

# Our Unequal World

The North/South Divide.



# Inequality

- Our world is a very unequal place.
- There are huge social & economic inequalities between different places.
- This means that many countries are rich, while others are very poor.
- The rich countries are mainly in the North, and the poorer countries are mainly in the south.
- Poor countries are usually called Developing countries and rich countries are usually called Developed countries.

# Developed and Developing Countries

Fig 13.2 The developed and the developing world



Some countries are developing faster than others. Many Asian countries are quickly developing while many African countries are slowly developing.

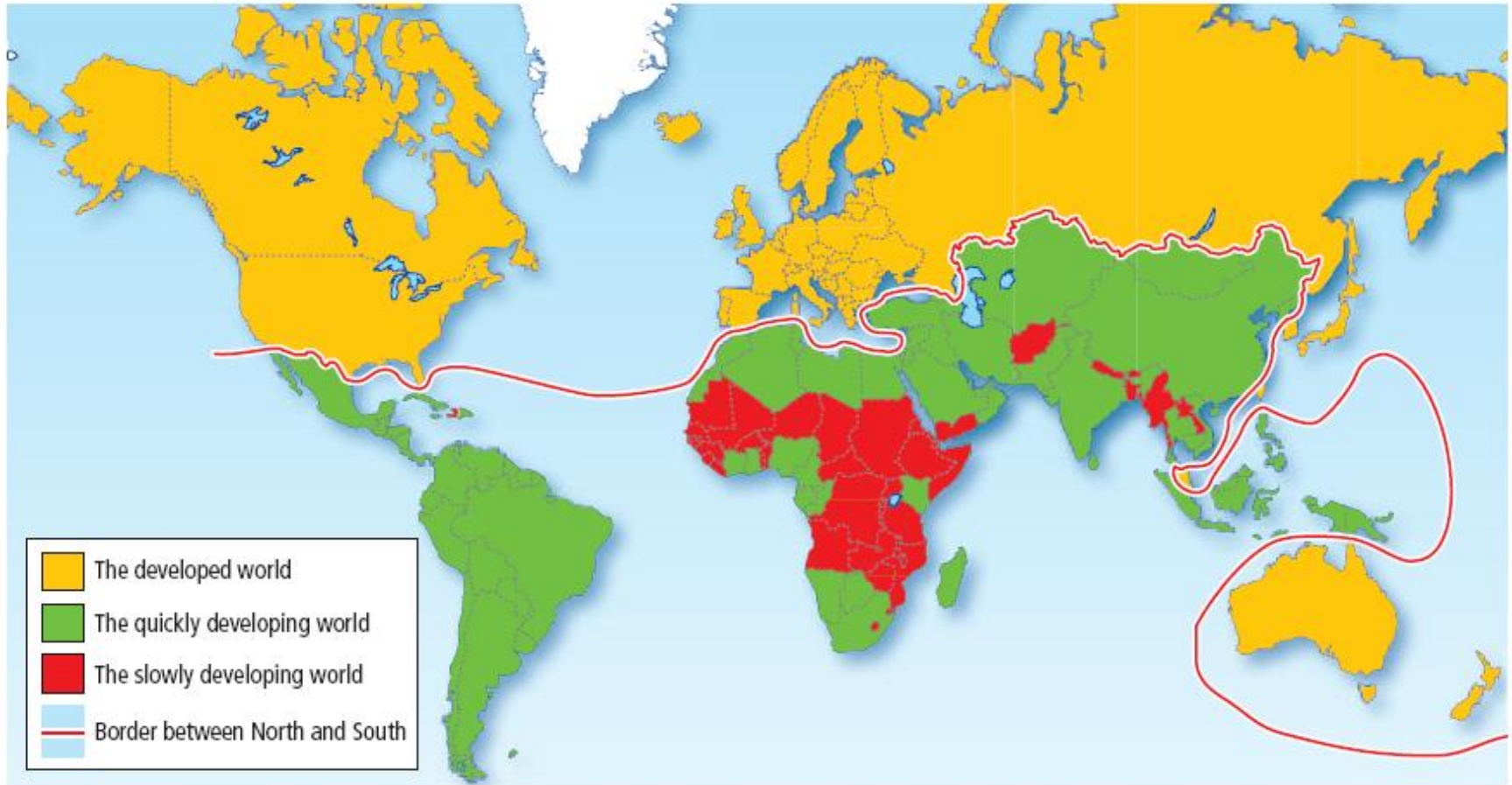


Fig 14.1 The developed world, the quickly developing world and the slowly developing world. Most of the slowly developing countries are in Africa



# Inequality

**The Sydney Morning Herald**  
EXTENT OF CRISIS REVEALED  
**20,000 die each day**

**Matt Wade**

Extreme poverty claimed more than 20,000 lives yesterday with common illnesses, including chest infections and diarrhoea, accounting for a third of the victims. Another 20,000 people are expected to die from treatable illnesses today - and again tomorrow.

The three biggest killers - acute watery diarrhoea, diarrhoea and malnutrition - took nearly 14,000 lives, the majority of them children under the age of five.

More than 6,000 of the deaths yesterday were in just four African countries: Nigeria, the Democratic Republic of Congo, Ethiopia and Tanzania.

Prissy O'Connor, 35, an Australian aid worker in Ethiopia with Medicines Sans Frontières, said her biggest frustration was the lack of affordable medicines to treat illnesses such as malaria, HIV/AIDS and kala-azar - a parasitic disease that can be fatal if left untreated.

"Kala-azar and malaria are curable, HIV/AIDS is treatable, yet the majority of Ethiopians do not have access to basic health care or life-saving drugs so they die," she told the Herald.

About 250 million people - 11 times the population of Australia - have died from poverty-related causes since 1990.

Leaders from the world's eight wealthiest countries - the G8 - will discuss increased aid spending at a meeting in Scotland next week.

The group is under pressure to provide more meaningful assistance, especially for Africa.

The catastrophe is expected to continue...



# Inequality



# Inequality







Same city, different life....

Mukesh Ambani, the fifth richest man in the world, is building a 550-foot-tall, 27 story skyscraper as his family's private home in Mumbai, India.



# Inequality



House for sale \$150m...

House wanted...



# Inequality





# Inequality





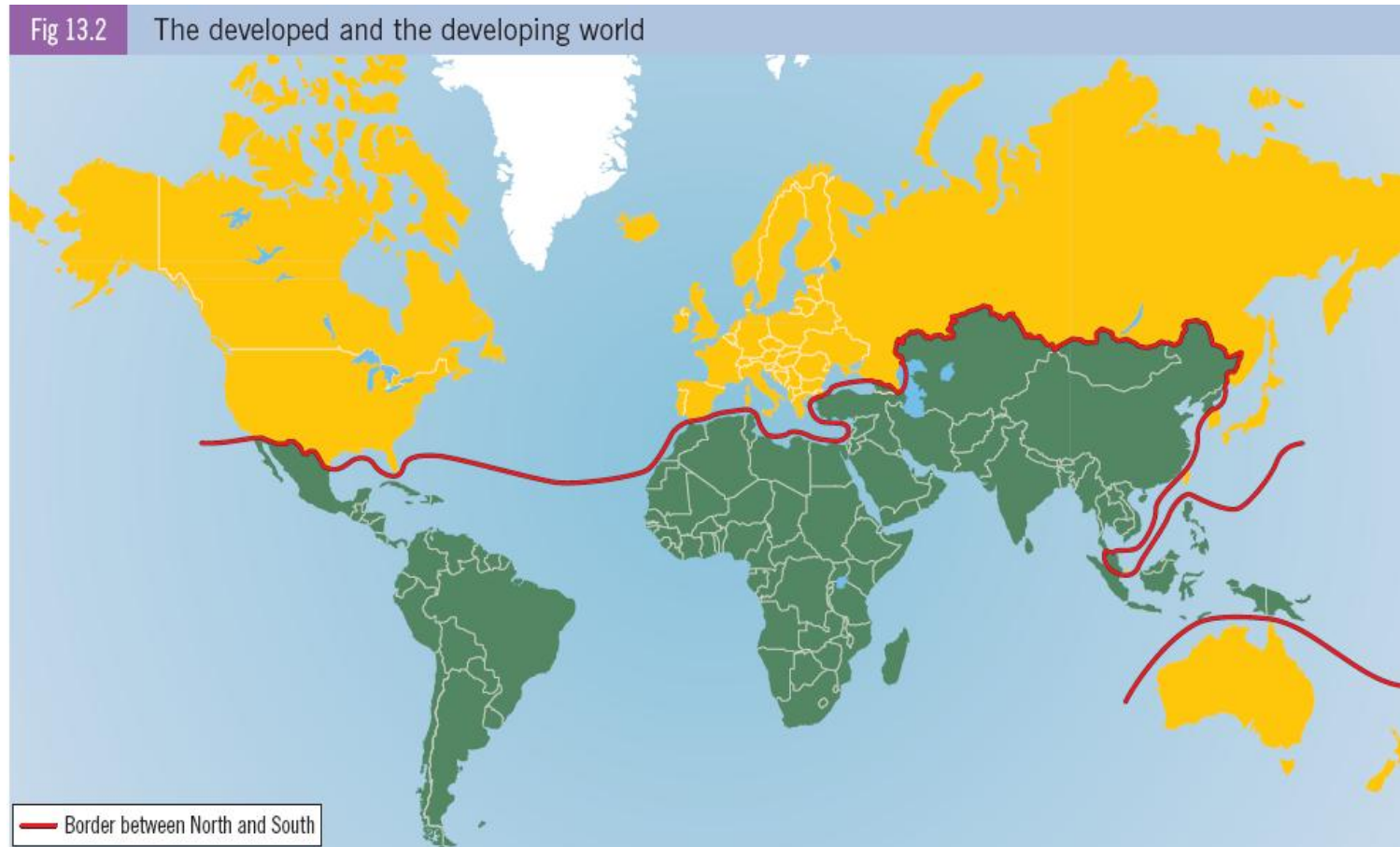
# Inequality



# Inequality



# Developed and Developing Countries



- List 3 countries in the developing world and 3 countries in the developed world.



# Developed and Developing Countries

Fig 11.20 World industrialisation

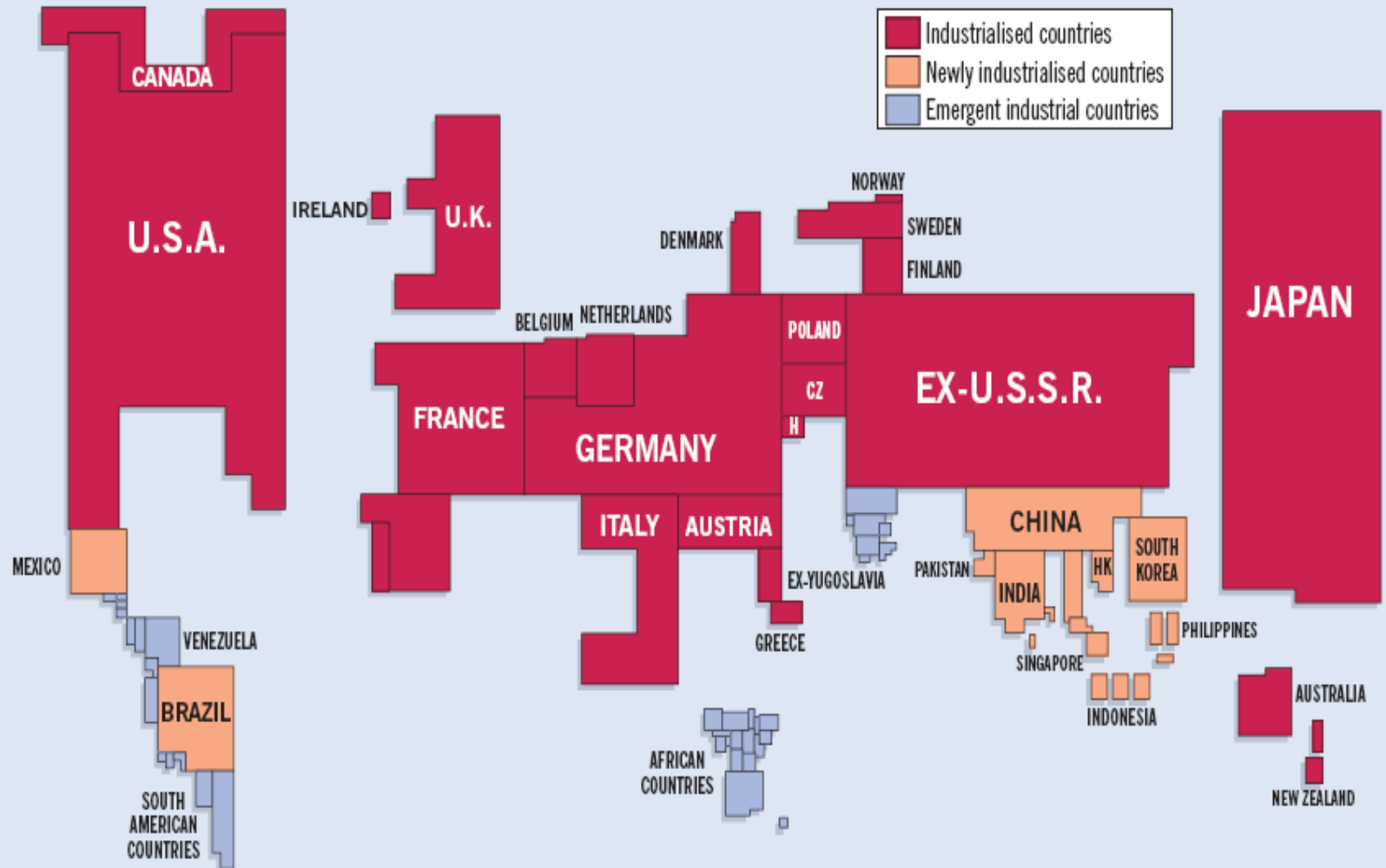
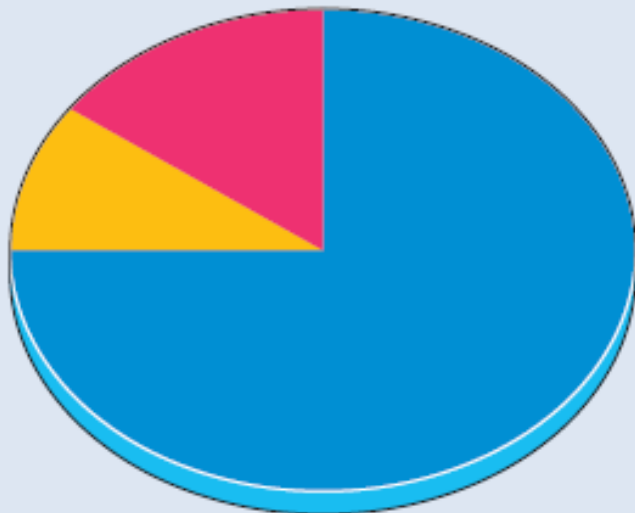


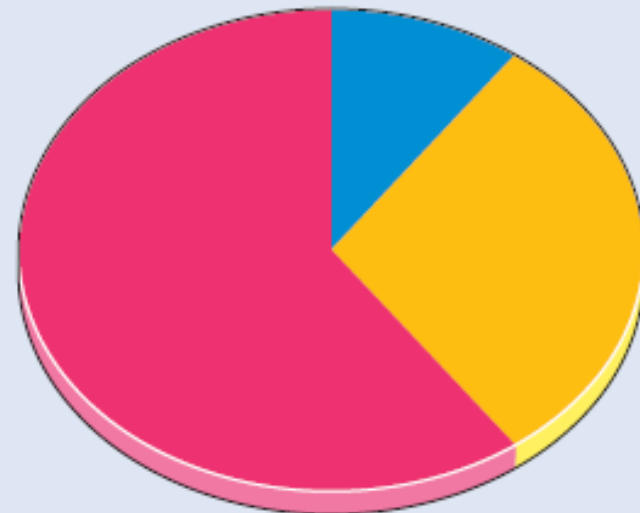
Fig 10.1

In developing economies, most people work in the primary sector. In developed economies, most work in the tertiary sector.

■ Primary      ■ Secondary      ■ Tertiary



**A developing economy**



**A developed economy**

What does the cartoon tell us about the type of work people do in the different types of countries?

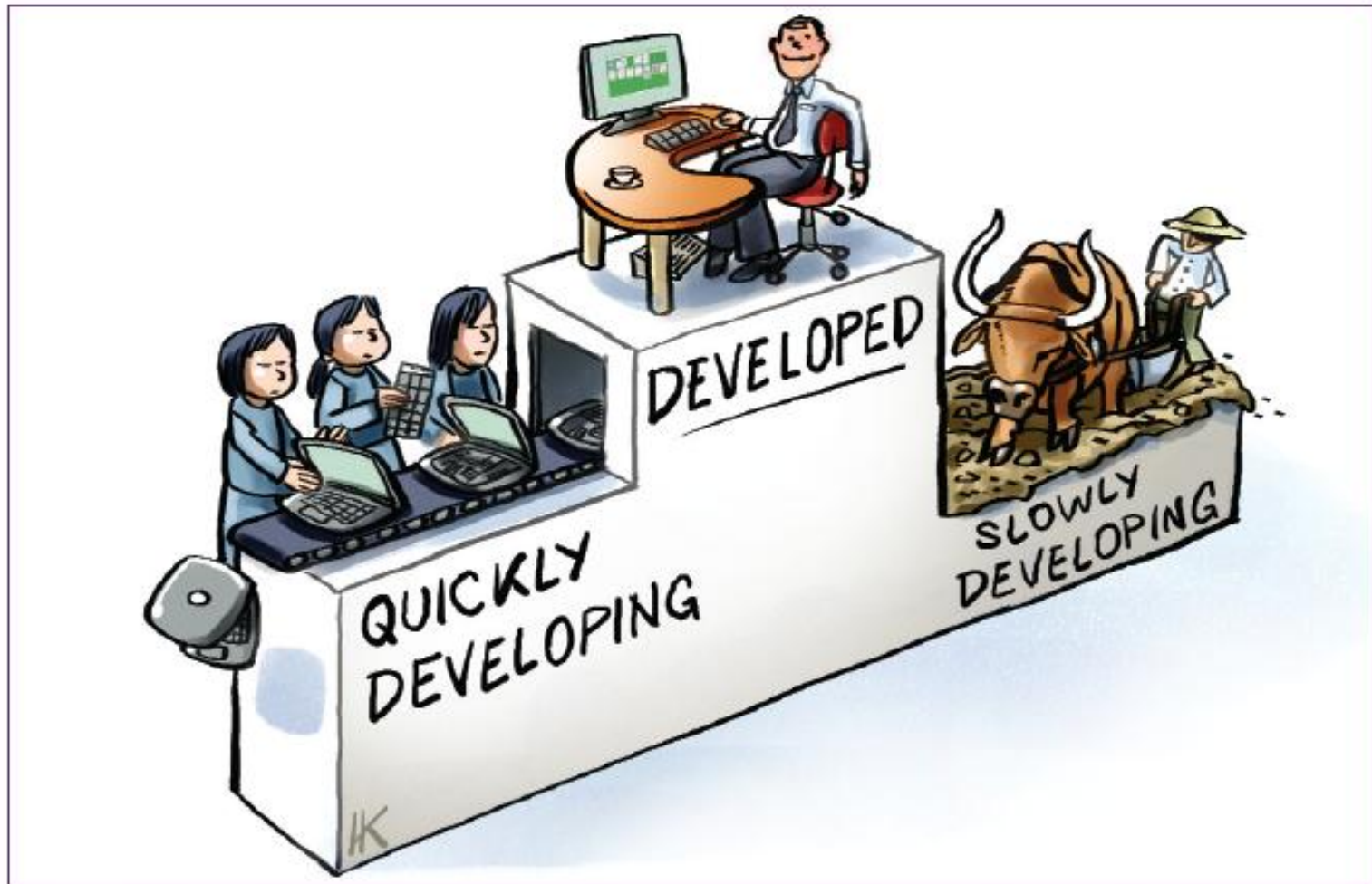


Fig 14.2 Why is the developed world represented by an office worker?



The pie-chart shows the percentage of workers in Bangladesh working in the different sectors.

Why is this typical for slowly developing countries?

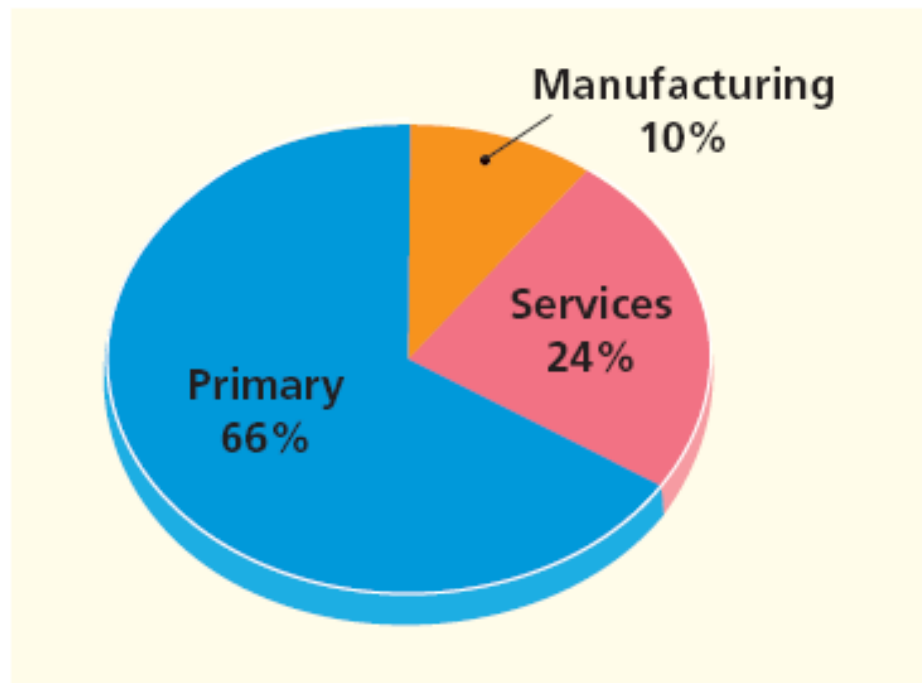
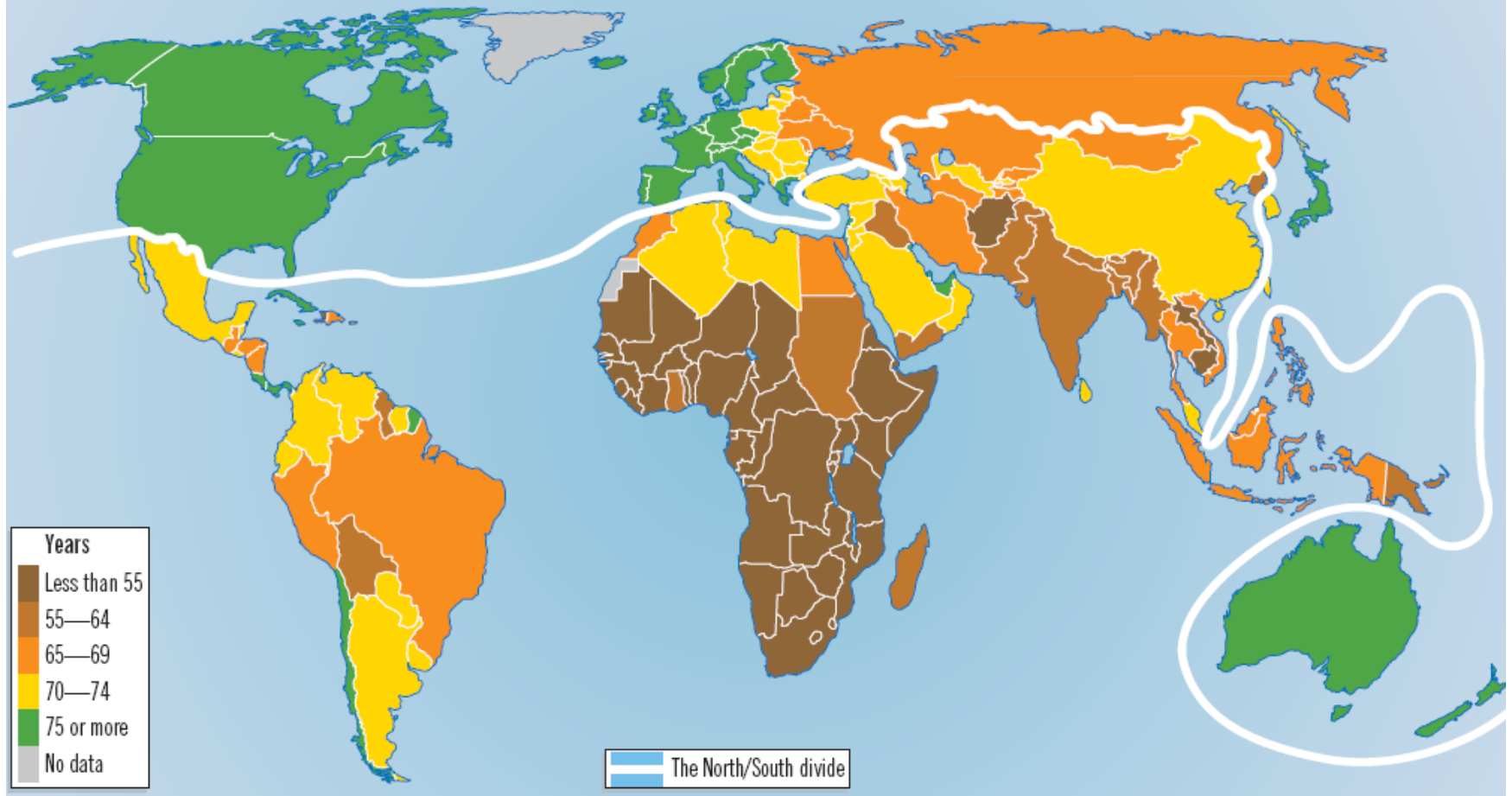


Fig 14.3 The workforce in Bangladesh has a high percentage of primary workers. This is typical of slowly developing countries

# Our Unequal World – Life Expectancy

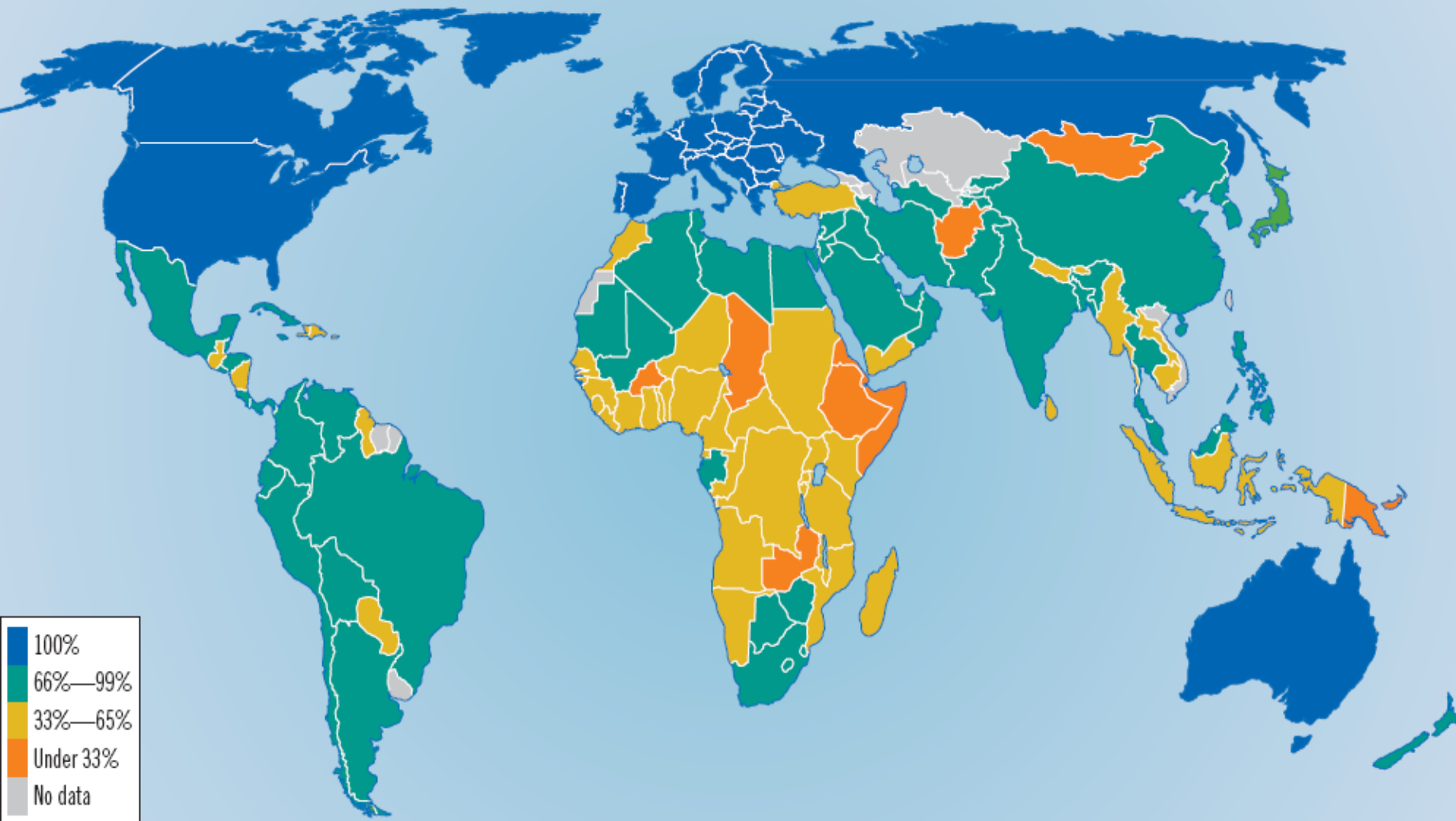
Fig 7.35

Life expectancy shows significant variations between North and South.



Q. Why is life expectancy different in developing countries compared to developed countries?

Fig 10.3 The percentage of people with access to safe drinking water



- Q. How does access to safe drinking water influence life expectancy?
- Q. Name 5 countries where less than 65% of people can access safe drinking water.

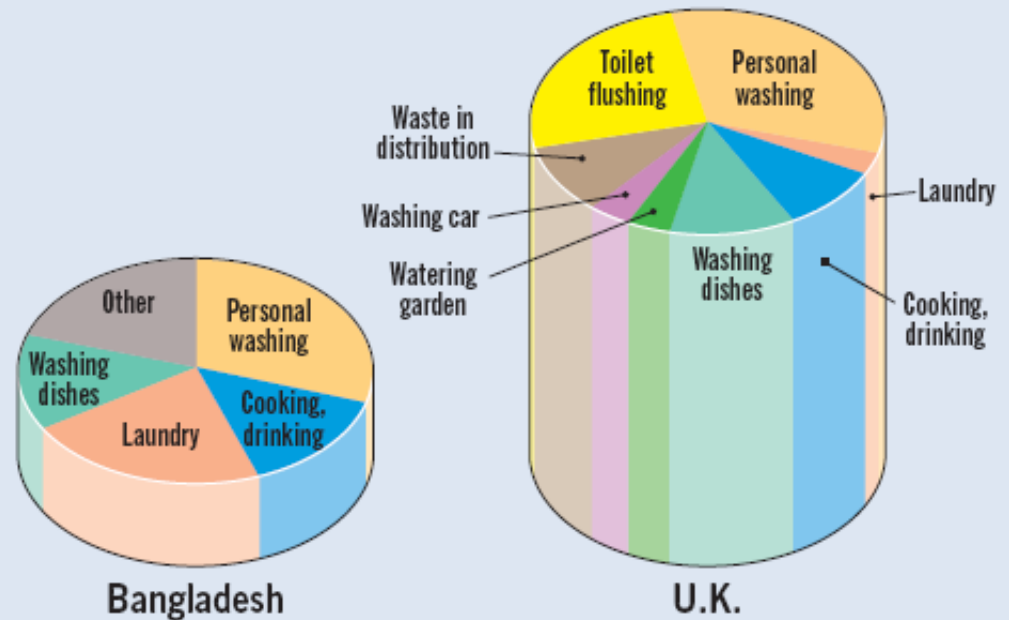


# Water Use and Wealth

- People who live in wealthy countries use much more water than people who live in poor countries.
- Q. Why do you think this is?
- Q. In Ireland we do not have to pay for the water we use at home. Is this a good thing?

Fig 10.4

UK and Bangladesh water usage. The British city dweller uses 185 litres of water from the mains every day. The Bangladeshi rural dweller uses 45 litres of water from the well every day.



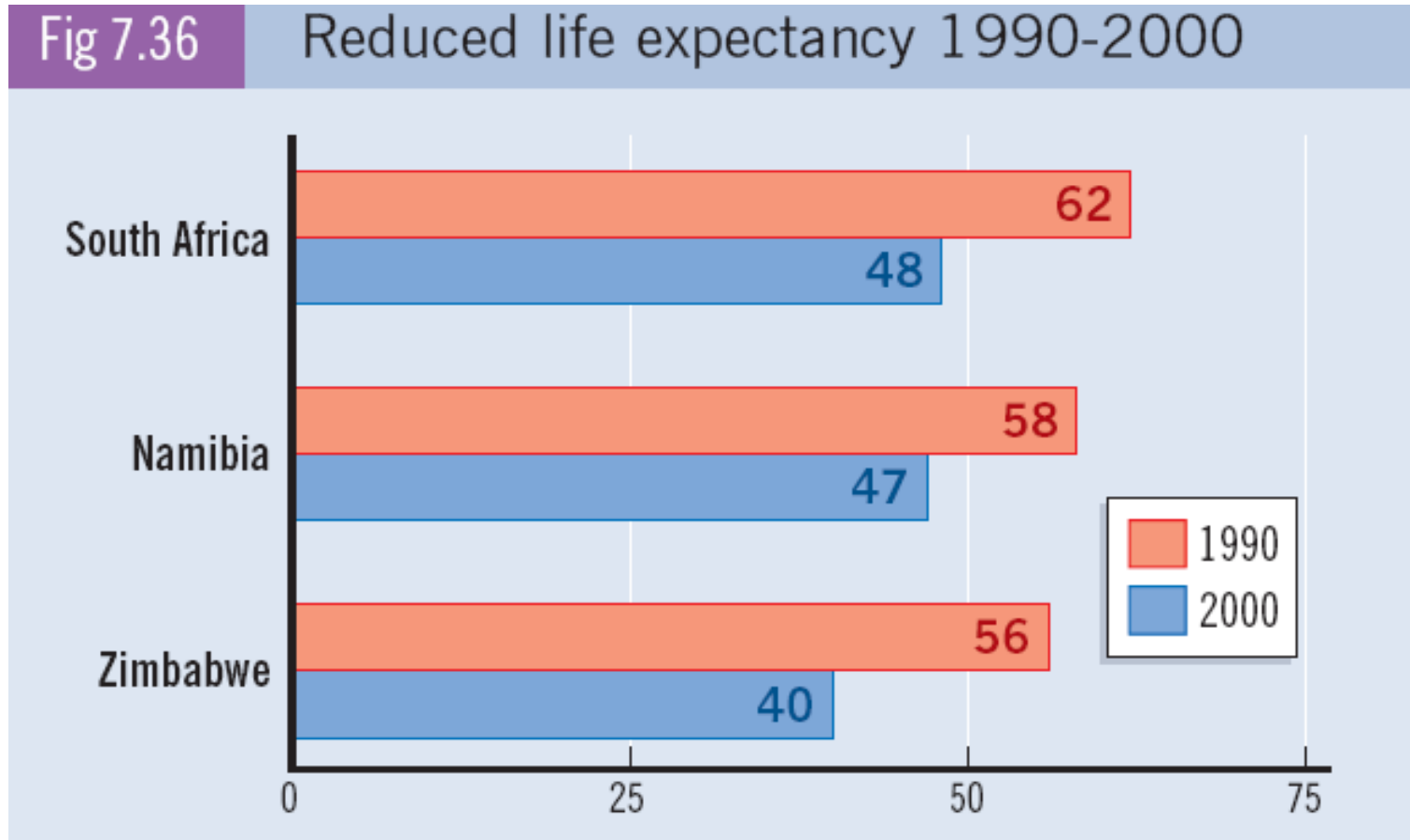
# Life Expectancy

- Kenya – 47 years
- Japan – 80.7 years
- Ireland – 76 years
- Somalia – 48 years
- China – 70 years
- Egypt – 67 years
- Mali – 42 years

Q. In which country would you prefer to live? Why?

Q. Why do you think people in countries like Japan and Ireland have a longer life expectancy than people in Mali and Kenya?

In some countries the problem is getting worse...



Q. Can you think of any reasons why the life expectancy of people in these countries has decreased?

# In some countries the problem is improving...

Life Expectancy at birth in years:

<u>Country</u>	<u>1980</u>	<u>2002</u>
Oman	60	74
Bangladesh	58	61
Indonesia	55	66
Bolivia	52	63
Honduras	60	66

Q. List some things a government could do to increase the life expectancy of the people in their country.



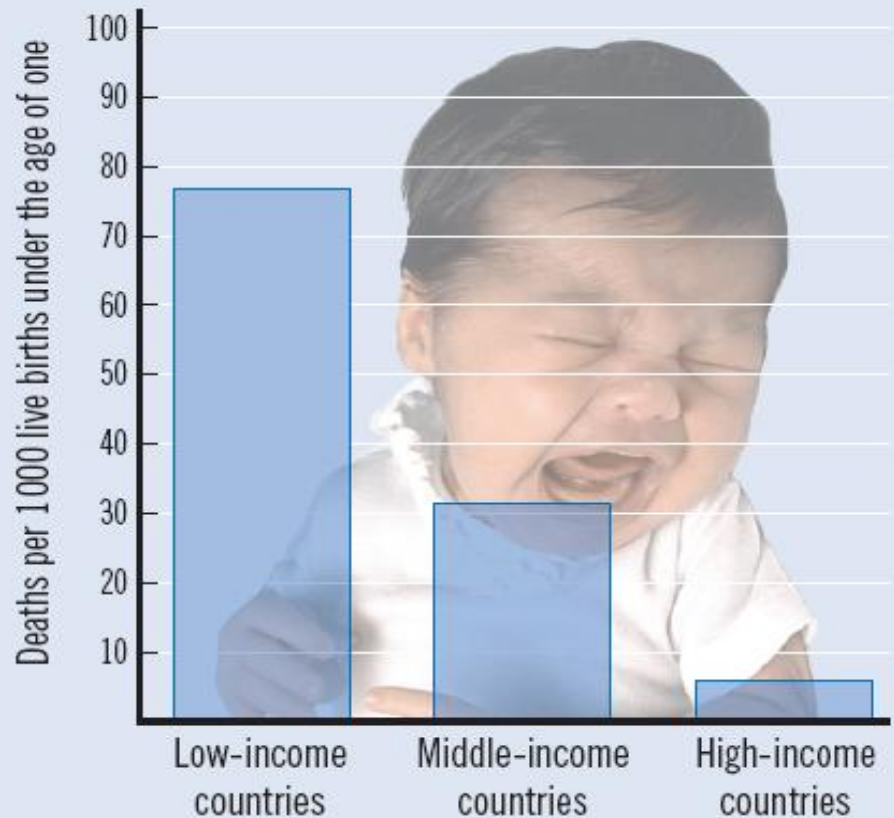
# Our Unequal World – Infant Mortality

- Infant Mortality Rates means the number of children dying before aged 1 year.
- Ireland – 6 babies / 1000.
- Mali – 100 babies / 1000.
- Somalia – 117 babies / 1000.

Q. Why do you think more babies are dying in these poor countries?

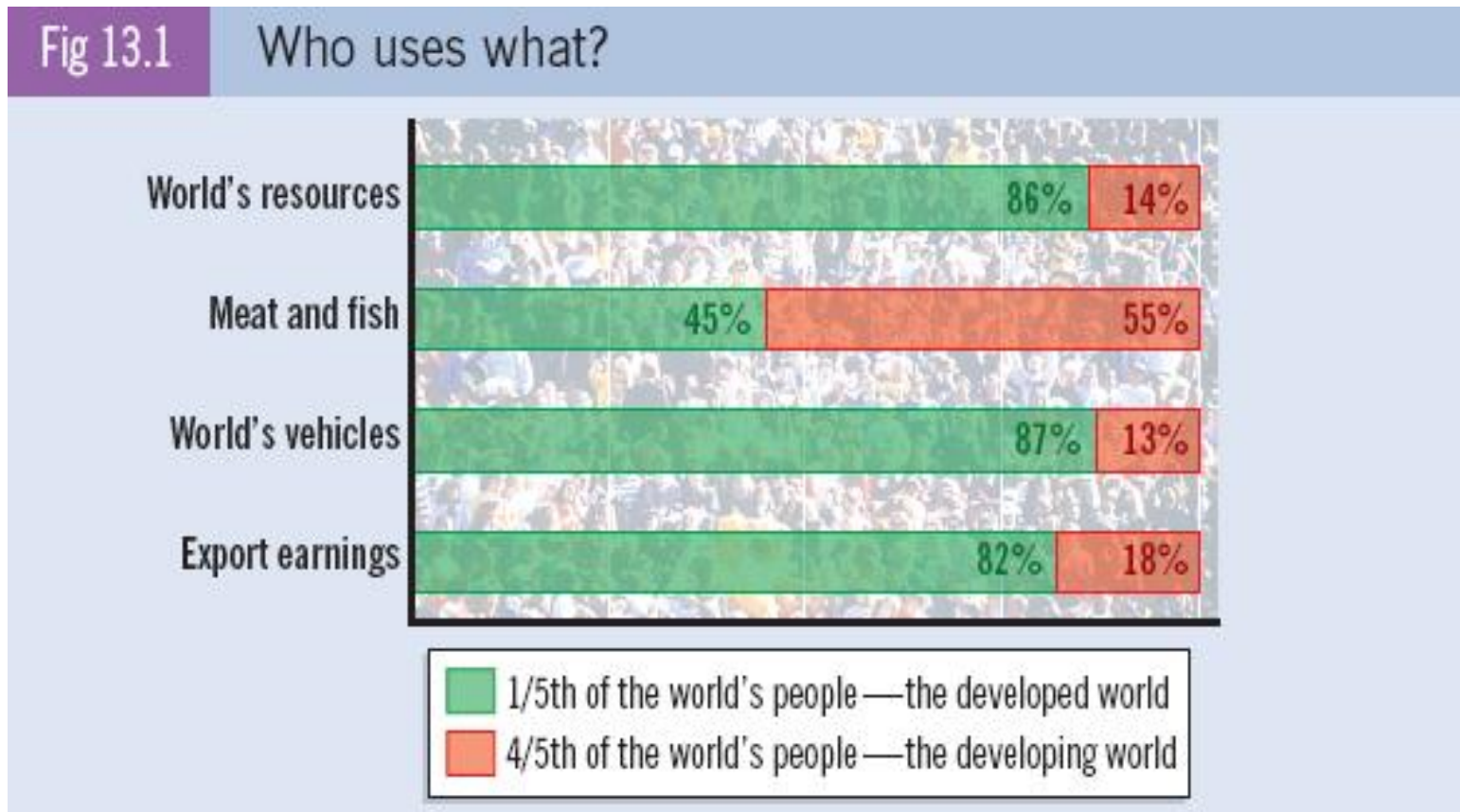
Fig 7.34

Infant mortality rates for the year 2000. Babies born in poor countries are much more at risk than babies in middle- and high-income countries.



# The World's Natural Resources

- Although they have only a small percentage of the world's population, the rich countries of the north use most of the earth's natural resources.  
Q. Why do you think this is?

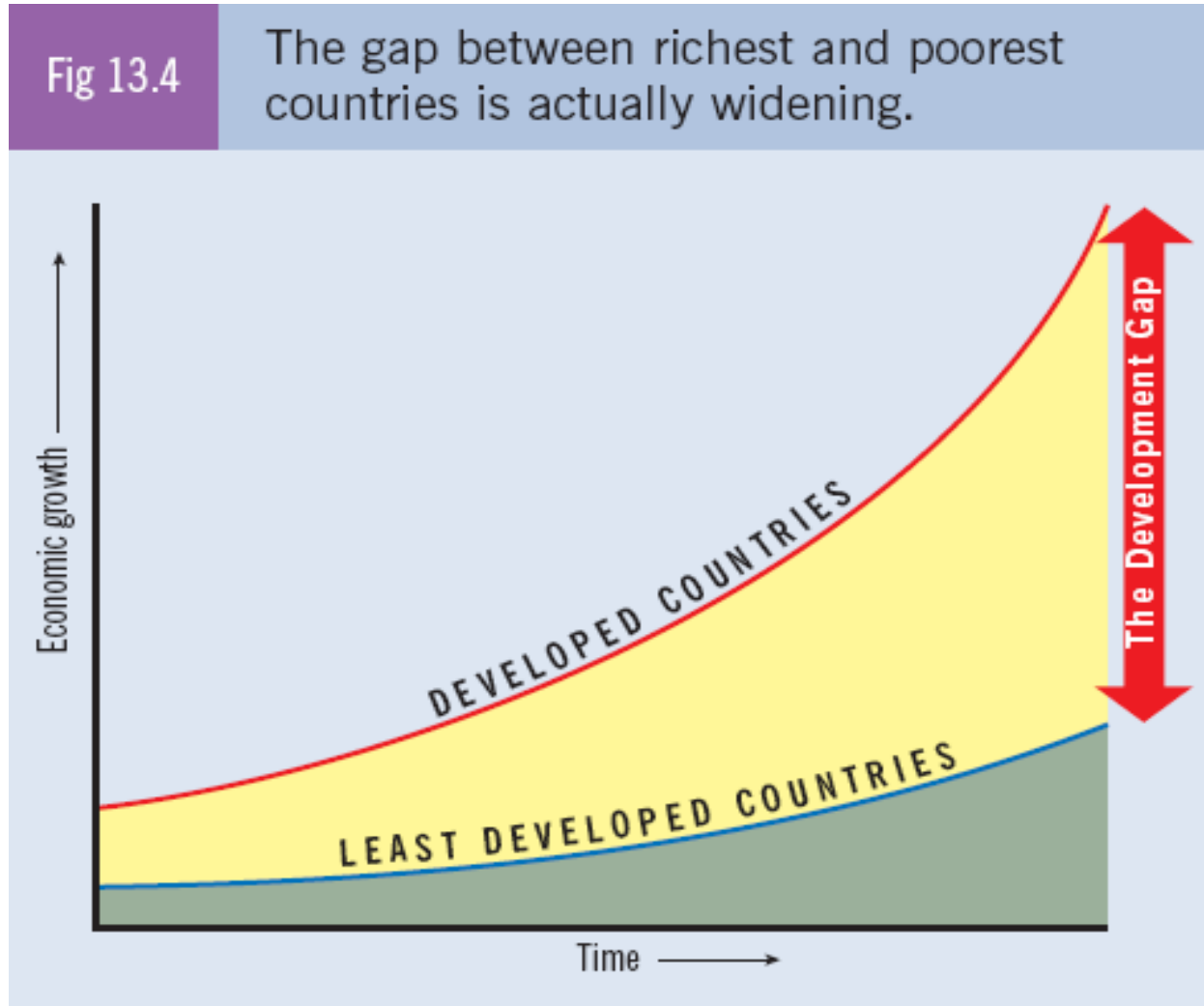


# Developed and Developing Countries

Fig 13.2 The developed and the developing world



# The Gap between Rich and Poor





# The Gap between Rich and Poor

## Inequality in Income

<u>Country</u>	<u>GNP per person US\$</u>
Switzerland	\$38,140
USA	\$34,100
Brazil	\$3,580
Turkey	\$3,100
Bangladesh	\$370
Ethiopia	\$100

Q. In which country would you prefer to live? Why?

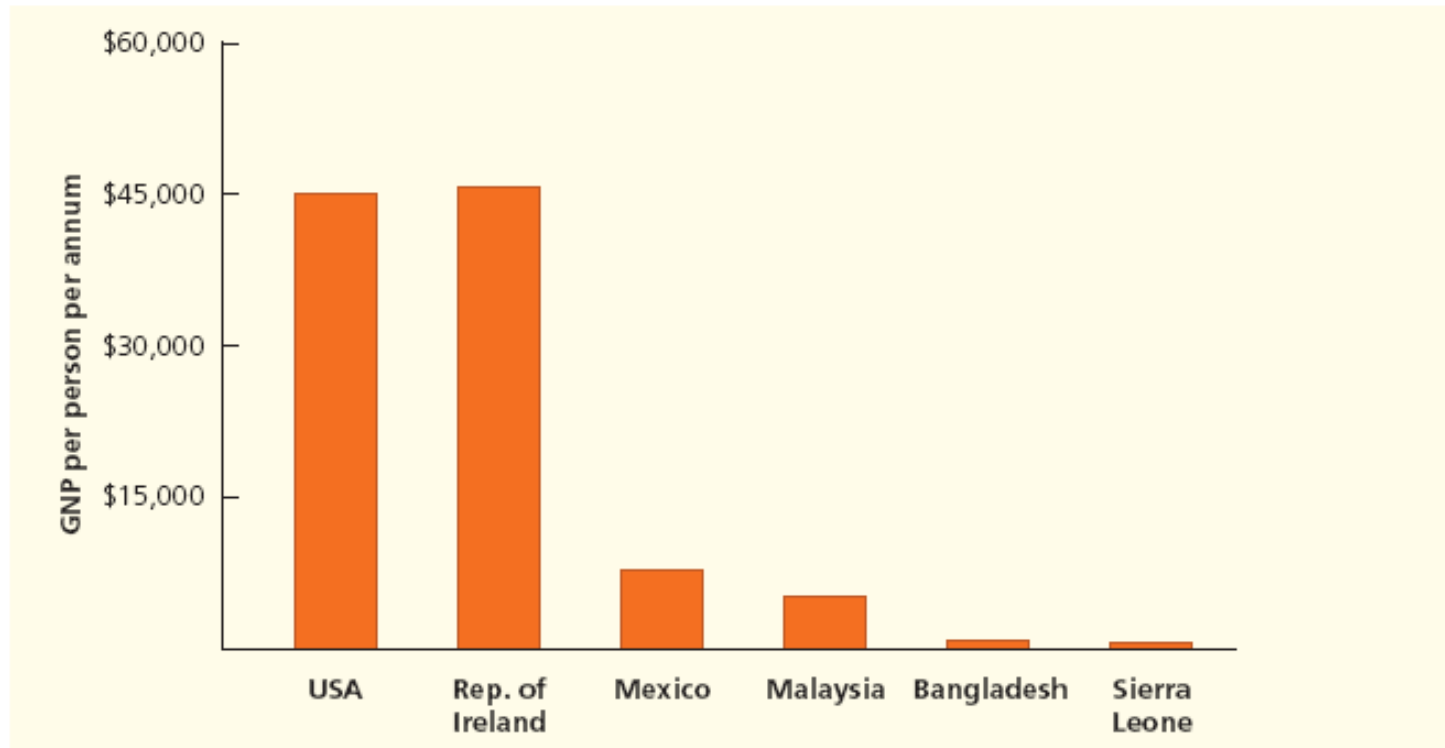


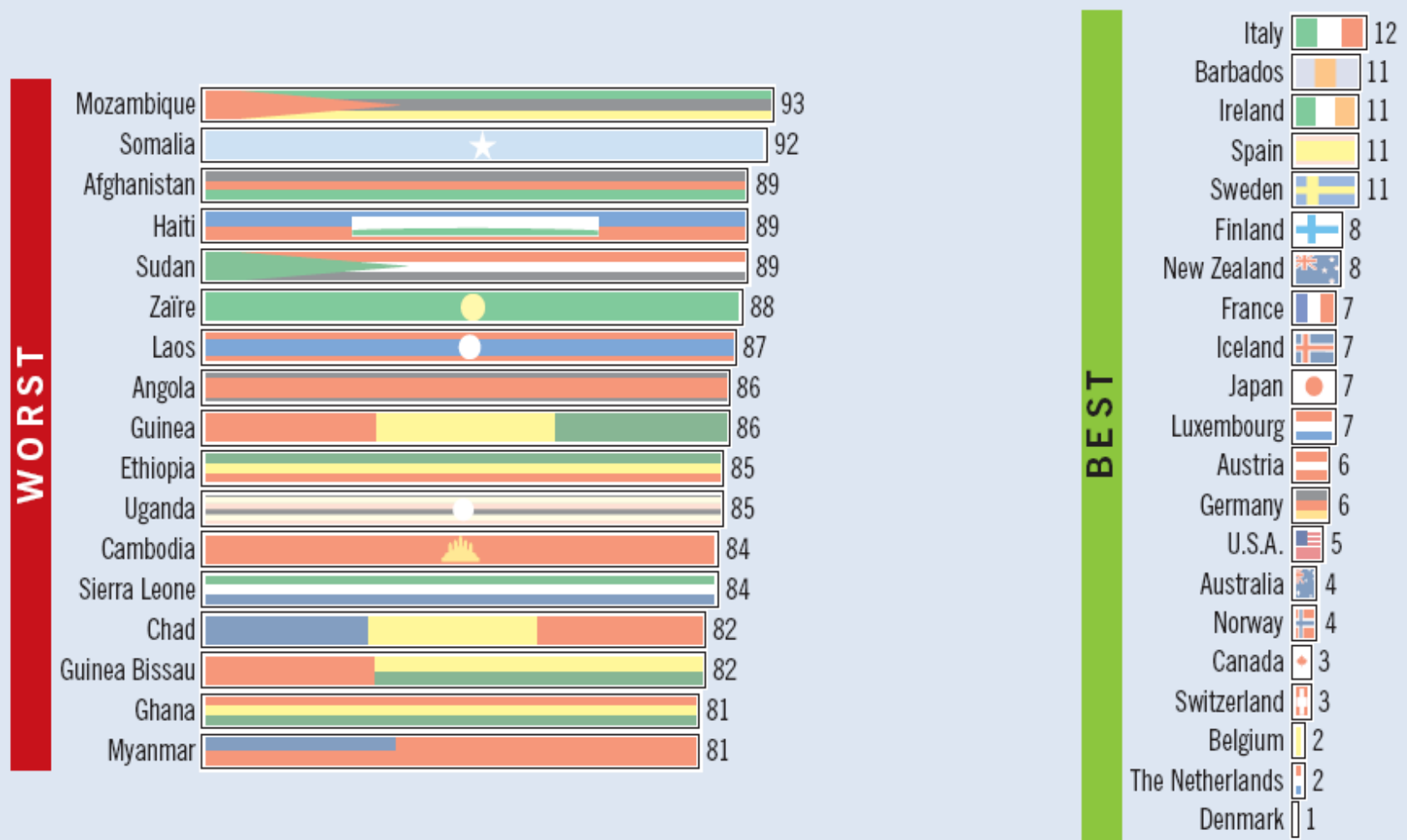
Fig 14.4 GNP per head in selected countries in 2006. Ireland, very poor fifty years ago, had become a very wealthy country in 2006

# Quality of Life

- Income levels do not tell us everything about the quality of life of people in a country.
- The Human Suffering Index measures quality of life using 10 factors.
  1. Life Expectancy
  2. Income per person
  3. Daily Caloric Intake (amount of food available)
  4. Level of inflation
  5. Availability of clean water
  6. Civil Rights
  7. Vaccinations of infants
  8. Political freedom
  9. Numbers in secondary school
  10. Communication technology.

Fig 13.3

The Human Suffering Index. On overall quality of life, African countries, in particular, fare very badly. Almost all of the countries in the worst category have experienced long and disastrous wars in recent decades.



- Q. In which country do citizens have the best and worst quality of life?
- Q. How do you think life differs for the citizens of these countries?



# Why is Our World so Unequal?

- 200 years ago people in the North and South had similar living standards. Today there is a big difference. Why?
- There are 3 main reasons why our world is so unequal today.
- They are;
  1. Colonialism
  2. Trade
  3. Debt

# Colonialism

- Q. What does colonialism mean?
- European countries colonised many parts of the world. This means they took over countries, making them into colonies. This was often done by force.
- For example, Spain and Portugal colonised Central and South America.
- Britain and France colonised many parts of Africa. Germany, Belgium, The Netherlands and Portugal also colonised parts of Africa.
- Britain and France also colonised many parts of Asia.



Fig 14.5 When colonists conquered territory, the native people were barred from their lands. Native people became poor immediately

# Colonialism

- What happened to these colonies?
- Colonialism had many negative and positive effects.
- We should be very aware of the effects Colonialism had, because like many countries, Ireland was a colony of Britain.

Q. List some positive and negative effects colonialism had on Indonesia?



# Colonialism had on Ireland

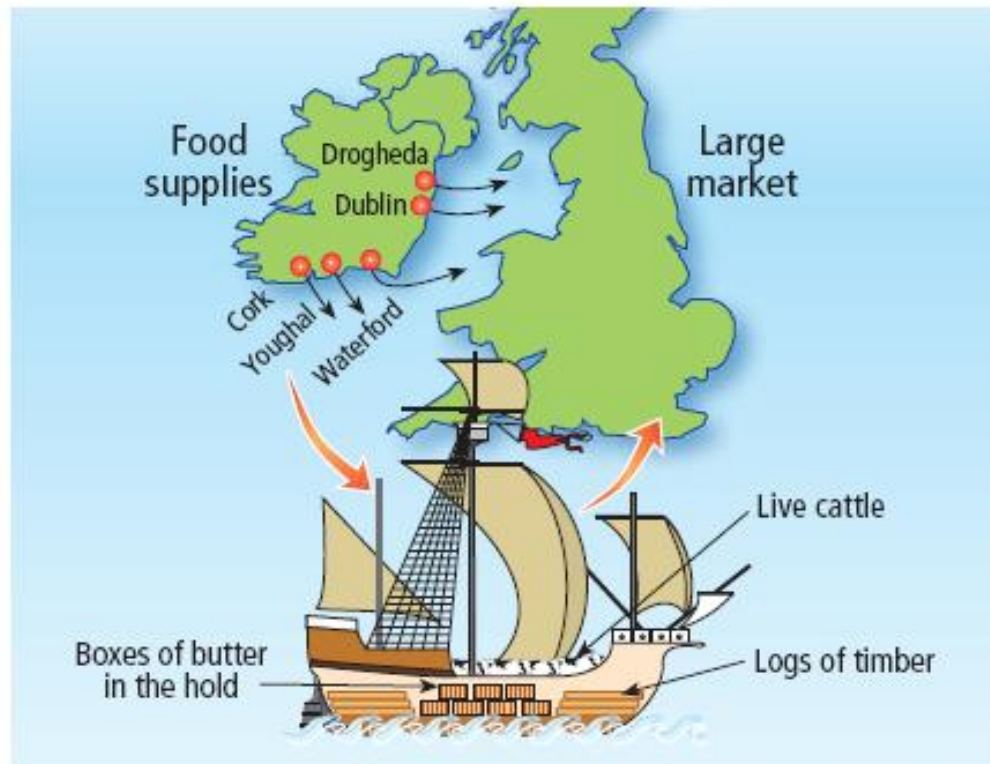


Fig 14.6 Britain used Ireland as a source of cheap food and cheap raw materials for centuries

# Trade

- European countries used their colonies to provide them with cheap raw materials.
- These include unprocessed minerals such as Bauxite, Crude oil, Uranium, and diamonds.
- They also include what are called **Cash Crops**. Cash crops are crops that are grown specifically for export such as coffee, tobacco, cotton, and cocoa.
- Countries in the North buy these natural resources cheaply, and then process them into **finished products**. These products are then sold at a high profit, often to the poor countries of the south.

Fig 13.5

Most African countries are very heavily dependent on one export. The price of these products can either rise or fall.



Source: World Development Indicators, World Bank, 2002



Fig 14.7 Many countries in Africa are heavily dependent on the export of one agricultural or mineral raw material



# Exporting Natural Resources

Many countries are totally reliant on one natural resource.

They sell this product to wealthy countries in the north.

Q. How could this put the economy of the exporting country at risk?

Fig 11.8

Bauxite, the raw material for alumina, is transported to Aughinish from the Republic of Guinea in West Africa. Some bauxite also comes from Brazil and Australia.



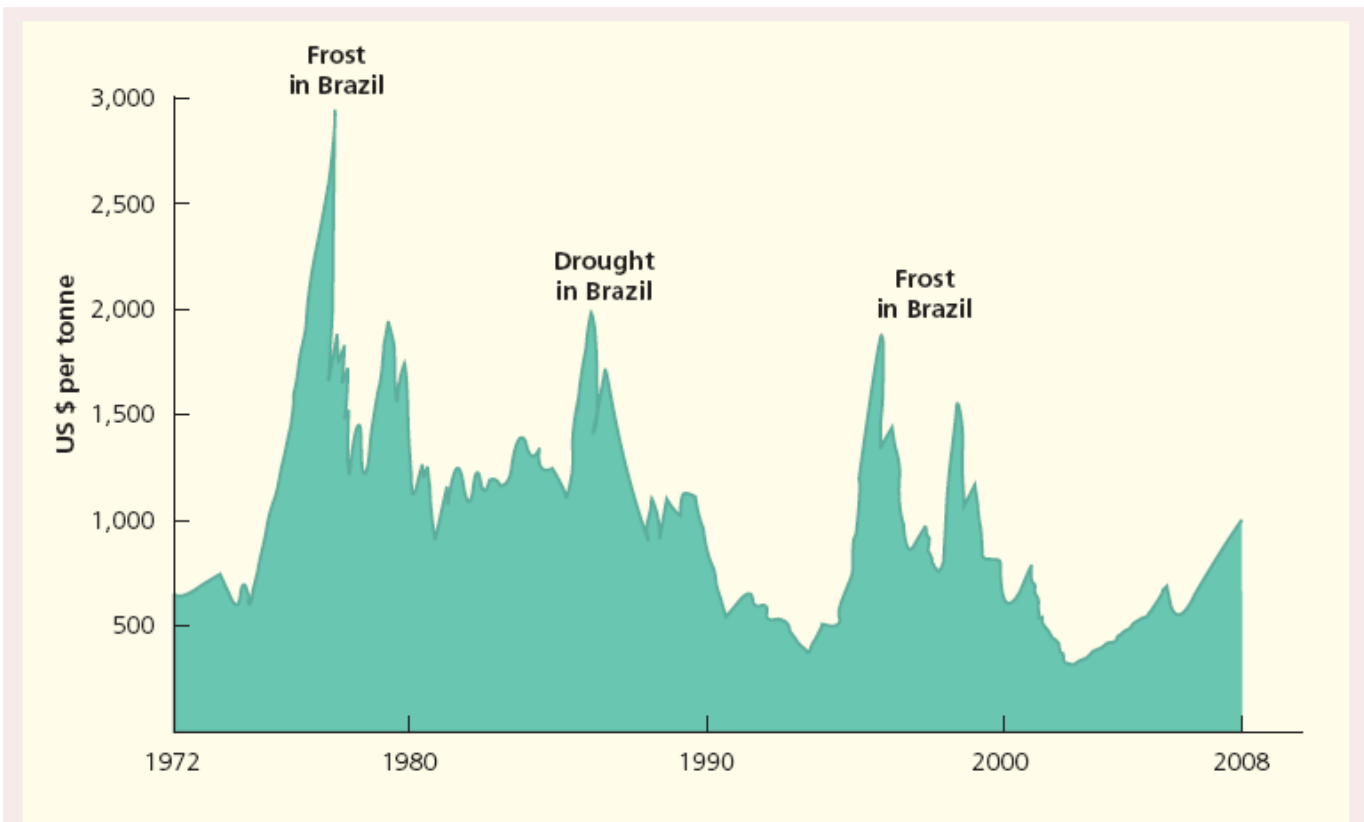
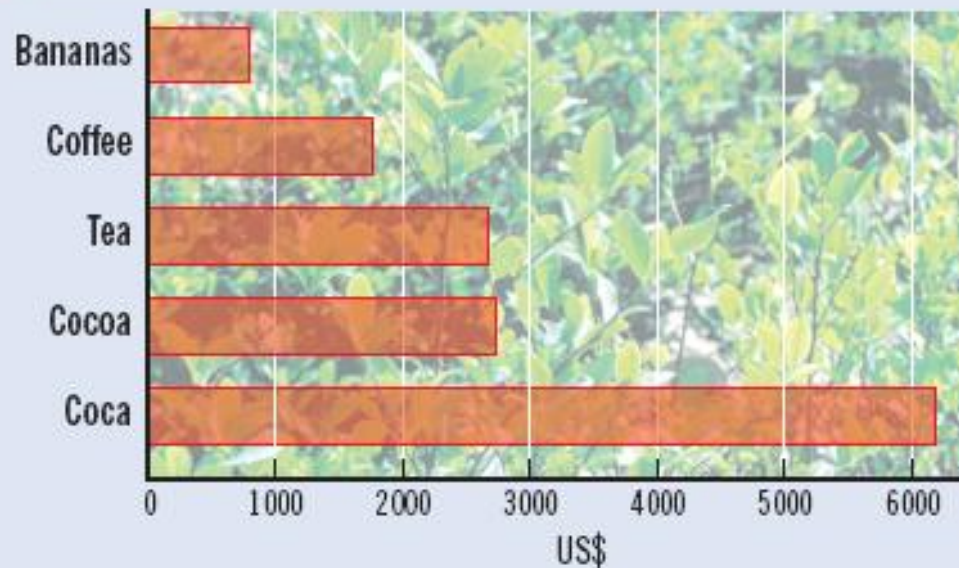


Fig 14.9 World coffee prices, 1972–2008. While the price of coffee fluctuates, the general trend over time has been downwards

# Exports – Cash Crops

Fig 13.6

The income per hectare of land for a variety of crops. The income from coca far exceeds that of other crops.



Q. Explain why many farmers prefer to grow the coca plant on their land.

Q. Why is this a problem for the developed world?

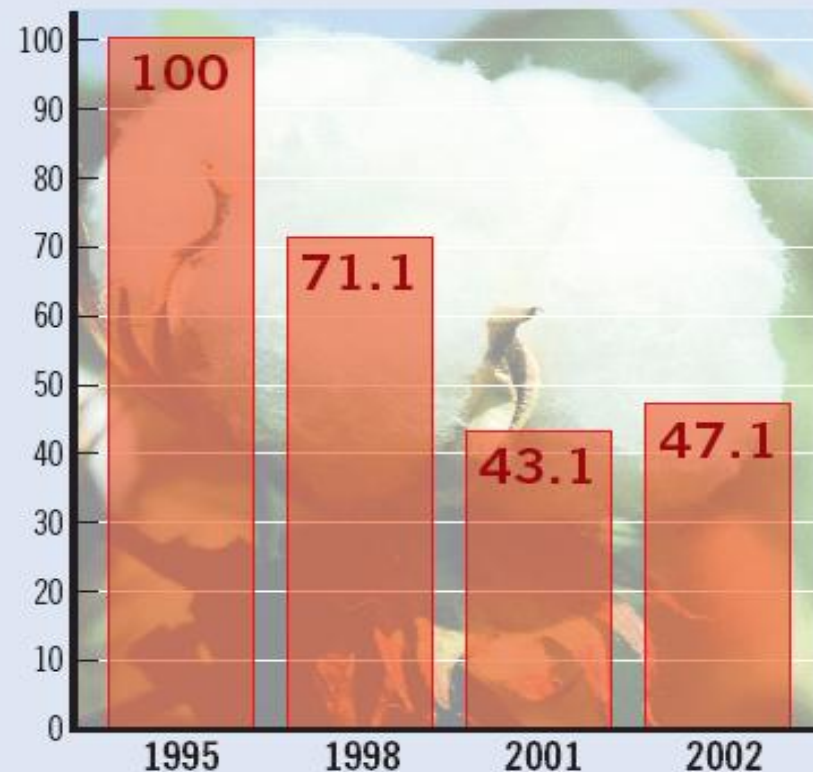
Q. Explain one thing we could do to encourage farmers not to grow the coca plant.

# Raw Materials - Cotton

- Q. What has happened to the price of cotton since 1995?
- Q. Explain how this could be a problem for countries that grow and sell cotton.

Fig 13.16

The relative decline in cotton prices, 1995-2002. The 1995 prices are taken as 100 units.



# Exports – Cash Crops



Q. List 5 countries that grow coffee.

Q. Why do these countries sell their coffee cheaply to the rich countries, instead of making coffee themselves and selling it for a high price?

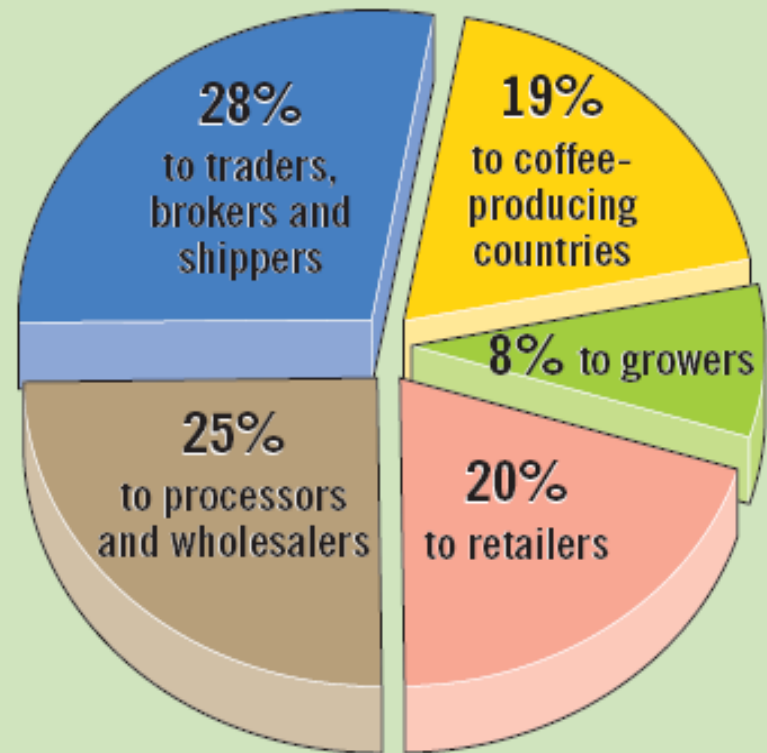


# Cash Crops – Who Benefits?

- Q. Who gets the highest % of money when the coffee is eventually sold in the supermarket?
- Q. Who gets the least?
- Q. Is this fair?
- Q. Explain some things that could be done to make things more equal.
- Q. Why do the growers not make the coffee themselves and sell it for a high price?

Fig 13.9

Coffee – how the money is divided. The producer countries get very little of the money from the world coffee trade.



# Protectionism – Trade Tariffs

Fig 13.8

Protectionism keeps the South poor, because many processed goods are unable to penetrate markets in the North.



Q. What is a tariff?

Q. Why do rich countries have tariffs?

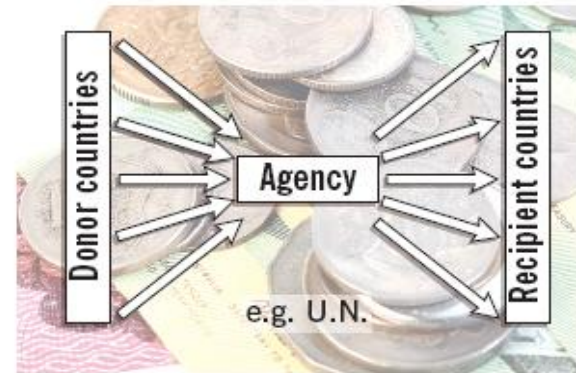
Q. What message is being given in the cartoon above?

# Types of Aid

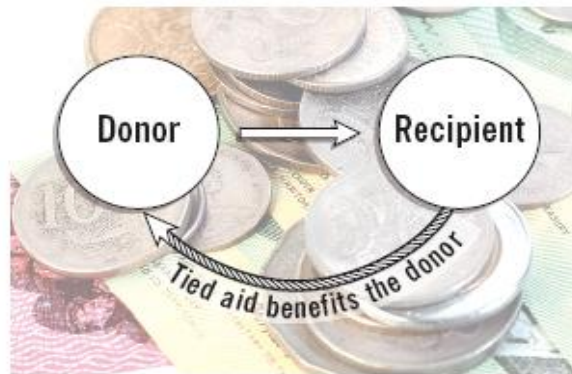
Fig 13.10 The major types of aid



**Bilateral Aid:** Aid from one country to another



**Multilateral Aid:** Many wealthy countries donate money to an agency. This agency then distributes it to countries in need.



**Tied Aid:** Wealthy countries give aid to countries in need, but with strings attached.



**Emergency Aid:** Aid from donor countries to countries in crisis

# Which type of Aid is the best?

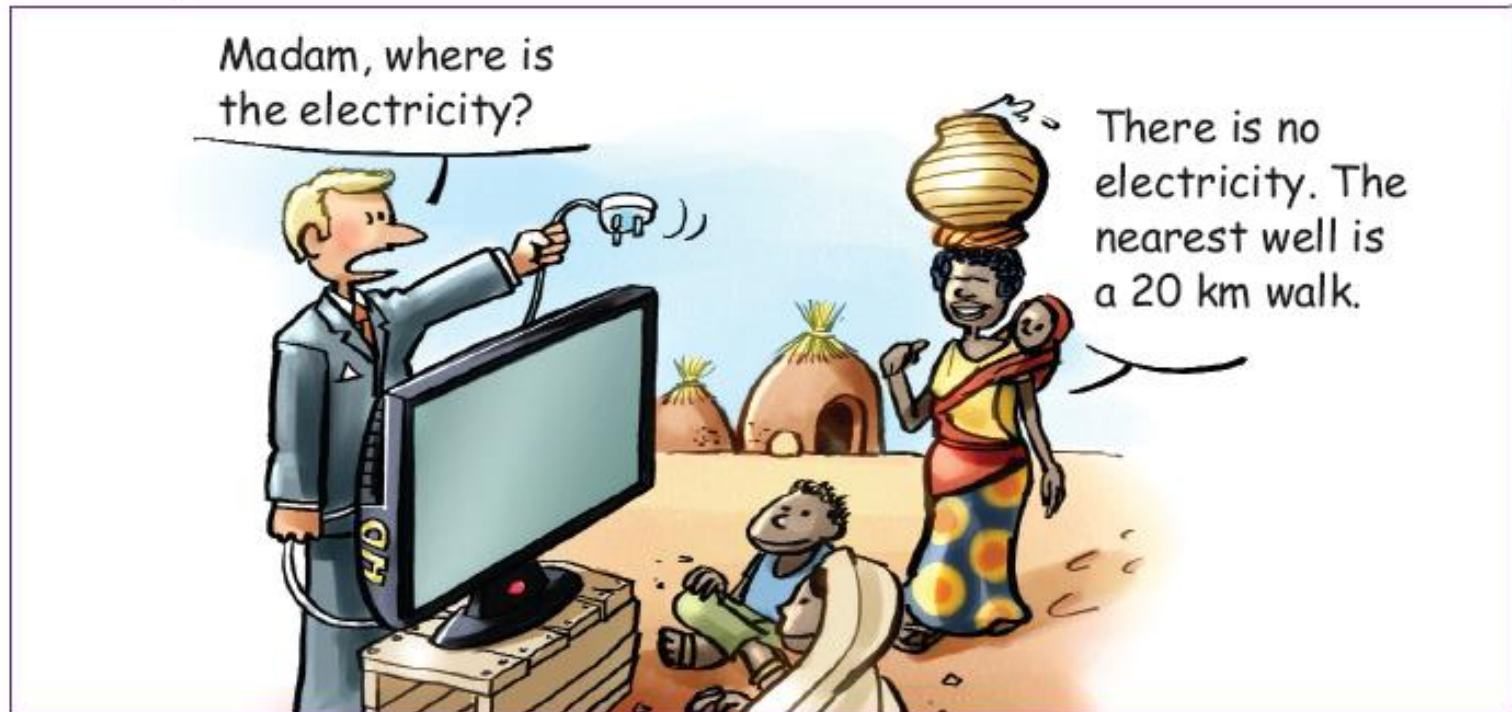
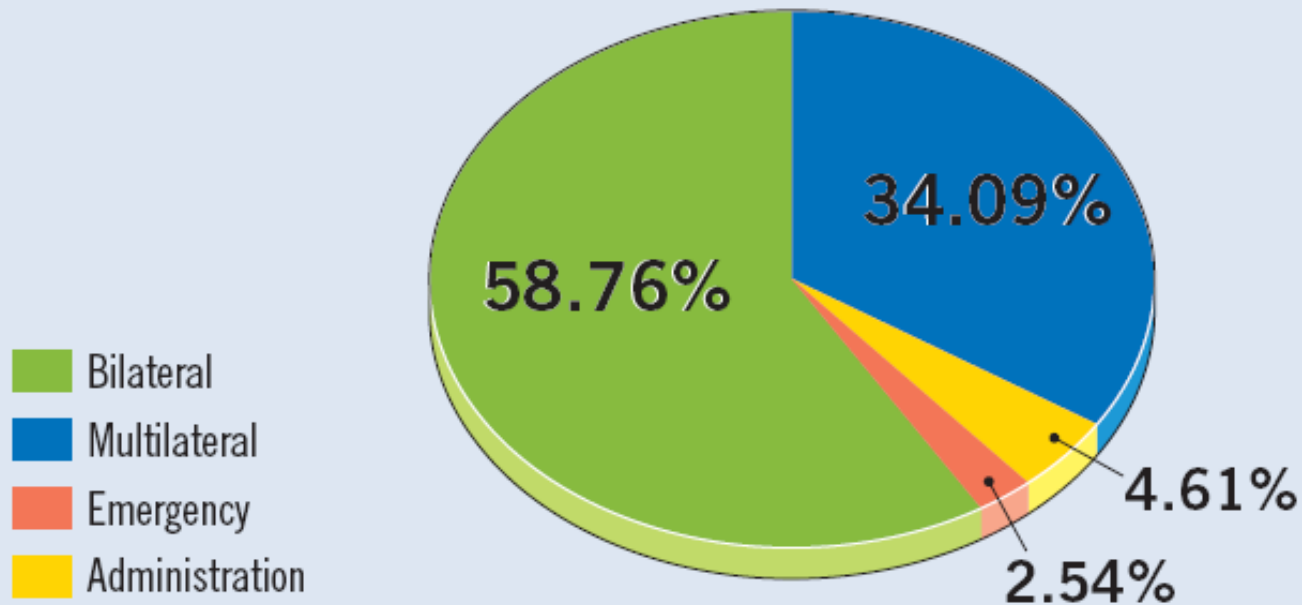


Fig 14.13 Sometimes the North gives the wrong type of aid

# Ireland's Aid

Fig 13.12

Ireland Aid



- Q. What type of aid makes up the biggest proportion of Ireland's aid?
- Q. What % of Ireland's aid is Multilateral aid?
- Q. List some examples of when Ireland has given emergency aid.



# Ireland's Aid to Africa

- Q. List 5 African countries that receive aid from Ireland.
- Q. Discuss what types of projects the aid money may be used for in these countries.
- Q. How can these projects improve the lives of people in these countries?



Fig 13.13

The Irish Government's Aid Budget, past and projected. The Government is committing more money to development aid today than in the past.



- Q. How much aid money did the Irish government give 1998?
- Q. How much aid money did they give in 2004?
- Q. Why has the government been able to increase its aid budget since the 1990's.

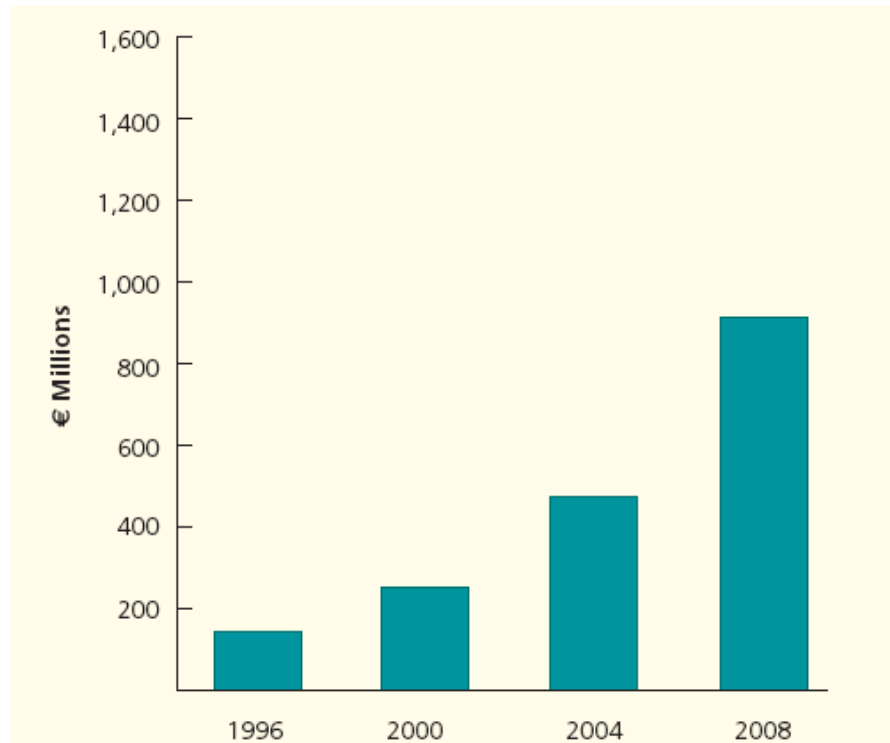


Fig 14.15 Irish overseas development assistance. The figure has grown very quickly in recent years

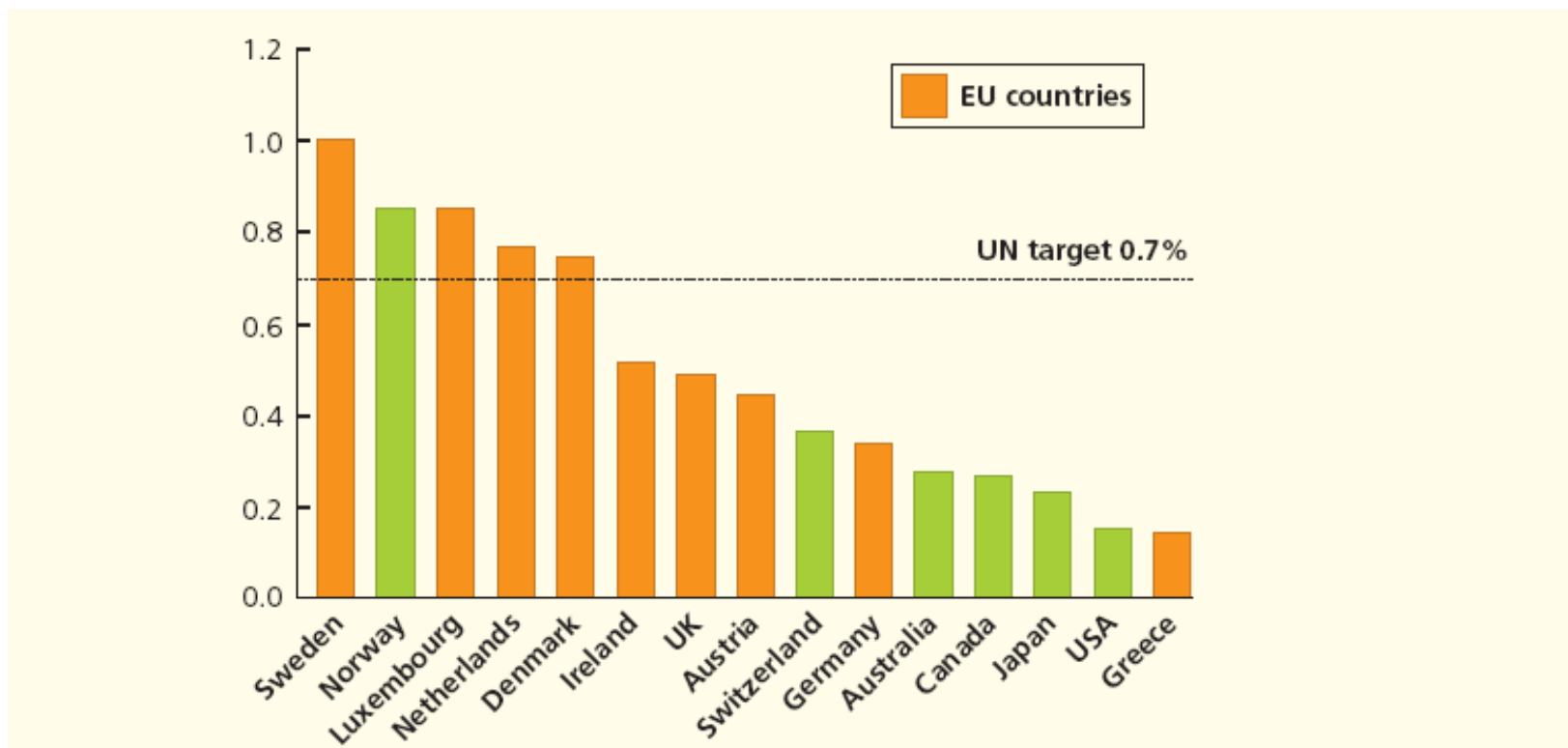


Fig 14.12 The aid donated by selected donor countries as a percentage of their GNP in 2006

# NGO's Non-Governmental Organisations

- NGO's are voluntary organisations.
- They collect money which they use for many different projects in the developing world.
- They can help people to set up a health clinic or school, make wells, grow crops, start small companies, and irrigate their land.

Q. Can you name any NGO's based in Ireland?

Q. Can you name any international NGO's?

Q. Examine one Irish NGO project and explain how it is helping people to live a better life.

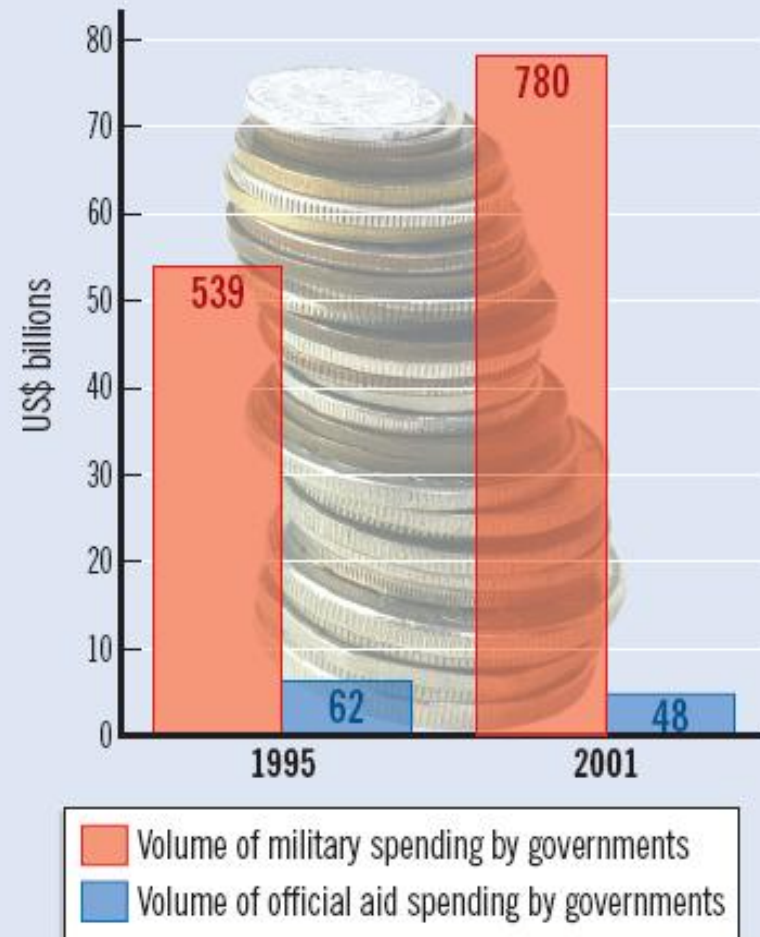


# Aid V Military Spending

- Q. How much money was spent on military spending in 2001?
- Q. How much money was spent on aid in 2001?
- Q. Calculate in increase in military spending between 1995 and 2001.
- Q. Calculate the increase in money spent on aid between 1995 and 2001.
- Q. What could governments do to reduce inequality in the world?

Fig 13.14

A comparison between aid and military spending in the world as a whole.



# Factors Affecting Economic Development

- Climate
  - Rapid Population Growth
  - War
  - Expenditure on Weapons
- 
- We will now examine how these factors have affected economic development in Sudan,

Fig 13.15

Sudan is Africa's largest country.



# Sudan and Ireland

- Sudan is an extremely poor country. The facts below outline how Sudan compares to Ireland.

	<u>Sudan</u>	<u>Ireland</u>
<i>Population</i>	31 m	3.9 m
<i>GDP per person</i>	\$310	\$25,918
<i>Life expectancy</i>	56 years	76 years
<i>Infant mortality (per 1000)</i>	81	6
<i>Doctors (per 100,000)</i>	10	219

Q. So why is Sudan such a poor country?

# Sudan's Problems

- **Climate** – The north of Sudan is a desert with little vegetation. The south of Sudan also has very little rainfall. Therefore it is difficult to grow crops to feed the people. Drought and famine are problems.
- **Rapid Population Growth** – Sudan has a high birth rate. The population is growing quickly. Only 46% of women in Sudan are literate. Most women have at least 4 children.
- **War** – Sudan has two ethnic groups, Arab Muslims in the north and black Christians in the south. There was a long civil war between these two groups from 1983 – 2002. Farming, health and education services were disrupted.
- **Expenditure on Arms** – Sudan spends lots of money on weapons. In 1993 the government spent 9 times more on the army than it did on healthcare.

# Sudan – War in Darfur

Sudan has two ethnic groups, Arab Muslims in the north and black Christians in the south. There was a long civil war between these two groups from 1983 – 2002. Farming, health and education services were disrupted.



Fig 14.16 Sudan is Africa's largest country. It is located in the north east of the continent



# Sudan's Cultural Fault Line

Fig 13.17

A cultural fault line divides northern Sudan from the south. The north is Arabic and Islamic. The people of the south are black Africans.



# Sudan - Expenditure on Arms

Sudan spends lots of money on weapons. In 1993 the government spent 9 times more on the army that it did on healthcare.

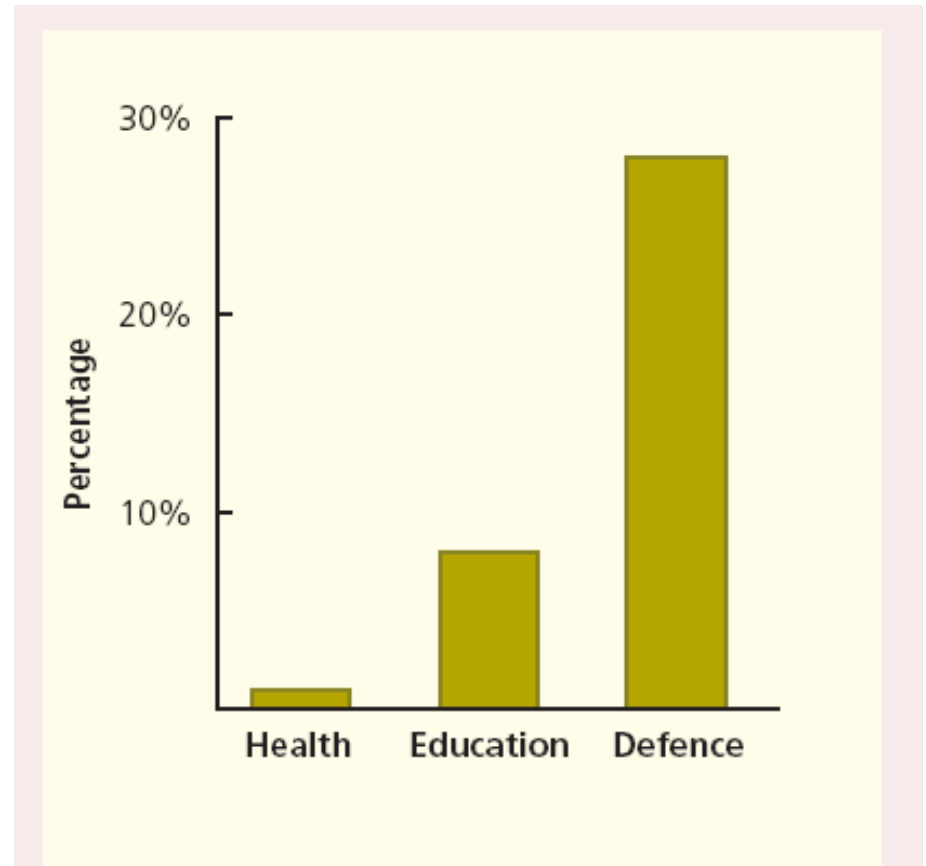


Fig 14.19 The percentage of government funds spent on education, health and defence

# Sudan - Rapid Population Growth

Sudan has a high birth rate. The population is growing quickly. Only 46% of women in Sudan are literate. Most women have at least 4 children.

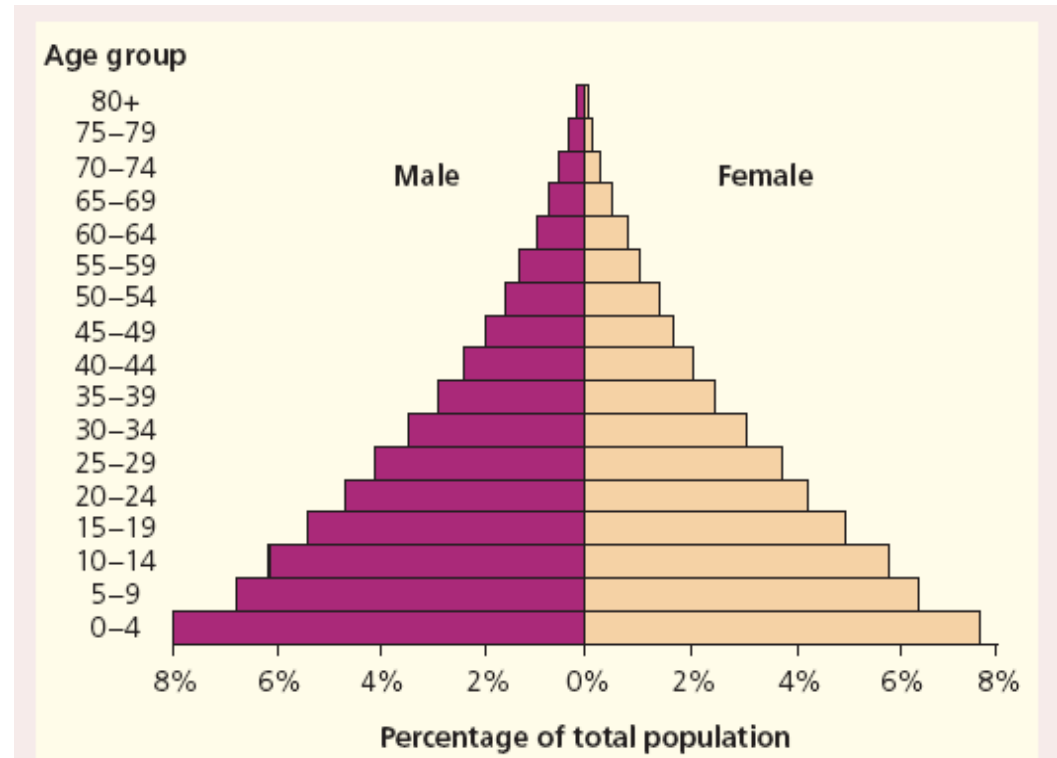


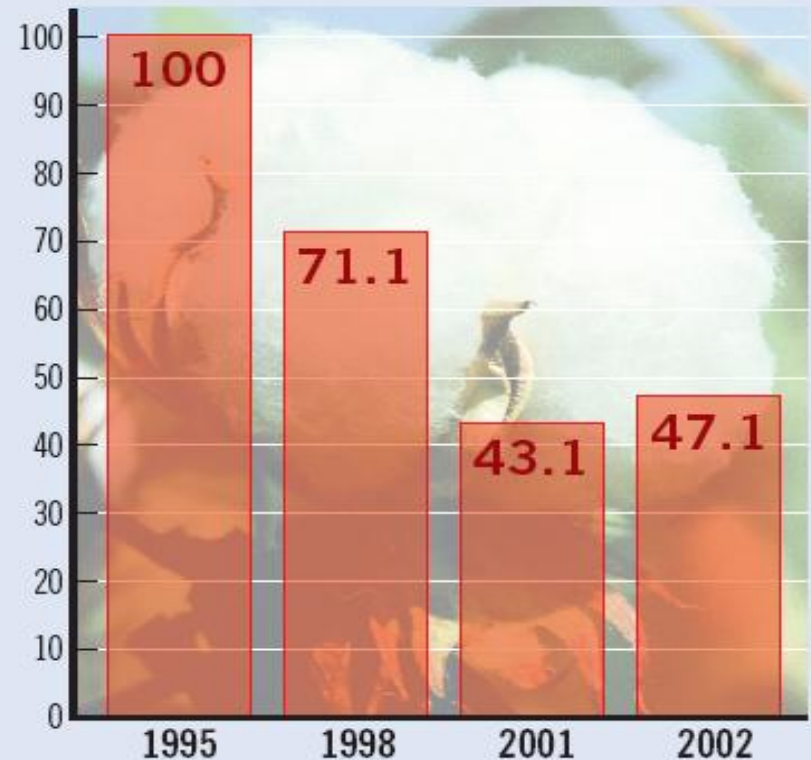
Fig 14.17 The population pyramid for Sudan shows that the birth rate is high

# Sudan's Economy

- Like many countries in the developing world, Sudan exports unprocessed raw materials such as cotton and peanuts.
- The price of cotton has gone down in recent years meaning that they are getting less money for their exports.
- Therefore, they have less money to improve the quality of their lives.

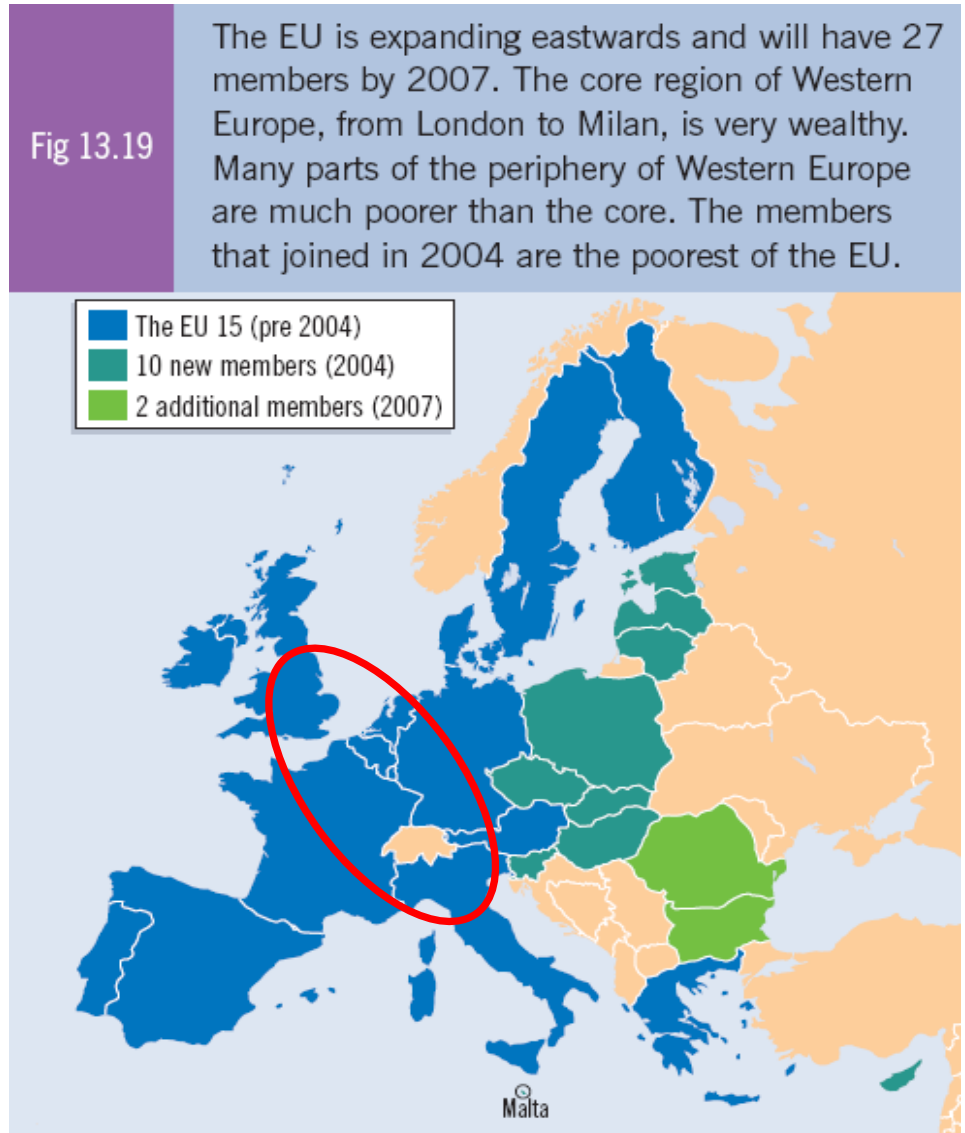
Fig 13.16

The relative decline in cotton prices, 1995-2002. The 1995 prices are taken as 100 units.



# Economic Inequality in the EU

- Within the EU there are economic inequalities.
- The core region (the Manchester Milan axis) is very wealthy.
- Parts of the periphery are poorer, such as southern Italy, north and west of Ireland, and Scotland.
- Many of the new members of the EU are the poorest countries. Their economies have yet to catch up with western Europe.





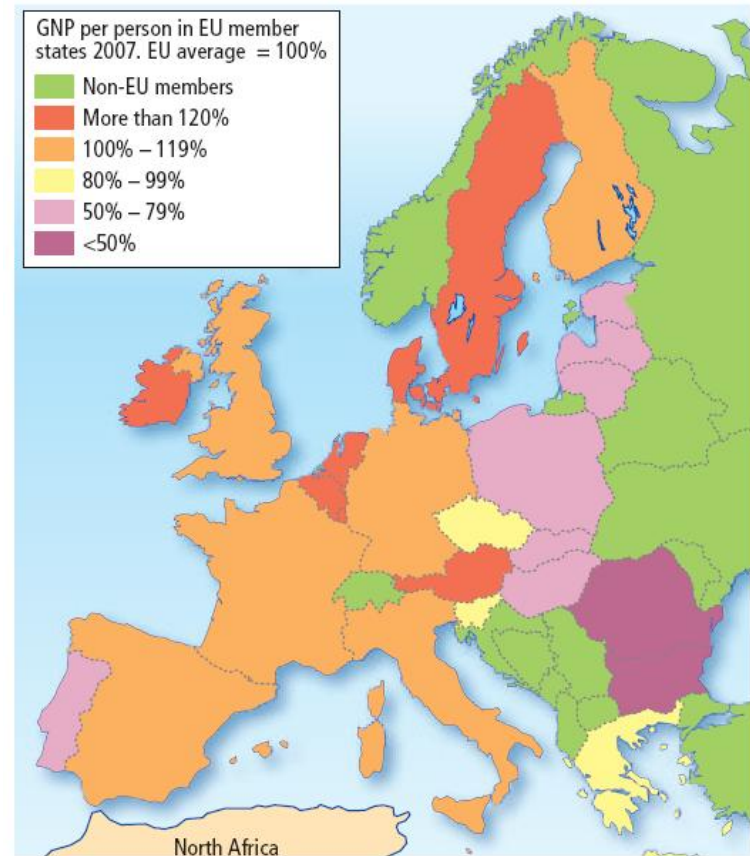


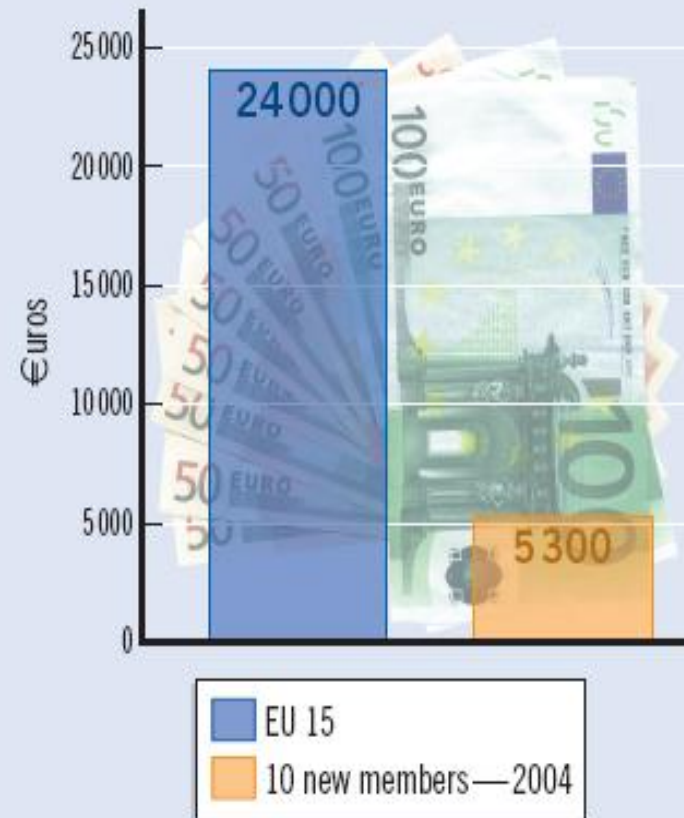
Fig 14.20 Economic inequality exists in the EU. The poorest members are Romania and Bulgaria

# Economic Inequality in the EU

- Q. Calculate the difference in income between the EU 15 countries and the new member countries.
- Q. Why do these differences exist?
- Q. What can the EU do to help make all EU countries more equal?

Fig 13.18

Differences in income within the expanded EU



# Economic Inequality in Ireland

- Even within Ireland there are economic inequalities between different regions.
- The Border, Midland, and Western (BMW) Region is poorer.
- The southern and eastern regions are wealthier.

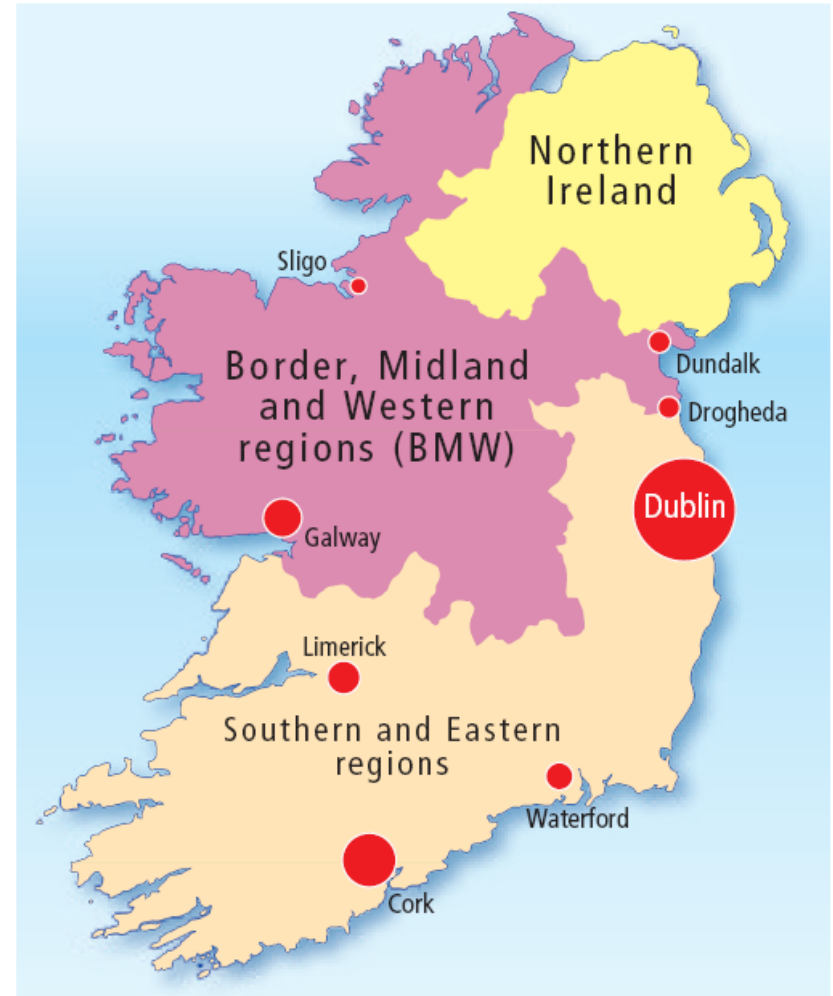
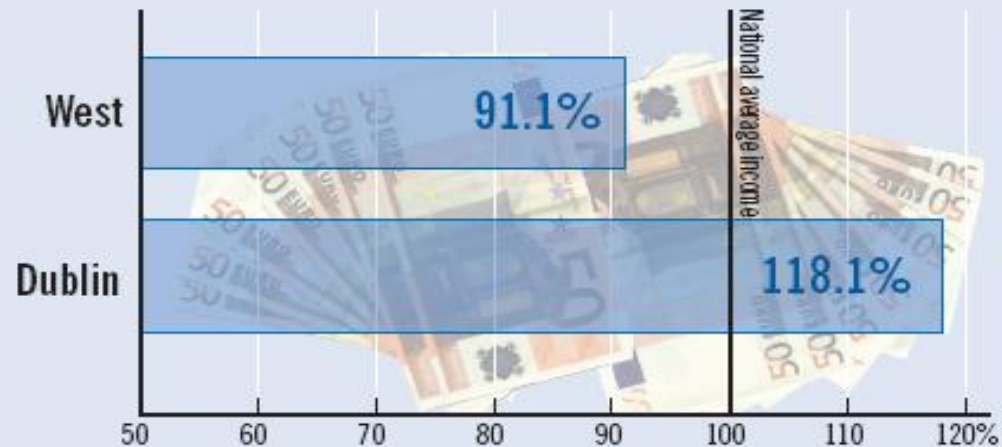


Fig 14.21 The Republic of Ireland's two economic regions: the BMW and Southern and Eastern Region

# High Salaries in the Dublin Region

Fig 7.28

Disposable income per person in the year 2000



In this instance, the West is composed of counties Galway, Mayo and Roscommon. Dublin is Dublin City and County.

- The graph shows the higher salaries in the Dublin region compared to the western region.

# Why does this difference exist?

## The BMW Region

The land is of poorer quality in this region. Many farms tend to be small and less profitable. Many people are employed in farming, fishing and forestry. The population density is low. Urban centres are small and less attractive to companies. Transport links are poor meaning it is hard to attract investment.

## The Southern and Eastern Region

The climate is warmer and drier in this region. Farmers are engaged in tillage and dairy farming which are more profitable. The population density is higher. There are 3 million people, many who live in large cities. There are excellent transport links which helps attract international companies and investment.

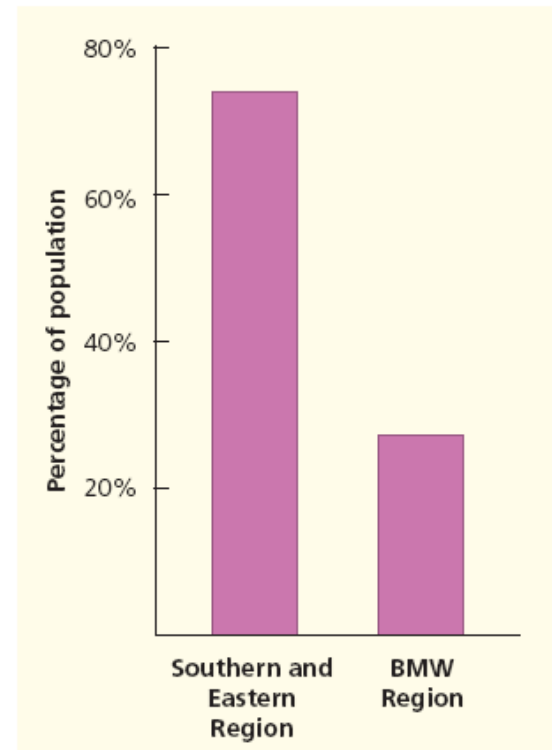


Fig 14.22 The population of the Republic of Ireland is unevenly divided between the BMW Region and the Southern and Eastern Region



# Economic Inequality in Italy

- Like Ireland, Italy can be divided into rich and poor regions.
- The north of Italy is very wealthy.
- The south of Italy is much poorer.

Q. Why does economic inequality exist in Italy?

Fig 13.22

Italy: The north-south divide and major urban centres



Fig 13.21 Italy, mountains and plains



Fig 13.24 Unemployment in Italy



The north of Italy has very fertile land. The south of Italy has less fertile land. The land is mountainous. The farms are small.

Most of Italy's industry is in the north. Big companies such as Fiat are located in the industrial triangle of Milan/Genoa/Turin.

The north has excellent transport links to the rest of Europe. The south is isolated from Europe.



Fig 14.23 Italy's major cities; the red line indicates where the North-South divide in Italy begins



Fig 14.24 Earnings in four selected provinces in Italy as a percentage of national average earnings. National average earnings = 100%

# Ending Economic Inequality

- We now know that our world is a very unequal place.
- Q. What can we do to try to solve this problem?
  1. Increase the amount of aid given to poorer countries.
  2. Aid should be targeted to the needs of the people.
  3. Cancel or reduce 3rd world debt.
  4. Military aid should be stopped.
  5. Democracy must be nurtured to give more power to the people rather than to corrupt dictators.
  6. The world's trade system must be made more equal.

# The North-South Gap

- **During Cold War – Primary Global Division Was Between East and West, and Predicated Upon Security and Power Balance**
- **After Cold War – Many See Primary Global Division as Being Between North and South, and Predicated Upon Economic Inequality**

# The North-South Gap

- **In Terms of Economic Development, There Exists an Enormous Gap Between Northern and Southern Countries, Which Has Been Increased By Globalization (Rich Get Richer)**
- **Malnutrition, Poverty, Disease, and Political Instability Are Endemic in South; Affluence, Development and Stability Abound in North**
- **Can Produce a Great Deal of Tension Between the Two**



# Theories of Accumulation

- **Economic Development is Based on Capital Accumulation; Economic Surpluses are Produced By the Investment of Capital to Produce More Capital**

# Theories of Accumulation

- **Capitalism: Relies on Market Forces to Govern Distribution of Goods**
  - Cycle of Capital Accumulation Controlled by Private Firms/People, Who Keep Capital As Profit
  - Incentive to Reinvest Earned Capital to Maximize Profits
- **Problem: Leads to Wealth Disparity Amongst Owners and Laborers**

# Theories of Accumulation

- **Socialism:**
  - **Favors Redistribution of Wealth Toward Workers that Produce It, Rather Than Capitalistic Reinvestment By Owners**
  - **Advocates State (Rather Than Private) Ownership of Capital, Or at Least Government Planning of National Economies (Production Quotas, etc.)**
- **Problem – Extremely Inefficient – Planned Economies Cannot Respond to Market Shifts as Easily as Can Market-Based Prices**
- **Marxism and Leninism – Branches of Socialism**

# Why Does the Gap Exist?

- **Imperialism and Dependency (Based on Socialist Perspectives)**
  - Industrialization Occurred Unevenly Throughout History – In Most Areas, South Remains Pre-industrial
  - Industrialized States Colonized Third World to Gain Capital Potential – “Imprisoned” South, Though Some Benefits Resulted
- **Lenin- Industrial States Invested in Colonies to Earn Profits; Used Profits to “Buy Off” Domestic Working Classes; This Caused Competition Amongst Industrial States, Which Led to WWI**

# Why Does the Gap Exist?

- **World-System Theory:**
  - Manufacturing Regions (Core) Extract Goods From Third World (Periphery) And Invest Capital in it For Profit – Production Sometimes Set Up in Peripheral Cities, Creating Class Differences Within Peripheral States
  - Continues Despite Decolonization
  - Perpetually Dependent Periphery; Sows the Seed For Global Class Conflict
- **Changing the Relationship: Self-Sufficient Development Via High Government Protection (South America); Can Address Problem, But Breeds Inefficiency**

# Why Does the Gap Exist?

- **Dependency Theory:**
  - After WWII, it Appeared That Capital in Third-World Nations Would Be Plentiful Enough to Allow For Self-Sustaining Growth
  - This, However, Did Not Take Place; These States Still Needed to Borrow Capital From More Affluent States, Thus Depleting Surpluses (Imbalanced Interdependence)
  - Foreign Interest In Only a Few Industries Retards Overall Development
  - Bolstered Also By the Way in Which Internal Class Relations Play Out (Internal Core/Periphery)



# **The State of The South**

- **Many Basic Human Needs Not Met in South (Food, Shelter, Health Care); IOs Try To Address These Issues**
- **Demographic Transitions Occur When Production Established in Periphery – Creates Social Upheaval and Political Violence and Strains Accommodation**
- **Leads to Migration (Legal and Illegal) from Poorer to Richer States, Further Dislocating Demographic Situation**
- **Traditional Roles of Women Mean that They are Hit Hardest By Dislocation, Poverty, etc.**