SECOND EDITION

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WORLD REGIONAL GEOGRAPHY

THE NEW GLOBAL ORDER

MICHAEL BRADSHAW

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Population Policies

In the late 1990s, variations in directions and rates of population change are major world issues causing differences in regional geography and highlighting potential future crises for regions. The main consensus of the 1994 International Conference on World Population and Development in Cairo, Egypt, was that population growth should be contained. Although opinions differed about how many people the world and its resources can support, it was agreed that the present rates of growth of over 2 percent per year in many countries are too high.

In the 1950s, governments first identified population growth as a major issue facing the world. Initially, contraceptive techniques were thought to be the key to controlling population growth, so they were made widely available in poorer countries. Then the demographic transition process suggested that reduced birth rates accompany economic growth, so policies in the 1960s and 1970s were based on the "development is the best contraceptive" slogan. In some countries, however, large families continue to be seen as necessary for survival or as a means of gaining status within the culture. By contrast, parts of India and Kenya had major falls in fertility rates with little or no economic growth. The demographic transition process may reflect the experience of western Europe and Anglo America in the 1800s. By A.D. 2000, it is not yet fulfilled beyond the middle stage in much of the rest of the world.

Many factors are important in achieving population stabilization, including education and the improvement of women's status—both points that were emphasized at the 1994 world population conference. A greater role for women in deciding on the numbers of children they will have is still resisted strongly in some countries because of ingrained cultural beliefs.

The causes of population growth (or decline) are complex and closely related to cultural expectations. In considering overall planning policies, countries need to relate their population growth rate to what can be sustained by available resources of food and other basic needs. Some countries are experiencing a surprising level of success in population control. For example, Bangladesh, a very poor and overpopulated country in which women have a very low status, is experiencing rapid falls in birth rates. Its family planning policies provide families with access to a variety of choices that they had not previously considered.

WORLD POLITICAL GEOGRAPHY: COUNTRIES AND GOVERNMENTS

Political geography is the study of how governments influence the human geography of the world and its regions. Self-governing countries are the basic political units: within its borders, a government has political control, or sovereignty, over the country's inhabitants. The world is divided into around 200 self-governing countries, each of which is recognized by other countries. Country governments have powers to promote and protect their peoples in world affairs, provide public services, and encourage economic and social development internally. They often have systems of regional and local government that carry out some of the governmental responsibilities at different geographic levels. Country governments may also join with other country governments in mutual trading or defense agreements. In world regional geography, countries provide the main units of study.

Nations and Nationalism

A country as defined above is not always the same as a nation. A nation is an "imagined community" having common cultural features, usually linked to a specific area of land. The cultural features may be language, religion, or other characteristic with a historic background. In the country known as the United Kingdom, for example, the English, Scottish, Welsh, and Irish consider themselves distinctive nations and often enter separate teams in world sporting events. The notion of "tribe" is close to that of "nation" (see Chapter 3), but many African countries contain several tribes, while their modern boundaries, imposed by colonizers, often cut across tribal territories. When countries contain more than one nation, scope exists for political tensions to arise.

Nationalism—the desire to combine cultural and territorial features—became basic to the formation of countries in Europe from around A.D. 1800. It gained significance as the rise of capitalism turned allegiances away from overriding feudal principles or ecclesiastical loyalties. The increased levels of communication made possible through printed books and newspapers, the telegraph, telecommunications, radio, and television bolstered nationalism. From the 1800s, universal education supported nationalist themes through selective views of history that glorified the national experience. European nations, such as Germany, emerged as countries in the 1800s, when a group of smaller states united under the linguistic banner. In the 1900s, Germany used the idea of uniting separated German-speaking minorities in other countries as an excuse for talk of national supremacy. This twice led to world wars, when Germany discovered limits to the expansionism its neighboring countries would tolerate.

Governments

Governments range from those elected democratically to those dominated by dictators. Some countries have a unitary governmental structure, administering all parts from the center for all aspects of government. Other countries have a federal government structure in which they divide the authority for various activities between a central government and partitions called states or provinces. In the United States, for example, the federal government has responsibility for

WEBSITE: Governments

http://www.odci.gov/cia/publications/factbook/index.html

The CIA *World Factbook* is produced for U.S. government officials. It includes data for every country, including information on the type of government. Some of this information is also available on the CD-ROM sources listed in this text's Reference Section.

external relations, defense, and interstate relations, while the states have authority for education, local roads, and physical planning. Both the federal and state governments may levy income tax.

Governments differ in the direct influence they impose on internal affairs. Dictatorships and governments where state capitalism is the dominant economic system both intervene much more than democratic governments in economic activities from production to distribution. During the 1900s, however, all governments increased their level of intervention in regulating and promoting economic activity.

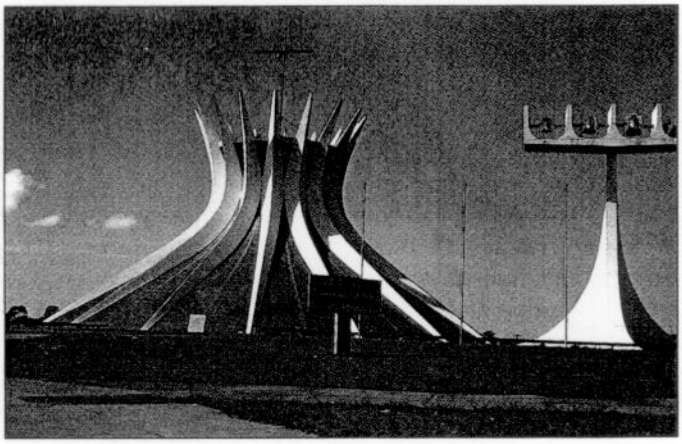
Government functions are concentrated in capital cities, where the head of state lives and the parliament and government offices are situated. Many capital cities are the largest cities in the country, as, for example, London (United Kingdom), Tokyo (Japan), and Nairobi (Kenya). Especially in federal countries, new capital cities were often built to avoid jealousies among established cities. Washington, D.C., Brasilia (Brazil) (Figure 2.13), Abuja (Nigeria), and Canberra (Australia) are examples.

Country Groupings

Countries make agreements with other countries, primarily to foster common defense and trade interests. Many defense agreements were generated during the Cold War period, but some continue. The North Atlantic Treaty Organization (NATO) linked Anglo America and western Europe in a common response to a perceived military threat from the Soviet bloc. Since 1991, it extended its agreements to some of the former Soviet bloc countries, a move resisted by Russia. The Association of Southeast Asian Nations (ASEAN) was formed to oppose the extension of communism in that region but became a forum for economic cooperation (see Chapter 6).

Governments have a major influence on the conduct of world trade. They may encourage their people to export goods and may control certain imports by charging taxes, or tariffs, on them. Making imports of food or manufactures more expensive by charging tariffs gives home firms and farmers cost advantages. During the early 1990s, there was a widespread political will among countries to free world trade from barriers. The **General Agreement on Tariffs and Trade** (GATT) was established in 1948 to encourage countries to lower tariffs. After 1993, the **World Trade Organization** (WTO) took over the role of preventing discrimination among trading partners.

(a)



(b)

(c)

FIGURE 2.13 Brasilia, the planned capital city of Brazil. (a) The central avenue lined by public buildings. (b) The cathedral. (c) Unplanned satellite town of Paranoa that sprang up to hold over a quarter of a million people, including the enterprising shopkeeper on the main road.

All photos © Michael Bradshaw

Most progress on liberalizing trade has been made at the regional level in **free-trade areas**, the members of which have common tariff rates on imports. Opinions differ as to whether the regional free-trade area agreements encourage

RECAP 2B: People and Political Geography

The population distribution of a country depends on historic factors that encouraged local concentrations. The present trend is toward metropolitan center expansion. Populations change according to the balance among births, deaths, and migration. Demographic transition suggests that populations move from high birth and death rates toward low birth and death rates as economic development occurs. Population policies are based on factors that stimulate population growth or decline.

Countries are self-governing political units having recognized borders with other countries; nations are culturally united groups of people occupying or claiming a specific territory. Political systems affect the ways in which countries are governed. In the 1900s, governments of most countries took an increasing role in guiding their economies.

2B.1 How would you define: *birth rate, total fertility rate, death rate, infant mortality, immigration, emigration?*

2B.2 Why may some countries not follow the demographic transition pattern?

2B.3 Compare government types in several different countries (e.g., United States, United Kingdom, Russia, Japan, Cuba). (Get data about this from the CIA *World Factbook* website.)

Key Terms:

demography	infant mortality	political geography
birth rate	natural population change	General Agreement on Tariffs and Trade
total fertility rate	migration	World Trade Organization
death rate	demographic transition	free-trade area

members to further lower their tariffs or whether they discriminate increasingly between members and nonmembers. The largest trading group at present is the European Union (EU, see Chapter 7). The North American Free Trade Area (NAFTA, see Chapter 9) may extend to much of Latin America by A.D. 2005 (see Chapter 10). Even more ambitious is the prospect of the Asia-Pacific Economic Cooperation Forum (APEC, see Chapters 6 and 11) that has pledged itself to free internal trade among its richer countries by A.D. 2010 and among other countries by A.D. 2020. The European Union is considering extensions into Southwest Asia and Eastern Europe (see Chapters 4, 7, and 8), and it has been suggested that Anglo America and the EU could form links. Such groupings with regional jurisdiction are considered in each chapter of this text.

WORLD ECONOMIC GEOGRAPHY: WEALTH, POVERTY, AND DEVELOPMENT

Economics—the study of the production, distribution, and consumption of goods and resources—has strong geographic expressions. Producing and consuming areas are often separated and linked by transportation routes.

Economic systems are linked closely to political systems. During the Cold War, Soviet and Chinese communism linked political ideology to the economics of state capitalism. Many Western-style democratic governments also gave the state extended responsibilities in running major industries, such as coal, steel, railways, airlines, and utilities. After the 1991 breakup of the Soviet economic bloc, capitalism became the world economic system. State-owned enterprises in many countries were privatized. Capital and labor became increasingly mobile. Multinational corporations that already operated in several countries spread the location of innovation and, especially, production facilities. Producers and markets were integrated more closely across continents.

Governments of all countries now find themselves having to work within this global economic order. Countries have different mixes of economic sectors, relate differently to the global economy, and are at different levels of economic development.

Economic Sectors

The range of economic activities is divided into sectors that include specific industries or business activities. An **industry** is a group of business activities, such as the farming industry, manufacturing industry, or tourist industry. Economic sectors create wealth in different ways.

- The **primary sector** of an economy involves what is produced from natural sources. The mining industry extracts minerals from rocks, the fishing industry catches fish from the ocean and fresh waters, the timber industry cuts trees from forests, and the farming industry cultivates crops and rears animals by using the soil nutrients, water, solar energy, and genetic stock of plants and animals. Although some products such as fruit and fish can be distributed and consumed as they are, most primary products require further processing and so become raw materials for the secondary sector. The primary sector is the dominant source of wealth creation in many countries of the world's periphery.
- The **secondary sector** of an economy changes the raw materials from the primary sector into useful products and by so doing increases their value. Manufacturing industries produce finished and partly finished goods. For instance, a chewing gum factory takes in and mixes the gum, processed flavors, sugar, and chalk, and packages the final products for sale. An engineering factory may, however, take in and shape metal that has already been refined from minerals and then send the resultant tubes to another factory to be made into hydraulic systems that are assembled elsewhere in the braking system of a jet aircraft. At each stage of manufacturing, human labor and machinery make a more useful and valuable product. The construction industry is another secondary sector industry. It uses bricks, tiles, timber, and steel girders to make houses, factories, and office blocks. The growth of the secondary sector was the economic engine of development in many countries of the world's core and semiperiphery.

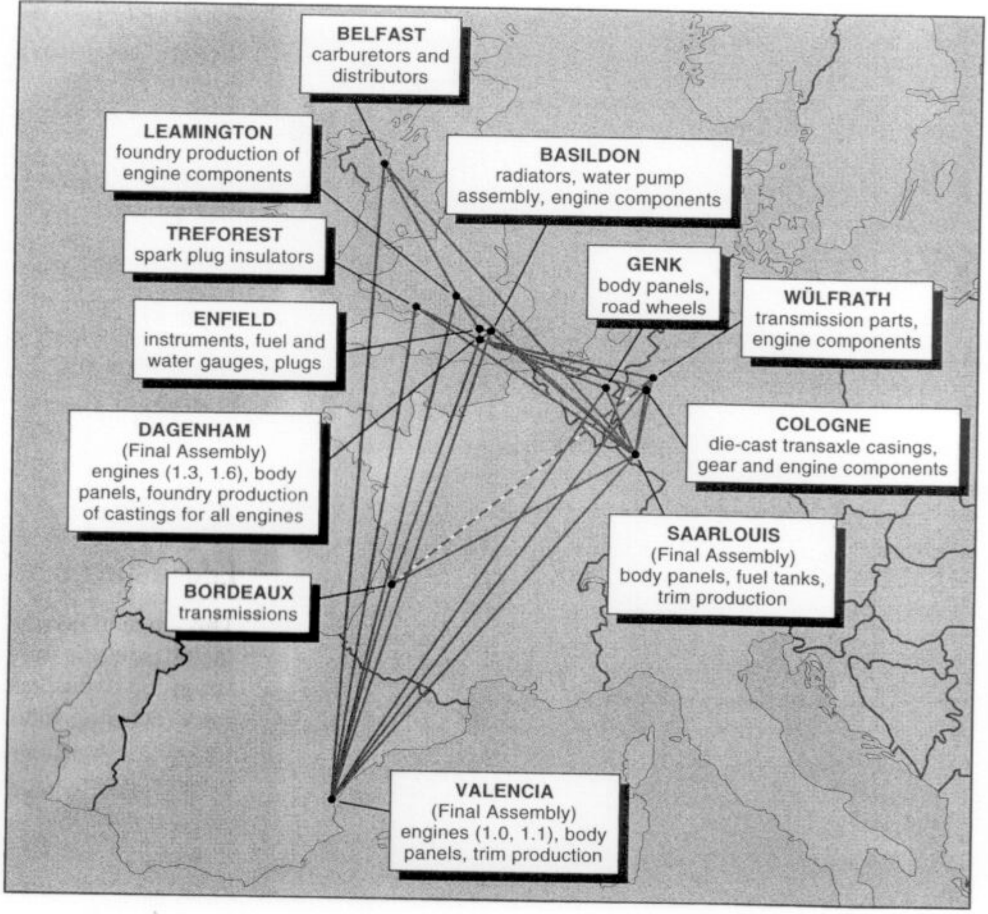


FIGURE 2.14 Multinational corporation's international linkages. The European spread of factories include makers of parts and final assembly locations for the Ford Fiesta in the late 1980s.

- The **tertiary sector** of an economy is concerned with the distribution and consumption of goods and services, and is often called the service sector. This sector includes distribution (wholesale and retail), business and professional service, transportation, tourism, and entertainment industries, as well as government. Such industries make goods and services available where and when they are required at different locations from the primary extraction of raw materials or secondary manufacture. Value may also be added during these tertiary sector processes, since, for example, people will pay more for a product purchased with others in a supermarket than if bought on its own from a farm. The farmer's or bottler's income from a gallon of milk is a fraction of what it sells for in a supermarket.
- A **quaternary sector** is sometimes identified separately from the tertiary sector. It specializes in the assembly, transmission, and processing of information and in controlling businesses by such means. This sector includes professions, finance industries, education, media, and government and, with the tertiary sector, employs an increasing proportion of the work force and generates new forms of wealth, mainly in core countries.

Global Economy

After the 1960s, the capitalist system expanded its hold. Global-scale economic activity became increasingly common as a result of multinational corporation development, greater ease of transportation and communications, and major changes in worldwide financial control. Although these factors reduced the power of individual countries to make some decisions, each country maintained a distinctive role within the world economic system.

Multinational Corporations

Multinational corporations are those that make goods or provide services in several countries but direct operations from a headquarters in one country. A corporation establishes factories and offices in other countries to avoid tariff barriers and to take advantage of cheaper land, labor, and energy. For example, many car manufacturers spread the manufacture of automobile components across several countries to ensure continuity of supplies during labor strikes, react to local needs, and take advantage of lower production costs (Figure 2.14).

Based mainly at first on manufacturing industries in the United States, multinational corporations with European, Japanese, and South Korean headquarters are now significant.

By the 1990s, movements of goods among countries by multinational corporations accounted for 40 percent of world trade. Thousands of multinational corporations and their foreign affiliates produce a range of products under such brands as Coca Cola, PepsiCo, Ford, General Motors, Volkswagen, Exxon, Shell, Toyota, Sharp, Samsung, Kellogg, Nestlé, Hyundai, and IBM. Clothing, electronics goods and computers, cars and trucks, food and drink, and oil derivatives are the major products. The 600 largest multinational corporations contribute a quarter of the value added by world manufacturing.

The expansion of multinational corporations was eased by improved air transportation, limited-access highways, and telecommunications that brought people and firms closer in both time- and cost-distance. International airlines, courier services, and multinational car rental firms make it possible for people and high-value goods to get from almost any part of the world to another within 48 hours. Faxes, electronic mail, and video conferences ease instant personal communication and information transfer.

Multinational corporations in service industries spread around the world from the 1970s, following the development of rapid air travel and telecommunications. By the mid-1990s, some 40 percent of direct inward foreign investment to countries was directed at services rather than manufacturing. The services favored by foreign investment include tourism and travel (hotels, airlines, and car rentals), information (data processing, software, and telecommunications), business (accountancy, advertising, market research, and public relations), and financial (banking and insurance). Many of the manufacturing multinational corporations developed involvements in the service sector. For example, the Ford Motor Company has an increasingly profitable financial loan company, and General Motors issues one of the top credit cards.

Financial Services

Global financial services expanded rapidly in the late 1900s, as both a result of the internationalization of economic activity and an enabler of it. A series of events contributed to this process, starting with easier movements of money after 1970.

- The system of fixed exchange rates among different currencies broke down and exchange rates floated, subject to continuous adjustment. This encouraged more frequent and freer flows from one currency to another.
- U.S. dollars began to accumulate in foreign banks. The rate of dollar accumulation rose sharply after the oil crisis of the early 1970s, when the price of oil (paid in U.S. dollars) went up and the oil-producing countries had massive surpluses of income. There was a further rise from the early 1980s, when the United States ran a huge budget deficit that was financed by borrowing and repayment in dollars.

  The banks that held dollars created new financial markets, using some of the money for loans to peripheral countries. Between 1980 and the 1990s, international lending by the 24 wealthiest countries, members of the Organization for Economic and Commercial Development (OECD), rose by 30 times. Foreign exchange turnover per day quadrupled between the mid-1980s and mid-1990s. Countries such as Brazil used the loans in the early 1980s to develop their infrastructure of roads, dams, and power stations. In the harder times of the late 1980s, however, interest rates rose and made it difficult for many debtor countries to repay the loans.

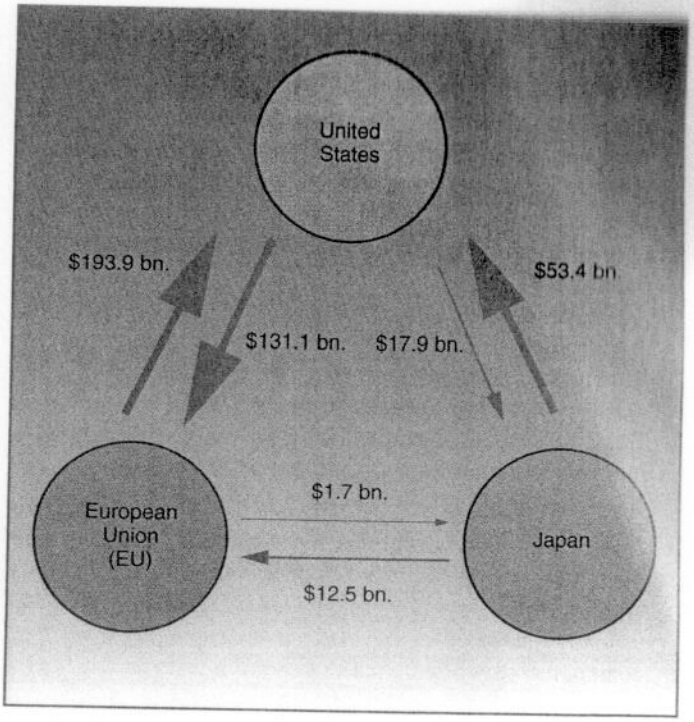


FIGURE 2.15 Global investment. The three-cornered pattern of financial flows in the late 1980s, concentrating on three world core areas. Previously, much investment went to countries in the periphery, and that began to increase again in the 1990s.

- A significant change in the direction of money flows occurred in the 1980s. In the 1970s, direct foreign investment was mainly from the United States and other core countries toward the peripheral countries. During the 1980s, however, foreign investment from western Europe and Japan into the United States increased, and a triangular pattern was established between the United States, Japan, and western Europe (Figure 2.15). The United States was the chief recipient, taking 40 percent of global direct foreign investment in the 1980s. Japan invested heavily in both the United States and western Europe. The flow of foreign capital to peripheral countries slowed to a trickle as the debt crisis mounted and nearly all financial resources were shared among core countries—which also increased their wealth by retrieving loan funds or interest from the indebted peripheral countries. Other countries, such as Taiwan and South Korea, generated their own capital by forcing their peoples to save.

- In the early 1990s, huge financial surpluses accumulated in Japan, Taiwan, Hong Kong, and South Korea. They were reinvested mainly in other Eastern Asian countries outside the core (see Chapter 6). Banks and other financial houses expanded to service the global money explosion. American banks started this trend, but others in Britain, France, Germany, Arab countries, and Japan soon followed. Financial markets proliferated, dealing in both equities (stocks and shares) and forward contracts based on expectations of commodity production and world prices. A growing infrastructure developed to service the financial markets, based on trading around the clock in New York, London, Tokyo, and Hong Kong. All these trends increased the number, speed, and global penetration of such transactions.
- In the late 1990s, confidence in the system was shattered by great numbers of bad loans taken out with Japanese and South Korean banks in particular. This caused a crisis in many Asian countries, which had to devalue their currencies, slowing the pace of economic growth.

Global Information Services

Information services also became available worldwide, with rapid growth of Internet telephone-computer services in the 1990s. Just as some multinational corporations moved manufacturing to places with cheap labor costs, so others moved information handling to such places.

In 1983, American Airlines established Caribbean Data Services in Bridgetown, Barbados, to process its tickets and boarding passes. It is now the largest single employer in Barbados, and the documents processed increased from 38 million in 1983 to over 200 million in the mid-1990s. In Montego Bay, Jamaica, over 3,500 employees in the Jamaica Digiport Interstate Communication System link clients in Canada, the United States, and the United Kingdom. The Bangalore area of southern India became a major world center for computer software development by multinational corporations such as Apple, IBM, Intel, Oracle, and Texas Instruments. U.S. insurance companies process claims in Ireland, and U.S. manufacturers conduct research and development in countries such as Hungary and Thailand. These trends follow basic capitalist tenets of locating economic activities at low-cost places to achieve greater profits.

Global Cities

Urban areas are major nodes in the world economy. The increasing speed of analysis and financial transfers made possible by information technology and telecommunications encourages the concentration of corporate headquarters. The internationalization of business services, accountancy, and advertising causes corporate activities to concentrate in the central business districts of the core's largest cities. There, they have access to office space, business services, telecommunications, government offices, international airports, and each other. Improved communications now give them control of large areas and access to other large world cities.

Several layers of world cities are emerging. At the top are three truly *global cities:* New York, Tokyo (Japan), and London (United Kingdom) (Figure 2.16). They contain the greatest number of multinational corporation and major bank head offices and the three largest stock exchanges. They account for most financial dealings on the world scale. At the second level are *zonal centers,* such as Paris (France), Frankfurt (Germany), Singapore, Sao Paulo (Brazil), and Los Angeles, which also contain many head offices but relate to specific zones of the world rather than the whole globe. The third level is of *regional centers,* which contain many corporate offices and foreign financial outlets but are not essential links in the flows of international finance.

The largest global centers are becoming as tuned to the world economy as they are to their internal country concerns. New York, for instance, is at the center of a metropolitan region that has 18 million people and an economic product greater than whole countries such as Canada, Brazil, or China. Its role in international business increased after 1970 despite some loss of corporate headquarters. The remaining businesses receive 40 percent of their revenues from foreign sources (compared to 20 percent in other U.S. cities). The number of foreign banks rose from 47 in 1970 to over 200 in the 1990s. New York has over half of all U.S. law firms with overseas business, and its airports service major international links. In the 1980s, the expanding class of managers and professionals working in the well-paid international sector led to the growth of conspicuous consumption, generating the "yuppie" image. Such factors are reflected in the special landscapes of world cities with their clusters of high-rise office blocks.

Poverty and Development

Economic differences throughout the world lead to a focus on the contrast between those peoples and countries that are in the core and are relatively wealthy, and those that are in the periphery and do not enjoy such wealth or opportunities. **Poverty** is not merely a lack of income but a deprivation of minimally acceptable material requirements, health and education, and access to jobs. Poverty is the absence of basic capabilities that enable people to function fully as human beings—including income, clothing, and shelter, together with the expectation of a long life and full participation in community affairs. Poverty may include those who are not very income-poor but are kept out of the mainstream of society by disablement, ethnic or racial segregation, or destructive behaviors associated with alcohol or drug abuse.

Get a Life

The term **development** implies efforts that improve one's lot. The poor countries of the world see their hope in terms of development toward the levels of well-being in the richer countries. We often use the terms *less-developed countries* and *more-developed countries* to indicate both these differences

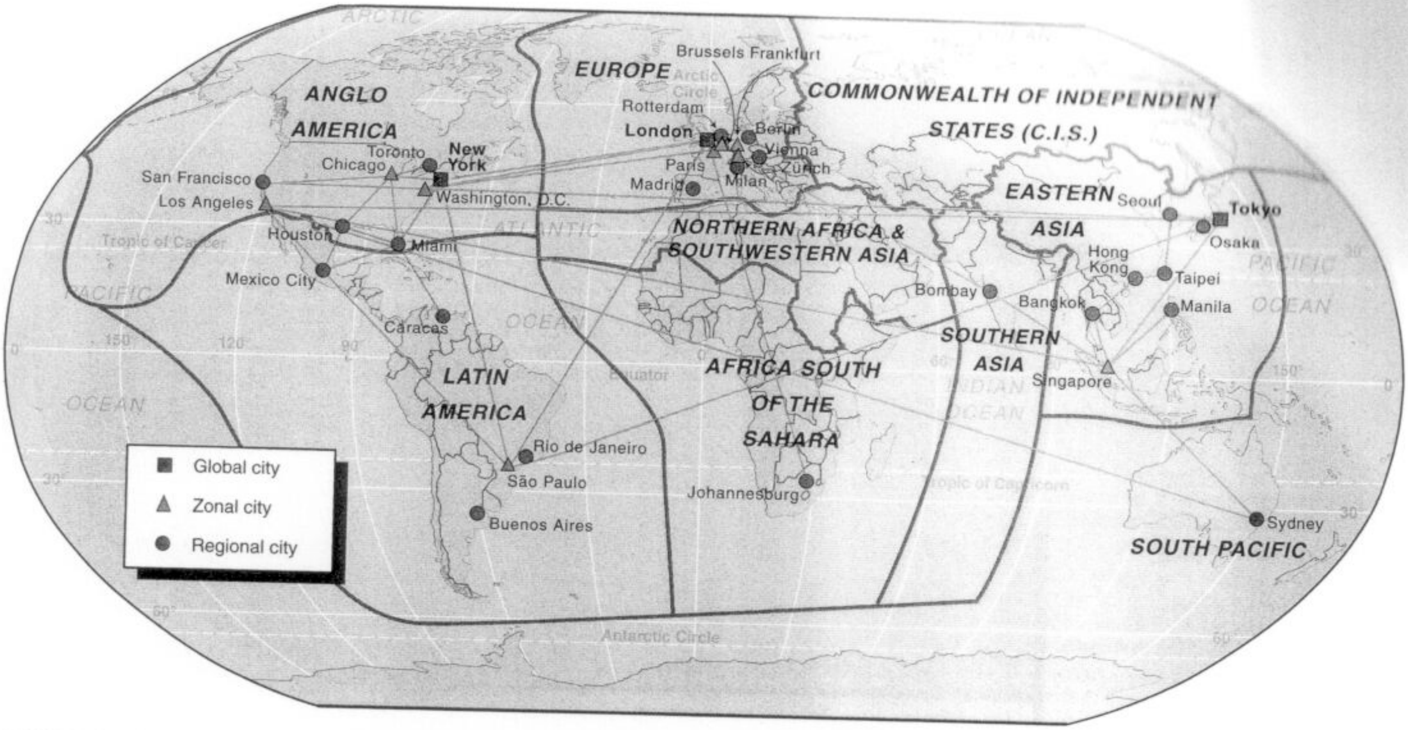


FIGURE 2.16 Global cities. A hierarchy of cities based on the amount of international financial trading, corporate headquarters of multinational corporations, and the growth of communications and media activities. Which major world regions have many or few of these global cities?

Adapted from P. Knox and J. Agnew, *Geography of the World Academy,* 1989. Copyright © 1989 Edward Arnold Publishers, Ltd., London.

and the fact that all countries are still developing: the process does not stop and is relative. When first used, the term *development* linked to economic growth and was measured by increases of income. It now has a broader meaning that includes cultural, political, and environmental aspects of living. People—rather than economic systems—are central, and economic growth is regarded as a means to the end of enabling people to enlarge their capabilities to the full and enjoy the richness of being human. The aim of **sustainable human development** is to plan development at a rate that does not deplete basic resources for the future.

The inequalities of economic and social well-being in the world and the gap between the poorest countries, such as Mozambique and Somalia, and the richest, such as the United States and Switzerland, have caused people to ask how poorer countries can catch up with the richer countries. That question leads to three further questions. What measures are used to compare economic and social well-being? What explains the differences between countries? How do poor countries narrow the gap?

Measures of Wealth, Poverty, and Economic and Human Development

Several indicators are used, reflecting the range of meanings of the above terms.

- One vivid indicator of wealth differences among countries is the ownership of consumer goods such as televisions, cars, telephones, and personal computers (Figure 2.17).

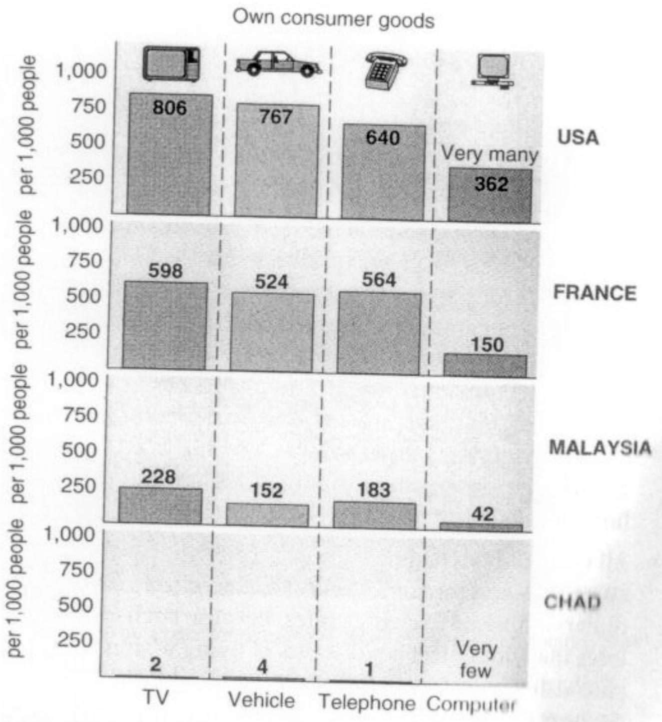


FIGURE 2.17 Ownership of consumer goods. Numbers of goods per 1,000 people in specific countries. Contrasts in affluence occur among core countries (United States, France), countries in the semiperiphery (Malaysia), and periphery countries (Chad). Similar diagrams occur in each chapter, with data for all countries in the Reference Section

Source: Data (for 1996) from *World Development Indicators,* World Bank, 1998

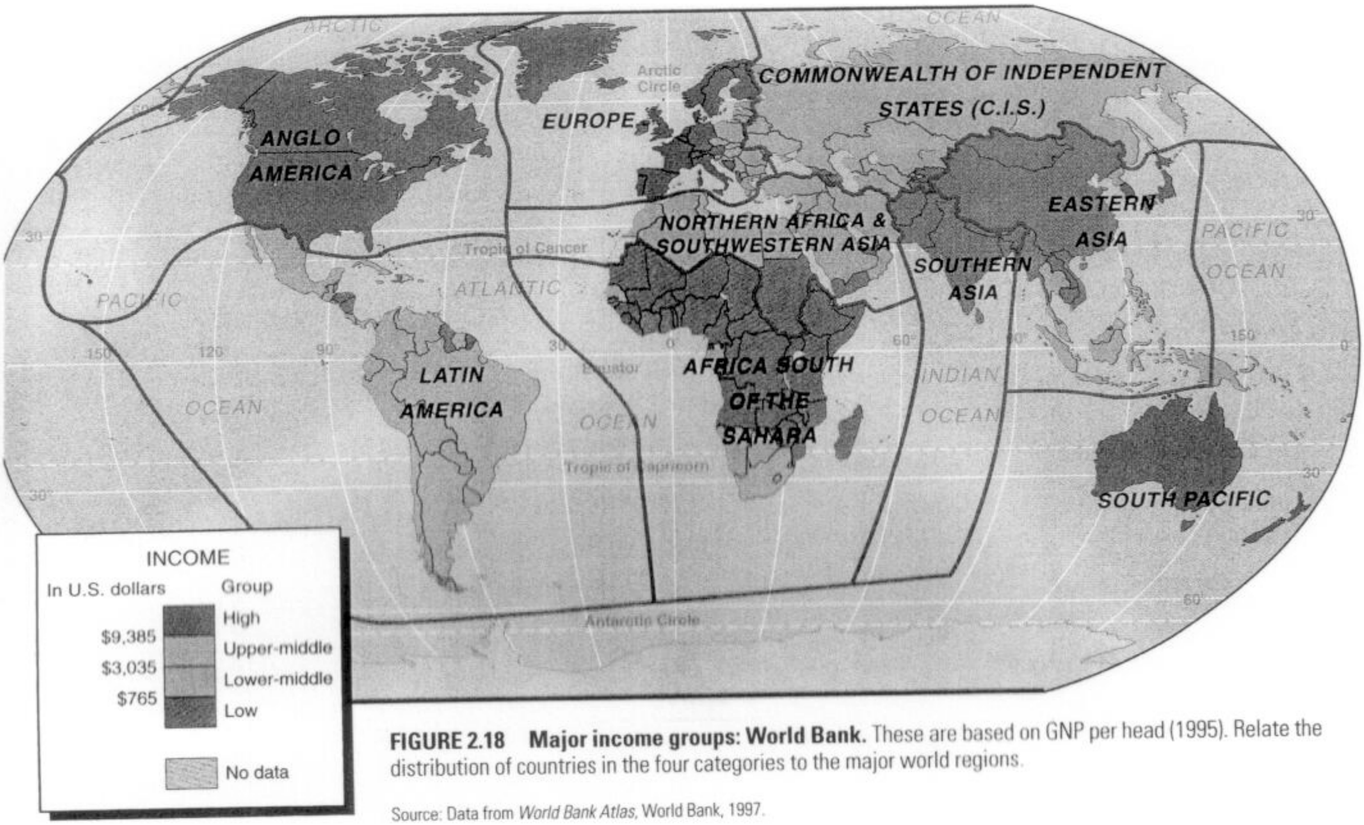


FIGURE 2.18 Major income groups: World Bank. These are based on GNP per head (1995). Relate the distribution of countries in the four categories to the major world regions.

Source: Data from *World Bank Atlas*, World Bank, 1997.

This indicator highlights the availability of income to spend on items that poorer people regard as luxuries, but wealthier people see as a vital part of their lives.

Economic development is more commonly measured by two statistics of income that are widely reported. **Gross domestic product** (GDP) is the total value of goods and services produced within a country in a year. **Gross national product** (GNP) is the GDP plus income from labor and capital working or invested abroad less deductions for payments to those who live abroad. GDP and GNP per capita are averaged on the number of people and the country's total annual income: they do not indicate personal incomes. Based on GNP per capita, the World Bank divides countries into four income groups: low, lower-middle, upper-middle, and high (Figure 2.18). The "champagne glass" diagram of Figure 2.19 shows how unevenly the world's GNP is distributed.

- All GDP and GNP figures are calculated in national currencies and for comparison are converted to U.S. dollars at official exchange rates. Because such exchange rates may not reflect actual costs of living within a country, *purchasing power parity* (PPP) estimates of GNP and GDP are now published. Countries with high incomes and high living costs have a lower PPP estimate than the exchange rate GDP or GNP, while poorer countries often have higher estimates. For example, Luxembourg topped the 1996 GNP list at $45,360 per head, but its PPP GDP was $24,371; Zimbabwe in Southern Africa had a GNP of $610 and a PPP GDP of $1,737.

- The United Nations' **human development index** (HDI) provides a broader estimate of development. This is a composite statistic calculated from information about life expectancy, educational attainment, and health, as well as income. Data that contribute to HDI such as life expectancy, adult literacy, infant mortality, and per capita GNP are widely reported and can be compared over periods of time. Countries that invest in education and health care, such as the affluent countries, together with others such as Costa Rica, Sri Lanka, and Russia, provide a better quality of life for their people and are higher on this list than on the GDP or GNP lists. By comparison, many countries around the Persian Gulf with a high income from oil are high on the income per capita list but low on the HDI list. HDI figures are included in the data tables at the end of each chapter.

As the emphasis in thinking about development shifted toward the needs of the poorest peoples, the *United Nations Human Development Report for 1997* introduced a **human poverty index** (HPI). Linked to the HDI, it pointed out levels of personal deprivation among the least favored groups in society. It is based on three indicators that strike a balance between individual material deprivation and lack of public provisions, and between relevant data and available data.

- The percentage of people expected to die before age 40 (Figure 2.20), indicating vulnerability to early death and hence a restriction on human capability development.

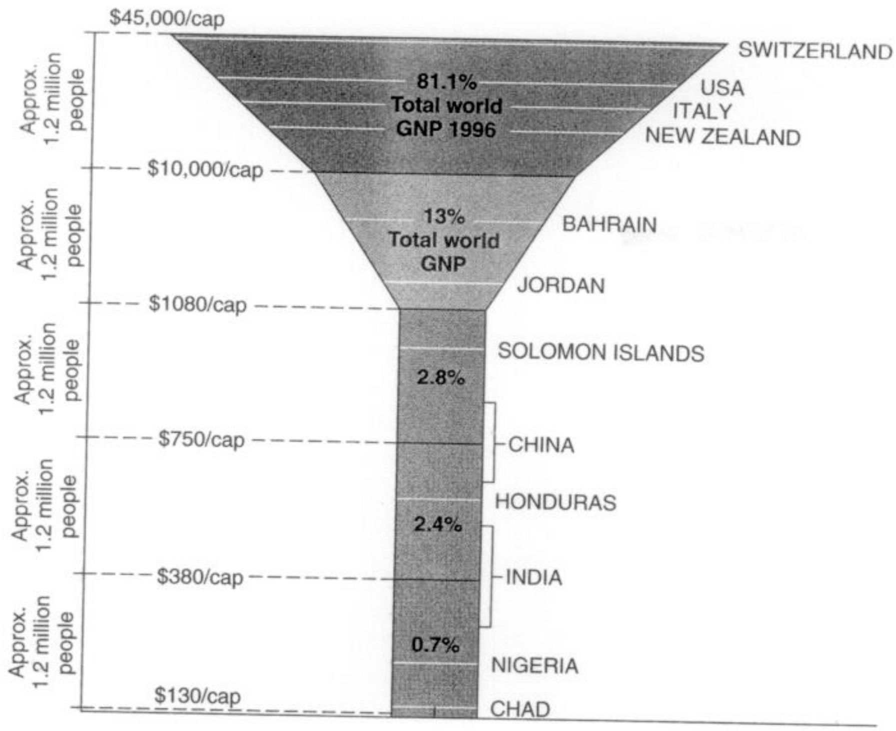


FIGURE 2.19 Uneven distribution of world wealth. The 1996 world population was divided into five groups with equal numbers and world GNP output divided among the five groups. What striking information does this diagram provide? Similar diagrams occur at the start of each regional chapter (3–11).

Source: Data (for 1996) From *World Development Indicators*, World Bank, 1998.

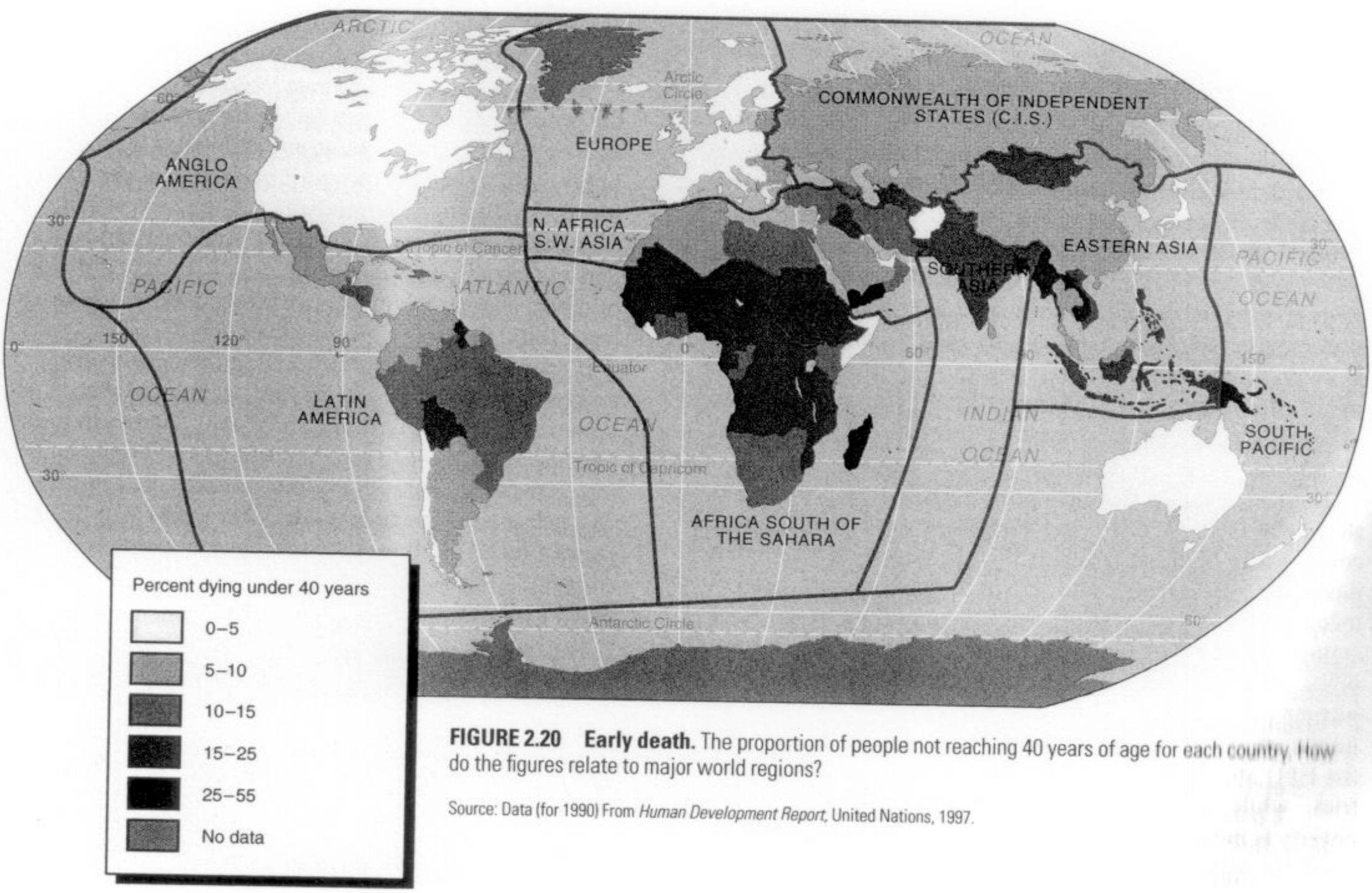


FIGURE 2.20 Early death. The proportion of people not reaching 40 years of age for each country. How do the figures relate to major world regions?

Source: Data (for 1990) From *Human Development Report*, United Nations, 1997.

WEBSITES AND DATA SOURCES: Development

The recommended CD-ROMS (see the Reference Section) and the following websites contain a range of economic, social, and demographic data and research project reports that are linked to development. The media resources describe relevant recent events. Explore some.

http://www.worldbank.org (World Bank data and research studies)

http://www.un.org (United Nations data and reports)

http://www.wto.org (World Trade Organization reports on trade issues)

http://www.economist.com (*The Economist* weekly articles and surveys)

http://www.nytimes.com/specials (Current issues analysis)

http://www.washingtonpost.com (Country studies including online discussions)

http://www.pbs.org (Current issues in special presentations)

http://www.newsweek.com (Special articles and links to Encyclopedia Britannica)

- The percentage of illiterate adults (restricting entry to better jobs and fuller involvement in community life).
- A composite of three variables that prevent a decent standard of living (percent of people with access to health services and safe water, and percent of malnourished children under age 5).

The HPI indicates the proportions of a population affected by such deprivations: 10 percent of the population is affected in such countries as Cuba, Chile, Costa Rica, Trinidad, and Tobago (all Latin America), and Singapore (Eastern Asia); over 50 percent of the population is affected in such countries as Niger, Sierra Leone, Burkina Faso, Ethiopia, Mali, and Mozambique (all Africa South of the Sahara), and Cambodia (Eastern Asia). There are also contrasts within countries: northeastern Brazil has a 46 percent HPI, the southeast has 14 percent; in China, the coastal regions have 18 percent and the remote interior 44 percent.

The HPI makes a distinction between income poverty, as shown by GNP or GDP, and human poverty (HPI). Some countries are better at reducing income poverty than human poverty: Côte d'Ivoire and Egypt both have 20 percent income poverty but over 35 percent human poverty. Other countries, such as China, Costa Rica, Kenya, Peru, Philippines, and Zimbabwe, have lower human poverty than income poverty. Countries with a very low HPI ranking also have a very low HDI. Overall, human poverty (as defined by the HPI) affects 25 percent of the population in poor countries, while income poverty affects 33 percent. Human poverty is most widespread in Africa South of the Sahara and Southern Asia, where it affects 40 percent of the population.

Processes of Economic and Human Development

If *development* describes the processes that increase a country's economic and social well-being and elevate its world system position from periphery toward the core, it has to be admitted that there is no simple or comprehensive understanding of what the processes are or how they can be applied worldwide. The above discussion of measuring poverty and development highlighted the complexity of analysis required. This complexity is increased by variations in political systems. In the Cold War, the Western countries' emphasis on modernization that would bring other countries to a stage equal to their wealth was combated by Soviet bloc alternatives. Other distinctive approaches emerged in Eastern Asia and Latin America.

- **Western views: modernization**. The Western core-country attitudes toward the rest of the world derive from visions in the 1800s of a "manifest destiny" to improve government, order, and commercial prosperity, and to take Christianity to what were seen as the less civilized parts of the world. The sense of mission and leadership led to geopolitical interventions such as the British naval control of ocean trade and the extension of British, French, Belgian, Dutch, and German empires. The United States' war against Spain and subsequent occupations of Cuba, Dominican Republic, and Haiti followed in the early 1900s. Modernization in non-Western countries was encouraged by investments in education, health care, and sanitation; judicial reform; improved agriculture; and the bringing of core-country scientific advances to bear on common problems.

  In the 1950s, U.S. economist Walter Rostow defined the process of development on the basis of the historic experience of Western countries, as detailed in Chapter 1. In his view, "take-off" from traditional economies toward the modern occurred from the late 1700s as Western countries manufactured goods and sold them abroad. Personal wealth increased more rapidly than population numbers, along with urban living and better education, health, and ownership of consumer goods.

  The sequence of stages through primary, secondary, and tertiary economic sectors that occurred in the countries of western Europe and Anglo America in the 1800s and 1900s was seen by Rostow as a formula for **modernization** that was recommended to the countries that became newly independent after World War II. The recipe proved partly effective. A few countries negotiated the stages—some in 30 years, compared to the 150 years taken by Western countries—but others did not. Japan's industrialization began in the late 1800s, and it rose to join the most affluent countries after post–World War II reconstruction funded by the United States. South Korea took a shorter time, helped by huge internal and external investments following the wars on its territory in the early 1950s. Thailand, Taiwan, Singapore, and Malaysia also rose rapidly, but these Asian examples followed somewhat different paths in the late 1900s than the Western countries in the 1800s.

  Other countries that attempted to apply the modernization wisdom were less successful, while some found it difficult to start. The newly independent countries after 1945 had to work within a global system in which they were the periphery. The world's core countries and their multinational corporations remained the dominant political influences in markets and set trading terms. Furthermore, local cultural norms interacted with the modernization process, encouraging or discouraging its progress. The societies of Japan and South Korea, organized around agreed-upon goals and strong government, adapted more easily to industrialization than, for example, African countries with their multiplicity of small ethnic group interests (see Chapters 6 and 3, respectively).

- **Western views: structural adjustment.** In the later 1980s, new approaches, termed **structural adjustment**, were designed by the core-based financial lenders to reduce and reschedule debts that had accumulated in that decade. They mandated better government and greater involvement in world markets before poor countries could be supported by further aid or loans. This demanded basic changes in economic and political structures, including the balancing of budgets, privatization of government corporations, dismantling of tariffs to encourage free trade, and more democratic constitutions. Countries were invited to make industries globally competitive and **export-oriented.**

  During World War II, many peripheral countries became isolated from their core-country sources of manufactured goods and began to industrialize by protecting their internal factories against external competition. This process, known as **import substitution**, removed their need to import some products. In many cases, such protection resulted in uncompetitive and poorly managed nationalized industries with high costs arising from too many employees. They could not sell their goods on world markets. Reducing the protection against foreign products under structural adjustment led to local markets being flooded by cheaper (and often better) foreign goods and the collapse of sections of local manufacturing. A publicized example occurred in Mexico during 1994 and 1995 (see Chapter 10). The instability introduced by the exposure to world markets threatened poor countries' economies. Furthermore, many African countries had such a small industrial base and home market that attempts to implement aspects of structural adjustment only led to rising levels of unemployment and political unrest.

- **Non-Western views: dependency.** During the 1960s and 1970s, the countries of the Soviet bloc and China denounced Western approaches by claiming that the capitalist world economic system itself makes some places more underdeveloped than others. In short, the prosperity of the core countries is based on transfers of wealth from the peripheral countries, making the latter dependent on the core. Such ideas are summarized in **dependency theory**. More development in one place necessarily involves less elsewhere. Core countries grow at the expense of peripheral countries; metropolitan regions grow at the expense of rural areas.

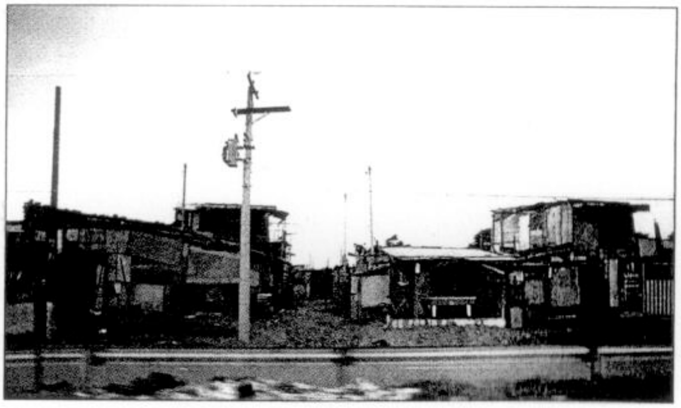
  Dependency theory, however, while providing a valid critique of some aspects of modernization, offers few hints as to how peripheral countries may attain core status if they are locked into dependency. The expectation of working class revolutions breaking out in the capitalist world never happened, while the authoritarian embodiment of communist ideas and the collapse of the Soviet Union in 1991 made the alternative of state capitalism unattractive and extremely unlikely. Where it was applied, as in Cuba and Vietnam, it placed countries at a disadvantage in the world economic system.

  Much of the dependency arose out of the earlier political colonialism, particularly in Africa and Southern Asia. Modern economic colonialism has similar results of dependency relationships and stark differences between rich and poor countries by exploiting cheap labor in peripheral countries. Whereas the division of labor inherent in factory production processes led to the class differences inside Western countries, a **new international division of labor** resulted from the growth of multinational corporations, which established production units in peripheral countries. Multinational corporations take advantage of cheap labor and land around the world through technical developments such as the containerized transportation of goods and easy communications links that reduce other production costs. For instance, 90 percent of the labor force in the electronics industries of Eastern Asia are females age 15 to 25 years who work twice the hours of British workers for 40 percent of the wages.

- **Non-Western views: marginalization.** While the Western and Soviet bloc views were being imposed on the rest of the world, new insights arose from the experiences of peripheral countries. In Latin America, it was observed that the social and cultural shifts associated with the economic changes of modernization left behind groups of people who remained marginal to the process of improving economic well-being.

  The squatter settlements and shantytowns of major cities in peripheral countries (Figure 2.21) provided a cultural poverty trap for rural-to-urban migrants from which they and their children could not escape. Although this theory of **marginalization** led to widespread rejection of the idea of an automatic progression in development through economic sectors, it did not suggest an alternative prescription for success. Later experience showed that, for many, the shantytowns provided a transition into the urban economy, beginning with people earning money outside the regular wages or salaries of the formal economic sector (see Chapter 10).

- **Non-Western views: dual sectors.** Events in Indonesia led to the recognition of **dual sectors** in a country's



(a)

(b)

(c)

FIGURE 2.21 Shantytowns (favelas) in Sao Paulo, Brazil. (a) Favela built on unused land between inner-urban developments and by a main road, close to a supermarket. (b) Favela in a valley among apartment blocks and suburban houses. (c) Team from a local high school helps to install concrete sewers in a favela along a ditch that previously carried off wastewater after rains.

economy and expanded the concept of marginalization (see Chapter 6). Traditional rural areas formed a growing contrast in well-being with urban-industrial areas; traditional Asian ways of life conflicted with the Western lifestyles that many migrants to towns wished to imitate.

This understanding highlighted how large and essential sectors of the economy in many countries were based on occupations outside the formal economy, not reflected in measures such as GDP or numbers of workers or taxpayers. Activities from unlicensed street trading to small-scale manufacturing and squatter housing met the basic needs of large numbers of people at little cost to the authorities. Governments began to implicitly support such activities by providing building materials for shanty-type housing and adding infrastructure such as electricity supplies, water, and sewerage. The **informal sector** of the economy in many poorer countries is thus not merely a transition to the formal but is often closely related and subordinate to it. For example, pedicabs in Indonesia are driven by people outside the formal employment sector but are often owned by low-paid teachers and government officials (formal sector) who rent them out to supplement their main income. Some informal activities, such as scavenging trash, are not linked to the formal sector, although those engaged in such "recycling" activities may earn more than factory workers. Since the 1980s, aid agencies and institutions such as the World Bank have recognized informal activities in their development strategies, seeing them as a means of encouraging self-assistance.

- **Non-Western views: East Asian "tigers."** The countries making the greatest steps to increasing their GNP included several in Eastern Asia (see Chapter 6), such as Japan, and countries that are called the Asian "tigers," including South Korea, Taiwan, Hong Kong, and Singapore. In these, strong single-party governments kept democracy to a minimum and focused investment in protected growth areas of manufacturing for export sales. Their populations were paid low wages to achieve high levels of domestic investment but were promised future rewards that began to come once huge trading surpluses were achieved. In short, they followed some, but not all, of the goals and means of structural adjustment. In the late 1990s, bad debts and poor banking systems often dominated by political rather than economic goals led to a major economic downturn in these countries.

Varied Outcomes of Development

To date, economic growth has been uneven throughout the world. It has seldom been to the benefit of the poor; 97 of 166 countries had lower real per capita income in 1990 than in 1970. Although some commentators judge world economic growth to have generally bad outcomes, and others are too optimistic about its potential, no human development occurs without strong economic growth. The *United Nations Human Development Report for 1997* concluded that the reduction of poverty can be achieved only by accelerating economic growth and aiming that growth at the poorer sections of society. During the 1990s, of the major world regions, only Eastern Asia (growing at 12% per year from 1990 to 1994) and Southern Asia (5.1%) grew faster than the 3 percent per year estimated to be the figure required to reduce poverty by half within 10 years. By contrast, Africa South of the Sahara declined (–2.4%), along with the Arab countries (–4.5%) and the former Soviet bloc countries (–9.1%), while Latin America slowed (–1.3%).

Priorities identified for encouraging growth that helps poorer groups of people include establishing focused programs with targets for reducing the numbers of the poor; raising the productivity of small-scale farming; prioritizing small-scale enterprises, including those in the informal sector; promoting labor-intensive industries; and expanding human capabilities through education and health programs.

In the 1990s, more fundamental questions were asked about the development process. Currently, voices are calling for opposition to development as it has been understood and applied by the core countries and their organizations. Such voices stress the need to understand local conditions and culture in order to redefine what people can cope with, expect, or need. Some of the themes include the promotion of indigenous grassroots interests, the greater involvement of female interests, and concerns for the natural environment. For example, the clashes between indigenous groups and multinational mining corporations in Brazil (see Chapter 10) and Papua New Guinea (see Chapter 11) illustrate the current dominance of the world economic system over local interests. There is a need for broader agreement on the objectives of development in the light of the concerns of those living in peripheral parts of the world.

In this text, the economic development of each major region and subregion is a central consideration. By beginning with the study of Africa South of the Sahara and other countries in the world periphery, it may be possible to raise an appreciation of concerns and needs from the local standpoint as well as from external Western perspectives.

Civil Wars, Disease, and Environmental Stress

Major global forces in the late 1900s worked against the prospects for economic growth and human development. One-third of countries with declining income and development indicators had major armed conflicts within their borders that affected the poorest civilians; 110 million landmines remained undetonated in 68 countries—a deterrent to reinstating farmland. Millions of refugees left poor countries and migrated to other poor countries, deflecting additional resources for their upkeep. Economic sanctions on renegade countries affected the poor in Haiti, Cuba, and Iraq.

The HIV/AIDS pandemic brought impoverishment to Southern Africa in particular, where 14 million of the world's 23 million cases lived: although Botswana and Zimbabwe made economic advances from the 1980s, life expectancies fell. Malaria and diarrhea still kill more, but AIDS is linked to poverty, loss of schooling, increasing numbers of orphans, and the spread of new infections.

WEBSITES: Cultural and Social Data

The CD-ROM sources listed in the Reference Section provide data on language, religion, race, gender, and other social matters. Websites of interest include:

http://www.un.org

http://www.undp.org

The United Nations and U.N. Development Program sites contain databases and reports on social development, human rights, humanitarian affairs, international law, peace and society, and sustainable human development.

http://www.lonelyplanet.com

This travel site provides accounts and photos of travels in different parts of the world, including cultural and social data.

Environmental degradation increased in lands where 50 percent of the poorest world population live among fragile ecosystems, often isolated from world trade routes, including the southern margins of the Sahara and the margins of the Himalayan Mountains. The fact that rapid population increase adds to the environmental stresses in these lands highlights another continuing problem affecting growth and development—that of rising populations in poor countries.

CULTURAL GEOGRAPHY AND WORLD REGIONS

The culture of a group of people:

- includes the code of acquired beliefs, passed on from generation to generation, that supplements intuitive behavior. It produces a pattern of meanings, copied and updated, through which people communicate and develop attitudes to life: language and religion are two expressions of such codes.
- is a system of social relations, exemplified in race, class, and gender.

Cultural geography studies the distribution of such phenomena. Regional geography uses these concepts, particularly in historical explanations of regional differences, and in understanding the form and personality of a landscape as the outcome of a succession of cultural inputs over time.

Language

Languages are spoken means of communication among people. Languages provide a shared identity for a cultural group and grow out of historic experiences and traditions. Minority groups, such as the Québecois in Canada, the Welsh in Britain, and the Hispanics in the United States are often keen to preserve their language as a means of maintaining their