (33 to 14 percent), but Africa's is hardly changed, at around 50 percent.

The five regions of the global South differ not only on poverty reduction, but also on income level and growth. As Figure 7.1 shows, the regions experiencing the fastest growth—China and South Asia—are neither the highest- nor the lowest-income regions.

FIGURE 7.1 Income Level and Growth Rate by World Region

Note: For the global North overall, GDP per capita is \$35,000.

The Middle East is about as developed as China in terms of GDP per capita, but is growing at only half the rate. Later in this chapter we will explore the reasons for these differences in economic growth, but here we note simply that the world's regions vary on both income and growth, with the two dimensions not correlated.

According to the World Bank, between 1990 and 2005 incomes per person (adjusted for inflation, in today's dollars) in the global South as a whole rose from about \$3,000 to about \$5,000. In the global North they rose from about \$20,000 to about \$28,000. Does this indicate a slow closing of the gap because the ratio fell from about 6.6 to 5.6 as the result of a higher rate of growth in the South? Or does it indicate a widening of the gap between a person in the North and one in the South because in absolute terms, it increased from \$17,000 to \$23,000? Each has some truth.



Addressing Mozambique's Challenges

Basic Human Needs

Some countries in the global South have made rapid progress in raising incomes, but others are caught in a cycle of poverty. In order to put economic growth on a firm foundation, the **basic human needs** of most of the population must be met. People need food, shelter, and other necessities of daily life in order to feel secure. Furthermore, as long as people in the global South blame imperialism for a lack of basic needs, extreme poverty fuels revolution, terrorism, and anti-Western sentiments.

Children are central to meeting a population's basic needs. In particular, education allows a new generation to meet other basic needs and move through the demographic

transition. Literacy—which UNESCO defines as the ability to read and write a simple sentence—is the key component of education. A person who can read and write can obtain a wealth of information about farming, health care, birth control, and so forth. Some poor countries have raised literacy rates substantially; others lag behind.

Great variation also exists in schooling. Primary school attendance in 2003–2004 was more than 90 percent in most world regions, though only 64 percent for Africa. Secondary education—middle and high school—is another matter. In the North, about 90 percent of secondary-age children are enrolled, but in most of the global South, fewer than two-thirds are. College is available to only a small fraction of the population.

In 2008 in the global South, according to UNICEF, one in four children suffered from malnutrition, one in seven lacked access to health care, and one in five had no safe drinking water. The AIDS epidemic is undoing progress made over decades in reducing child mortality and increasing education.

Figure 7.2 shows the variation across regions in two key indicators of children's well-being at different stages—immunizations and secondary-school enrollments. In both cases, achievement of these basic needs for children roughly correlates with the regions' respective income levels. Effective health care in poor countries is not expensive—less than \$5 per person per year for primary care. Since 1990, despite the daunting problems of war and the HIV/AIDS epidemic, public health in the global South has registered some important gains. Infant tetanus deaths were halved, and access to safe water was extended to a billion more people. Polio was nearly eliminated, but resistance to vaccination in parts of Nigeria let the disease begin to spread again, with four countries having indigenous virus populations as of 2006. In eight African countries in 2006, following successful trials in several other countries, authorities combined the distribution of insecticide-treated mosquito nets for malaria with

STRANDED IN POVERTY



Nearly a billion people in the global South—most of them in Africa and South Asia—live in abject poverty. The majority lack such basic needs as safe water, housing, food, and the ability to read. Natural disasters, droughts, wars, or other events that displace subsistence farmers from their land can quickly put large numbers at risk for their lives. These women in East Timor search for food and clothing in a garbage dump, 2009.

DO THE MATH



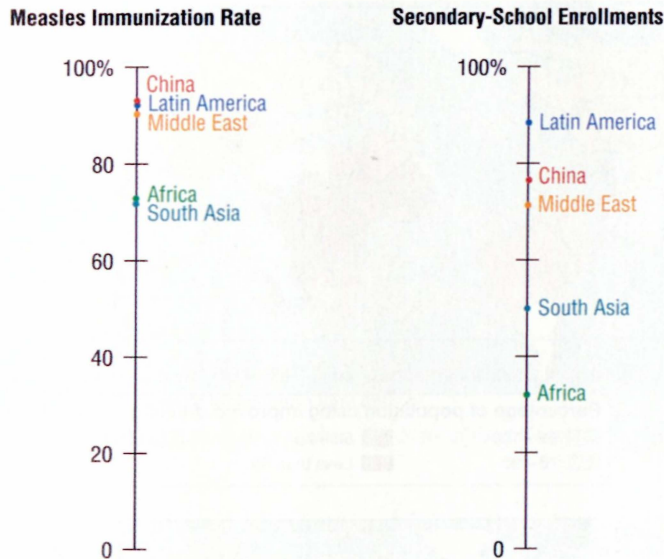
Children are a main focus of efforts to provide basic human needs in the global South. Education is critical to both economic development and the demographic transition. Girls worldwide receive less education than boys, and in Afghanistan under the Taliban, they were banned from schools altogether. This math class in Kandahar, Afghanistan, in 2002, followed the Taliban's fall.

measles and polio vaccines, deworming pills, vitamin A supplements, and educational materials—a combined approach proven to work. In the past 25 years, the number of children immunized in developing countries has risen from 5 percent to more than 50 percent. UNICEF reported in 2007 that deaths of children under five worldwide hit a record low, under 10 million, with the rate having dropped by more than half in the last 50 years. Just since 1999 measles deaths had decreased by 60 percent.

Still, the global disparities in access to health care are striking. The 75 percent of the world's people living in the global South have about 30 percent of the world's doctors and nurses. In medical research, less than 5 percent of world expenditures are directed at problems in developing countries, according to the WHO. The biggest killers are AIDS, acute respiratory infections, diarrhea, TB, malaria, and hepatitis. More than 600 million people are infected with tropical diseases—300 to 500 million

with malaria alone. Yet, because the people with such diseases are poor, there is often not a large enough market for drug companies (MNCs) in the industrialized world to invest in medicines for them. And when poor countries need medicines developed for rich markets, the drugs may be prohibitively expensive (see pp. 330–332).

Safe water is another essential element of meeting basic human needs. In many rural locations, people must walk miles every day to fetch water. Access to water does not mean running water in every house, but a clean well or faucet for a village. In 2004 (the last year for which data are available), one in six people worldwide, the great majority of them in rural areas, lacked access to safe drinking water. Even among those with access to safe drinking water, many lack sanitation facilities (such as sewers and sanitary latrines). Forty percent of the world's population does not have access to sanitation, and as a result suffers from recurrent epidemics and widespread diarrhea, which kill millions of children each year. The importance of sanitation was underscored in 2008 in Zimbabwe, when an economic collapse led to a shutdown of the water treatment system, quickly sparking a cholera epidemic that killed hundreds. Access to safe drinking water and sanitation has nonetheless improved since 1990, from 78 to 83 percent globally for drinking water and

FIGURE 7.2 Basic Needs Indicators by Region (2007)

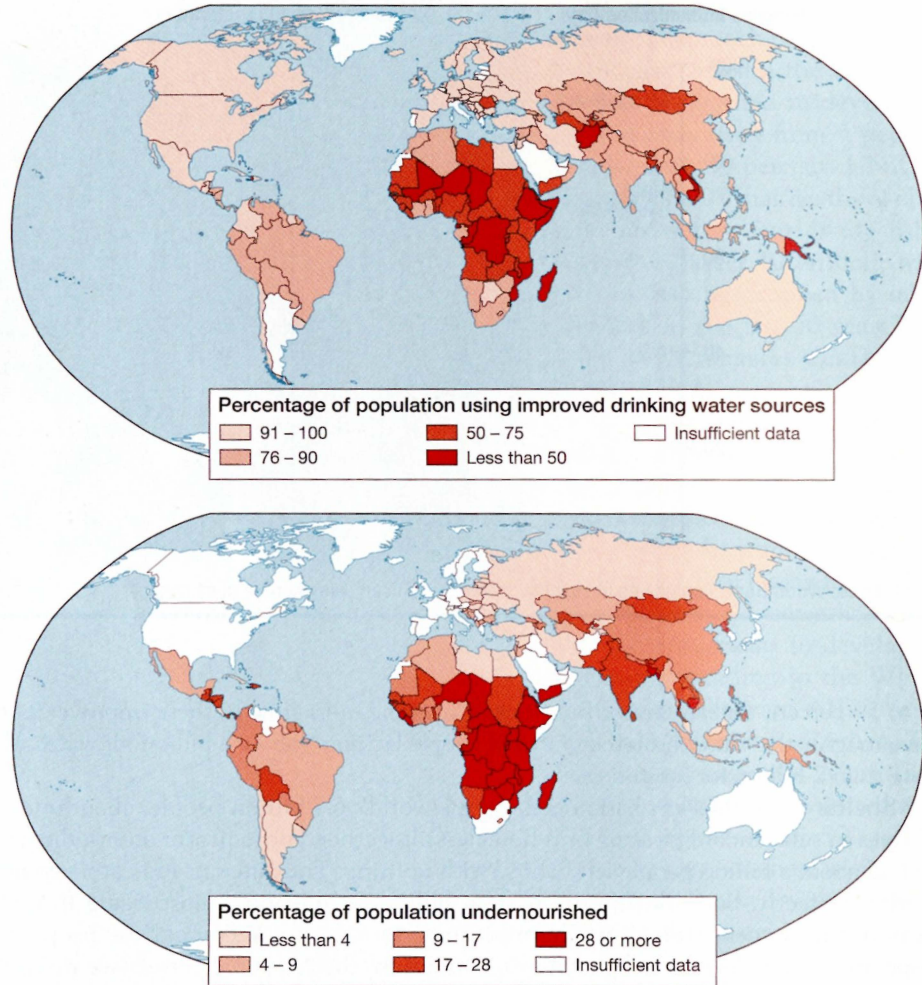
Data Source: World Bank. Regions do not exactly match those used elsewhere in this book.

49 to 59 percent for sanitation. But because of population growth, these improvements leave roughly the same absolute number of people lacking—about a billion for water and more than 2 billion for sanitation.

Shelter is another key basic need. Of the world's 6.7 billion people, about one in six lives in substandard housing or is homeless altogether. For indicator after indicator, we find about a billion people left behind with nothing. The different indicators do not overlap perfectly, but basically the bottom billion of humanity, most living in rural areas, are in desperate poverty. The most important factors keeping these people in desperate poverty appear to be civil war, corruption, the “resource curse” (see p. 277), and landlocked locations without ready access to trade.

War in the global South—both international and civil war—is a leading obstacle to the provision of basic needs. War causes much greater damage to society than merely the direct deaths and injuries it inflicts. In war zones, economic infrastructure such as transportation is disrupted, as are government services such as health care and education. Wars drastically reduce the confidence in economic and political stability on which investment and trade depend.

Figure 7.3 maps the rates of access to safe water and food. The worldwide pattern somewhat resembles the map of wars in progress on p. 111. If indeed there is a relationship between recent or present warfare and a lack of basic needs (in turn correlated with income level), what really causes what? Does being at war keep a society poor and prevent it from meeting its population's basic needs? Or does being poor, with unmet

FIGURE 7.3 Rates of Access to Water and Food, 2005

Source: UN data.

basic needs, make a society more war-prone? Probably both are true. War is often part of a vicious circle for states unable to rise out of poverty.

World Hunger

Malnutrition (or malnourishment) refers to the lack of needed foods including protein and vitamins. The term *hunger* refers broadly to malnutrition or outright *undernourishment*—a lack of calories. Hunger does not usually kill people through

TABLE 7.1 Who's Hungry?
Chronically Undernourished People by Region, c. 2007

Region	Number (millions)	Percentage of Population	10 Years Earlier
S. Asia	330	21%	22%
China	140	9%	12%
Africa	210	30%	34%
Latin America	45	8%	11%
Middle East	40	8%	8%
CIS	10	12%	20%
Total	835	13%	14%

Notes: Data are from 2003–2005 and 1995–1997. Chronic undernourishment means failing to consume enough food on average over a year to maintain body weight and support light activity.

Source: Based on Food and Agriculture Organization. *The State of Food Insecurity in the World 2008*. FAO, 2008, pp. 48–50.

outright starvation, but it weakens them and leaves them susceptible to infectious diseases that would not ordinarily be fatal.

Some 920 million people—about one in eight worldwide—are chronically undernourished (see Table 7.1). At the World Food Summit in 1996, world leaders adopted a goal to cut hunger in half by 2015. But 13 years later there were more hungry people, not fewer. As a proportion of a growing population, however, the rate of hunger dropped from 14 to 13 percent from 1995 to 2005. In 2006, UNICEF reported that China had made great progress in reducing child malnutrition, but progress in South Asia had been very slow and Africa was not moving forward. A quarter of the world's children under age 5—and nearly half those in India—were underweight. Of the world's 150 million underweight children, half lived in India, Pakistan, and Bangladesh. Higher food prices in 2007–2008 led to a particularly large increase in hunger.

Traditionally, rural communities have grown their own food—**subsistence farming**. Colonialism disrupted this pattern, and the disruption has continued in postcolonial times. States in the global South shifted from subsistence to commercial agriculture. Small plots were merged into big plantations, often under the control of wealthy landlords. By concentrating capital and orienting the economy toward a niche in world trade, this process is consistent with liberal economics. But it displaces subsistence farmers from the land. Wars displace farmers even more quickly, with similar results.

Commercial agriculture relies on machinery, commercial fuels, and artificial fertilizers and pesticides, which must be bought with cash and often must be imported. To pay for these supplies, big farms grow **cash crops**—agricultural goods produced for export to world markets. Such crops typically provide little nutrition to local peasants; examples include coffee, tea, and sugar cane. Subsistence farmers end up working on the plantation at very low wages or migrating to cities in search of jobs. Often they end up hungry. Ironically, the higher food prices in 2007–2008 provided increased income for farmers in rural areas, yet at the cost of many being unable to afford food.

International food aid itself can sometimes add to these problems. Agricultural assistance may favor mechanized commercial agriculture. And if an international agency floods an area with food, prices on local markets drop, which may force even more local farmers out of business and increase dependence on handouts from the government or international community. Also, people in a drought or famine often have to travel to feeding centers to receive the food, halting their work on their own land.

Rural and Urban Populations

The displacement of peasants from subsistence farming contributes to a massive population shift that typically accompanies the demographic transition. More and more people move to the cities from the countryside—**urbanization**. This is hard to measure exactly; there is no standard definition of when a town is considered a city. But industrialized states report that about 70–90 percent of their populations live in cities. By contrast, China is only 30 percent urbanized—a level typical of Asia and Africa. Most Middle Eastern states are a bit more urban (45–55 percent), and South American ones are 70–85 percent urban.

Urbanization is not caused by higher population growth in cities than in the countryside. In fact, the opposite is true. In cities, the people are generally better educated, with higher incomes. They are further along in the demographic transition and have lower birthrates than people in the countryside. Rather, the growth of urban population is caused by people moving to the cities from the countryside. They do so because of the higher income levels in the cities and the hope of more chances for an exciting life. They also move because population growth in the countryside stretches available food, water, arable land, and other resources.

Many states have considered policies to break up large land holdings and redistribute land to poor peasants for use in subsistence farming—**land reform**. The main opponents of land reform are large landowners, who often wield great political power because of their wealth and their international connections to markets, MNCs, and other sources of hard currency.

Women in Developing Countries

Economic development in poor countries is closely tied to the status of women in those societies. Most attention for decades had focused on men as supposedly the main generators of capital. Governments and international reports concentrated on work performed by male wage earners. Women's work, by contrast, often is not paid for in money and does not show up in financial statistics. But women in much of the world work harder than men and contribute more to the economic well-being of their families and communities. Women are key to efforts to improve the lot of children and reduce birthrates. In nutrition, education, health care, and shelter, women are central to providing the basic needs of people in poor countries.

Yet women hold inferior social status to men in the countries of the South (even more than in the North). For instance, when food is in short supply, men and boys often eat first, and women and girls get what is left. Similarly, discrimination against girls is

widespread in education and literacy. Worldwide, nearly twice as many women as men are illiterate. Throughout Asia, Africa, and the Middle East (though not in Latin America), more boys receive an education, especially at the secondary level, though that gap has closed considerably in recent years. At university level, only 30 percent of students are women in China and the Middle East, a bit more than 20 percent in South Asia and Africa (but 45 percent in Latin America). The Taliban regime in Afghanistan (1996–2001) took extreme measures against women's education, banning all girls from school and all women from paid work.

States and international agencies have begun to pay attention to ending discrimination in schooling, ensuring women's access to health care and birth control, educating mothers about prenatal and child health, and generally raising women's status in society (allowing them a greater voice in decisions). These issues occupied the 1995 UN women's conference in Beijing, China, attended by tens of thousands of state and NGO representatives.

For example, international agencies help women organize small businesses, farms, and other income-producing activities. UNICEF has helped women get bank loans on favorable terms to start up small businesses in Egypt and Pakistan as well as cooperative farms in Indonesia. Women have organized cooperatives throughout the global South, often in rural areas, to produce income through weaving and other textile and clothing production, retail stores, agriculture, and so forth.

Migration and Refugees

The processes just outlined—basic needs deprivation, displacement from land, and urbanization—culminate in one of the biggest political issues affecting North-South relations: **migration** from poorer to richer states. Millions of people from the global South have crossed international borders, often illegally, to reach the North.

Someone who moves to a new country in search of better economic opportunities, a better professional environment, or better access to his or her family, culture, or religion is engaging in migration (emigration from the old state and immigration to the new state). Such migration is considered voluntary. The home state is not under any obligation to let such people leave, and, more important, no state is obligated to receive migrants. As with any trade issue, migration creates complex

WOMEN'S POWER



The status of women in countries of the global South affects prospects for economic development. Women are central to rural economies, to population strategies, and to the provision of basic human needs, including education. Here, a women's cooperative in Mauritania makes small loans to its members, 2006.



Immigration

patterns of winners and losers. Immigrants often provide cheap labor, benefiting the host economy overall, but also compete for jobs with (poor) citizens of the host country. *Remittances*—money sent home by migrants to relatives in their country of origin—are an important source of income for many poor countries with large numbers of emigrant workers, such as Latin Americans working in the United States.

Most industrialized states try to limit immigration from the global South. Despite border guards and fences, many people migrate anyway, illegally. In the United States, such immigrants come from all over the world, but mostly from nearby Mexico, Central America, and the Caribbean. In Western Europe, they come largely from North Africa, Turkey, and (increasingly) Eastern Europe. Some Western European leaders worry that the loosening of border controls under the process of integration (see pp. 228–230) will make it harder to keep out illegal immigrants. Indeed, fear of immigration is one reason why Swiss voters rejected membership in the EU.

International law and custom distinguish migrants from **refugees**, people fleeing to find refuge from war, natural disaster, or political persecution. (Fleeing from chronic discrimination may or may not be grounds for refugee status.) International norms obligate countries to accept refugees who arrive at their borders. Refugees from wars or natural disasters are generally housed in refugee camps temporarily until they can return home (though their stay can drag on for years). Refugees from political persecution may be granted asylum to stay in the new state. Acceptance of refugees—and the question of which states must bear the costs—is a collective goods problem.

The number of international refugees in the world was 10 million in 2008. In addition, 14 million more people are currently displaced within their own countries, and more than 7 million others held some other refugee-related status as a result of either political conflict or natural disaster. An additional 4 million Palestinian refugees fall under the responsibility of the UN Relief and Works Agency (UNRWA). The majority of refugees and internally displaced people have been displaced by wars (see Table 7.2).

TABLE 7.2 Refugee Populations, 2008

Region	Millions	Main Concentrations
Middle East and Asia	14	Afghanistan, Iraq, Pakistan, Nepal, Iran
Palestinians under UNRWA	4	Palestine, Jordan, Lebanon, Syria
Africa	9	Somalia, Uganda, Sudan, D.R. Congo
Latin America	4	Colombia
Europe	4	Former Yugoslavia, Germany ^a
World Total	35	

^a Various regions of origin.

Note: Includes refugees, asylum seekers, returned refugees, and internally displaced people. Does not include an estimated 30 million refugees not assisted by UNHCR.

Source: UN High Commissioner for Refugees (UNHCR).

The political impact of refugees has been demonstrated repeatedly. The most politicized refugee problem for decades has been that of Palestinians displaced in the 1948 and 1967 Arab-Israeli wars (and their children and grandchildren). They live in “camps” that have become long-term neighborhoods, mainly in Jordan, Lebanon, and the Palestinian territories of Gaza and the West Bank. Economic development is impeded in these camps because the host states and Palestinians insist that the arrangement is only temporary. The poverty of the refugees in turn fuels radical political movements among the inhabitants. The question of Palestinian refugees’ right to return to what is now Israel has blocked every attempt at a comprehensive peace settlement for years.

It is not always easy to distinguish a refugee fleeing war or political persecution from a migrant seeking economic opportunity. Illegal immigrants may claim to be refugees in order to be allowed to stay, when really they are seeking better economic opportunities. In recent decades this issue has become a major one throughout the North. In Germany, France, Austria, and elsewhere, resentment of foreign immigrants has fueled upsurges of right-wing nationalism in domestic politics.

Trafficking In addition to migration and refugees, a growing number of people—estimated at about 700,000 annually—are trafficked across international borders against their will. They include both sex slaves and labor slaves, with each category including females and males, adults and children. Perhaps 20,000 of these people are trafficked to the United States annually. In 2008, the U.S. State Department listed 17 countries making insufficient efforts to stop human trafficking, including friends such as Kuwait, Malaysia, and Saudi Arabia.

In general, South-North migration of all types creates problems for the industrialized states that, it seems, can be solved only by addressing the problems of the South itself.

Theories of Accumulation

How do we explain the enormous gap between income levels in the world’s industrialized regions and those in the global South? What are the implications of that gap for international politics? There are several very

ON THE MOVE



Refugees are both a result of international conflict and a source of conflict. In addition to those fleeing war and repression and those seeking economic opportunity, hundreds of thousands of people each year cross borders as sex and labor slaves. These refugees from war in Chad cross the Cameroon border, 2008.

different approaches to these questions; we will concentrate on two contrasting theories of wealth accumulation, based on more liberal and more revolutionary world views.

Economic Accumulation

A view of the problem from the perspective of capitalism is based on liberal economics—stressing overall efficiency in maximizing *economic growth*. This view sees the global South as merely lagging behind the industrialized North. More wealth creation in the North is a good thing, as is wealth creation in the South—the two are not in conflict.

A different view of things, from the perspective of socialism, is concerned with the distribution of wealth as much as the absolute creation of wealth. It sees the North-South divide as more of a zero-sum game in which the creation of wealth in the North most often comes at the expense of the South. It also gives politics (the state) more of a role in redistributing wealth and managing the economy than does capitalism. Socialism thus parallels mercantilism in some ways. But socialists see economic classes rather than states as the main actors in the political bargaining over the distribution of the world's wealth. And mercantilism promotes the idea of concentrating wealth (as a power element), whereas socialism promotes the broader distribution of wealth.

Capitalist and socialist approaches are rather incompatible in their language and assumptions about the problem of third world poverty and its international implications. The next few sections somewhat favor socialist approaches, focusing on the past history of imperialism and on revolutionary strategies and massive redistribution of wealth as solutions, whereas the sections concluding the chapter lean toward capitalist approaches. In Latin America in recent years, several states have elected leftist presidents committed to changing course away from free market capitalism and toward a socialist philosophy with more state-owned industries.

The World-System

The global system of regional class divisions has been seen by some IR scholars as a **world-system** or a *capitalist world economy*. This view is Marxist in orientation (focusing on economic classes; see Chapter 3) and relies on a global level of analysis. In the world-system, class divisions are regionalized. Regions in the global South mostly extract raw materials (including agriculture)—work that uses much labor and little capital, and pays low wages. Industrialized regions mostly manufacture goods—work that uses more capital, requires more skilled labor, and pays workers higher wages. The manufacturing regions are called the *core* (or *center*) of the world-system; the extraction regions are called the periphery.

The most important class struggle today, in this view, is that between the core and periphery of the world-system. The core uses its power (derived from its wealth) to concentrate surplus from the periphery, as it has done for about 500 years. Conflicts among great powers, including the two world wars and the Cold War, basically result from competition among core states over the right to exploit the periphery.

In world-system theory, the semiperiphery is an area in which some manufacturing occurs and some capital concentrates, but not to the extent of the most advanced areas in the core. Eastern Europe and Russia are commonly considered semiperipheral, as are some of the newly industrializing countries (see p. 280) such as Taiwan and Singapore. The semiperiphery acts as a kind of political buffer between the core and periphery because poor states can aspire to join the semiperiphery instead of aspiring to rebel against domination by the core. Over time, membership in the core, the semiperiphery, and the periphery changes somewhat, but the overall global system of class relations remains.

Semiperiphery regions, which export manufactured products, are just those—China and South Asia—that have been growing very rapidly in recent years (see Figure 7.1 on p. 262). The three periphery regions that engage with the globalizing world economy primarily as raw-material exporters (Africa, the Middle East, and Latin America) are growing more slowly.

Imperialism

Both the disparities in wealth between the global North and South and the specialization in regions' exports have long histories. In Chapter 3 we discussed Marxist theories of imperialism, which give a particular kind of explanation for how the North-South gap evolved. Here we review how imperialism affected the South over the centuries and how its aftereffects are still felt around the world. Imperialism, especially in the 16th to mid-20th centuries, structured world order starkly around the dominance principle, with masters and slaves, conquerors and conquered peoples with their land, labor, and treasures. At the same time, imperialism depended on the identity principle to unite the global North around a common racial identity that defined nonwhite people as an out-group. (Although identity issues today are more complex, racism still affects North-South relations.)

European imperialism got its start in the 15th century with the development of oceangoing sailing ships in which a small crew could transport a sizable cargo over a long distance. Portugal pioneered the first voyages of exploration beyond Europe. Spain, France, and Britain soon followed. With superior military technology, Europeans gained control of coastal cities and of resupply outposts along major trade routes. Gradually this control extended further inland, first in Latin America, then in North America, and later throughout Asia and Africa (see Figure 7.4).

These empires decimated indigenous populations and cultures, causing immense suffering. Over time, the economies of colonies developed with the creation of basic transportation and communication infrastructure, factories, and so forth. But these economies were often molded to the needs of the colonizers, not the local populations.

In the 20th century, the world regions formerly dominated by Europe gained independence, with their own sovereign states participating in the international system. Independence came earlier in the Americas (around 1800). Decolonization continued through the mid-1970s until almost no European colonies remained. Most of the newly independent states have faced tremendous challenges and difficulties in the postcolonial era because of their colonial histories.

Effects of Colonialism

For most states in the global South, the history of having been colonized by Europeans is central to their national identity, foreign policy, and place in the world. For these states—and especially for those within them who favor socialist perspectives—international relations revolves around their asymmetrical power relationships with industrialized states.

Being colonized has a devastating effect on a people and culture. Foreigners overrun a territory with force and take it over. They install their own government, staffed by their own nationals. The inhabitants are forced to speak the language of the colonizers, to adopt their cultural practices, and to be educated at schools run under their guidance. The inhabitants are told that they are racially inferior to the foreigners.

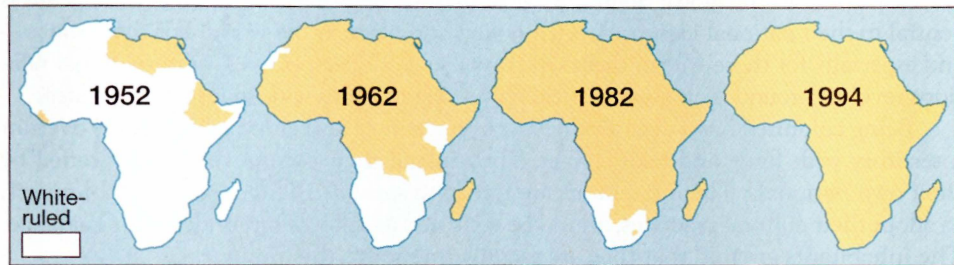
White Europeans in third world colonies in Africa and Asia were greatly outnumbered by native inhabitants but maintained power by a combination of force and (more important) psychological conditioning. After generations under colonialism, most native inhabitants either saw white domination as normal or believed that nothing could be done about it. The whites often lived in a bubble world separated from the lives of the local inhabitants.

Colonialism also had certain negative *economic* implications. The most easily accessible minerals were dug up and shipped away. The best farmland was planted in export crops rather than subsistence crops. The infrastructure that was built served the purposes of imperialism rather than the local population—for instance, railroads going straight from mining areas to ports. The education and skills needed to run the economy were largely limited to whites.

The economic effects were not all negative, however. Colonialism often fostered local economic accumulation (although controlled by whites). Cities grew. Mines were dug and farms established. Much of the infrastructure that exists today in many devel-



**World's
Worst
Humanitarian
Crises**

FIGURE 7.5 Areas of White Minority Rule in Africa, 1952–1994

Formal colonialism was swept away over 40 years. However, postcolonial dependency lingers on in many former colonies.

Source: Adapted from Andrew Boyd, *An Atlas of World Affairs*. 9th ed. NY: Routledge, 1992, p. 91.

Postcolonial Dependency

If imperialism concentrated the accumulation of wealth in the core and drained economic surplus from the periphery, one might expect that accumulation in the global South would take off once colonialism was overthrown. Generally, however, this was not the case. A few states, such as Singapore, have accumulated capital successfully since becoming independent. But others, including many African states, seem to be going backward, with little new capital accumulating to replace the old colonial infrastructure. Most former colonies are making only slow progress in accumulation. Political independence has not been a cure-all for poor countries.

One reason for these problems is that under colonialism, the training and experience needed to manage the economy were often limited to white Europeans, leaving a huge gap in technical and administrative skills after independence. Another problem faced by many newly independent states was that their economies rested on the export of one or two products. For Zambia, it was copper ore; for El Salvador, coffee; for Botswana, diamonds. Such a narrow export economy would seem well suited to use the state's comparative advantage to specialize in one niche of the world economy. And having exportable natural resources might seem a big plus for an economy. But in fact the problems of basing economic growth on resource exports have been called the **resource curse**. Dependence on exporting resources distorts an economy, facilitates corruption, and leaves a country vulnerable to price swings. The liberal free trade regime based around the WTO corrected only partially for the North's superior bargaining position in North-South trade. And the WTO has allowed agriculture (exported by the periphery) to remain protected in core states, while promoting liberalization of trade in manufactured goods exported by the core (see pp. 272–273).

The newly independent states inherited borders that were drawn in European capitals by foreign officers looking at maps. As a result, especially in Africa, the internal rivalries of ethnic groups and regions made it very difficult for the new states to implement coherent economic plans. In a number of cases, ethnic conflicts within former colonies led to civil wars, which halted or reversed capital accumulation.

Finally, governments of many postcolonial states did not function very effectively, creating another obstacle to accumulation. In some cases, corruption became much worse after independence (see p. 289). In other cases, governments tried to impose central control and planning on their national economy, based on nationalism, mercantilism, or socialism.

In sum, liberation from colonial control did not transform underlying economic realities. The main trading partners of newly independent countries were usually their former colonial masters. The main products were usually those developed under colonialism. The administrative units and territorial borders were those created by Europeans. The state continued to occupy the same peripheral position in the world-system after independence as it had before. And in some cases it continued to rely on its former colonizer for security.

For these reasons, the period after independence is sometimes called **neocolonialism**—the continuation of colonial exploitation without formal political control. This concept also covers the relationship of the global South with the United States, which (with a few exceptions) was not a formal colonizer. And it covers the North-South international relations of Latin American states, independent for almost two centuries.

Dependency Marxist IR scholars have developed **dependency theory** to explain the lack of accumulation in the global South. These scholars define dependency as a situation in which accumulation of capital cannot sustain itself internally. A dependent country must borrow capital to produce goods; the debt payments then reduce the accumulation of surplus.

Dependency theorists focus not on the overall structure of the world-system (center and periphery) but on how a peripheral state's own internal class relationships play out. The development (or lack of development) of a poor country depends on its local conditions and history, though it is affected by the same global conditions as other countries located in the periphery.

One historically important configuration of dependency is the **enclave economy**, in which foreign capital is invested in a third world country to extract a particular raw material in a particular place—usually a mine, oil well, or plantation. A different historical pattern is that of nationally controlled production, in which a local capitalist class controls a cycle of accumulation based on producing export products. The cycle still depends on foreign markets, but the profits accrue to the local capitalists, building up a powerful class of rich owners within the country—the local bourgeoisie. After World War II a third form of dependency became more common—penetration of national economies by MNCs. Here the capital is provided externally (as with enclaves), but production is for local markets. For instance, a GM factory in Brazil would produce cars mostly for sale within Brazil. To create local markets for such manufactured goods, income must be concentrated enough to create a middle class. This sharpens disparities of income within the country (most people remain poor).

According to dependency theory, the particular constellation of forces within a country determines which coalitions form among the state, the military, big landowners, local capitalists, foreign capitalists (MNCs), foreign governments, and middle classes. On

MY DOLL, MY SELF


European colonialism worldwide promoted values and norms implying that the colonizer's culture was superior to the indigenous culture. Lingering effects remain in postcolonial societies. This girl displaced by violence in Kenya, a former British colony, plays with a light-skinned doll, 2008.

the other side, peasants, workers, and sometimes students and the church form alliances to work for more equal distribution of income, human and political rights, and local control of the economy. These class alliances and the resulting social relationships are not determined by any general rule but by concrete conditions and historical developments in each country. Like other Marxist theories, dependency theory pays special attention to class struggle as a source of social change. Some people think that under conditions of dependency, economic development is almost impossible. Others think that development is possible under dependency, despite certain difficulties. We will return to these possibilities later in the chapter.

Overall, North-South relations show how difficult it has become to separate political economy from international security. The original political relations contained in European imperialism led to economic conditions in the South—such as high population growth, urbanization, and concentrations of wealth—that in turn led to political movements for independence, and later to revolutions. The various aspects of the North-South gap considered in the first half of this chapter—including hunger, refugees, and the structure of commodity exports—all contain both economic and political-military aspects. The remainder of the chapter turns to the question of how economies in the South can develop the accumulation process and what role the North can play in that process.

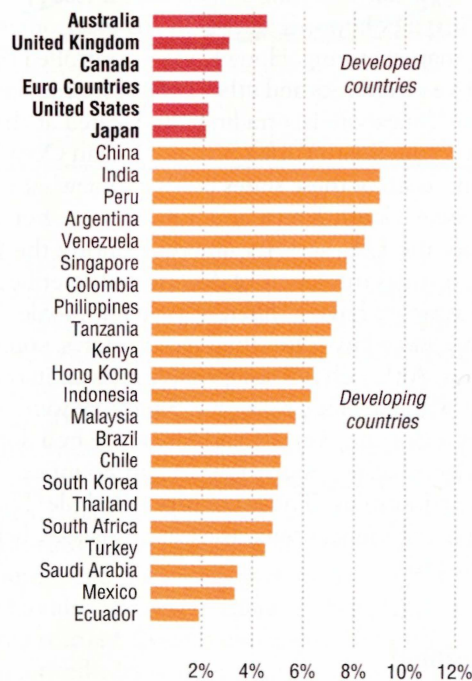
Development Experiences

This chapter so far has discussed the situation in the global South and how it came to be. The remainder takes up the question of what to do about it. **Economic development** refers to the combined processes of capital accumulation, rising per capita incomes (with consequent falling birthrates), increasing skills in the population, adoption of new technological styles, and other related social and economic changes. The most central aspect is the accumulation of capital (with its ongoing wealth-generating potential). The concept of development has a subjective side that cannot be measured statistically—the judgment of whether a certain pattern of wealth creation and distribution is good for a state and its people. But one simple measure of economic development is the per capita GDP—the amount of economic activity per person. This measure was the horizontal axis in Figure 7.1 (p. 262), and change in this measure was on the vertical axis.

By this measure, we can trace the successes and failures of the South as a whole and, more important, its regions and countries. The latter is more important because it contains the seeds of possible lessons and strategies that could build on the South's successes in the future. Most of the global South made progress on economic development in the 1970s, but real per capita GDP decreased in the 1980s in Latin America, Africa, and the Middle East, with only China growing robustly. In the 1990s, real economic growth returned across much of the South—about 5–6 percent annual growth for the South as a whole, compared to 2–3 percent in the global North. China stood out among the regions of the South as making rapid progress toward economic development.

In the new century, growth has accelerated in the South and now outpaces the North in growth rate (see Figure 7.6). This growth was still uneven. South Asia joined China in rapid growth of 8–9 percent annually. Because China and South Asia together contain the majority of the population in the global South, this development is very important. Even in Africa, according to the World Bank, economies grew by more than 5 percent annually from 2005 to 2007 (led by, but not limited to, oil- and mineral-exporting nations). Yet, as we discuss later in this chapter, the current global economic downturn threatens some of the economic progress made by the developing world.

FIGURE 7.6 Real GDP Growth of Selected Countries, 2007



Source: World Bank, *World Development Indicators*.