I. What Are Causes/Solutions to Food, Population, Poverty Problems?

- Experts Disagree
  - Can we feed future populations/are famines inevitable?
  - Are there too many people in the world?
  - Is global warming a real problem—New Orleans?

- Why do experts/public disagree (Is anyone “objective”)?
  - Rely on/influenced by different
    - Facts?
    - Standards (rigor)?
    - Experiences (e.g., Allende—Chile coup)? You?
    - Values (e.g., religion)?

- How do we know what’s the “Truth”?
  - Critically assess “facts”
  - Be open to new ideas/answers
II. Globalization

A. What is Globalization?
   - A shrinking world (e.g., Kenya Massai, Indonesia anklong)
   - Sense of boundaries dissolving, a woven world (Zwinge)
   - For you?

Def. Mega trend, increasing economic interdependence, blending of cultures
   (e.g., McDonalds in India, Sesame Street in S. Africa, Hooters in China)

- Economic Aspects (IFPRI/Bezanson)
  - Trade integration (>imports/exports)—tariff reductions
  - Increased capital mobility (foreign investment)—new rules
  - Rapid technological change & diffusion—science/communications
  - Rise in global consumerism—rising incomes, increased demand

Some Examples
- US imports
  - Food (>50% imported: Mexico & C.America, Chile, Brazil)
  - Cut flowers/roses: Colombia
  - Clothing: C. America., Asia, Africa
  - Toys: 80% from China
  - Mfg goods: Japan, Europe, LDCs (increasing)

- US Exports (future market growth will be in LDCs!—why?)
  - Agriculture (corn, soybeans, wheat): worldwide
  - Frozen chickens: Philippines
  - High-tech goods: worldwide

- Jobs (Outsourcing)
  - Textiles: US to LDCs (initial phase)
  - Back-office jobs: US to India, others countries—Examples?
  - Hi-tech jobs (US to China & India (increasing threat!)
  - But not just from U.S to LDCs (China: umbrellas in India)
o Capital
  ✓ Direct investment (e.g., Honda in US, US worldwide)
  ✓ Franchises (e.g., McDonalds--115 countries; Pollo Campo)
  ✓ Joint ventures (e.g., Home Depot, Wal-Mart)
  ✓ Multinational corporations (“corporate states”)

o Monetary/regional integration (Euro/EU, E. Africa, CAFTA), tightly linked monetary policies—Meaning/Why?

o Other?

What is the driving forces for economic integration?

- Cultural integration (culture is constantly changing, an interchange)
  Some Examples
  o Music
    ✓ DC to US? (world music)
    ✓ US to the world? (CD: Inul Daratista)

o TV
  ✓ MTV seen in >80 countries
  ✓ CNN seen worldwide (Ghana—2000 election)
  ✓ Satellite dishes (has impacted politics in the Middle East)
  ✓ Sesame Street (>19 countries with their “own” version)
  ✓ Al Jazeera, Middle Eastern “reality” TV (but modified)

o Other?

Not just more access to information, but also new values?
  ✓
  ✓
  ✓
  ✓
  ✓
  ✓
B. Worldwide, globalizations has created a “Revolution of Rising Expectations”
   - Meaning?
     - People expect a better life
     - Consequences of failure?
   - What do people in LDCs want for themselves, esp. their kids?

   - Reasons for rising expectations?
     - Rapid worldwide shift from agrarian to industrialized societies
     - “Demonstration effect” (Dallas, rich American)

C. But Is Globalization (economic & cultural integration) Really New?
   - Previous waves of globalization & their impacts
     - Explorers/missionaries (1500s) Impacts?
       - Crops—acorns to corn, beans, soybean, wheat, rice
       - Religion—convert, started schools in Africa, Asia, LAC
     - European immigrants to the US (early 1900s) Me=Sweden Impacts?
     - WWI, WWII, Vietnam Impacts?
     - Recent immigrants (Hispanics, Africans, Asians, E. Europeans) Impacts?
o So what’s new?
  ✓ Rate of change

✓ Countries affected

Note: Many of the most economically integrated countries are small nations (e.g., Europe, Singapore).
Example: Instructions, Swiss company, 14 languages
  ✓ Why?

D. What has Made Rapid Globalization Possible—cumulative impact?
  o Knowledge—science & technology
    Examples?
      ✓ .
      ✓ .
      ✓ .
      ✓ .
      ✓ .

  o New global rules & regulation, esp. since 1990
    Examples?
      ✓ .
      ✓ .
      ✓ .

  o Increased global wealth
    Why/How?
      ✓ .
      ✓ .
o New Institutions/organizations, esp. since WW II (what, how?)
   ✓ UN System (e.g., WHO, FAO, UNICEF, HCR)?

   ✓ World Bank/International Monetary Fund (foreign aid)?

   ✓ World Trade Organization?

   ✓ International Agricultural Research System?

o Other?

E. Is Globalization Good/Bad?
o Positive aspects?

Examples?
✓ .
✓ .
✓ .
✓ .
✓ .
✓ .

o Negative aspects?

Examples?
✓ .
✓ .
✓ .
✓ .
✓ .
✓ .
   (IndoForex).

o So, Is globalization good or bad?
F. Competing in a Global Economy

- What Skills Will You, as Future Leaders, Need to be Competitive in a Global Economy?
  - Examples?
  - ✓
  - ✓

- What does the US Need to do (lessons from China?)?
  - ✓

III. Why Should We Be Concerned About Development in the Poor Countries?

A. "Global Dilemma"
   - Increasing demand, shrinking resources
   - Greatest problem—looking beyond immediate concerns to future needs (being a "world citizen")

B. "Driving Forces"—Population & Technology
   - Pre-1800s—low population, low technology => only local impacts
   - Today—high population, high technology => global impacts
   - Future (2050)—population will 2x, world economy will grow 5-10x
   - Evidence of increasing pressure on the global environment
     - ✓ "Global Commons"?
   - Concern—global sustainability is at risk
     - ✓ We must not endanger the prosperity of future generations
C. What Global Challenges Threaten Our Prosperity/World Peace?

Spillover impacts—An Interdependent World
(Does US have a self-interest to help address these challenges?)

- Terrorism (all Muslims?)
  Where? Impact on US?

- Refugees/illegal immigration
  Where? Impact on US?

- Conflicts/political instability:
  Where? Impact on US?

- Economic instability/interlinked financial markets (credit market)
  Where? Impact on the US?

- Environmental degradation
  Where? Impact on US?

- Health crises
  Where? Impact on US?

- Global crime
  Where? Impact on US?

- Coming resource shortages
  What? Impact on the US?
Root Cause of Global Challenges?
- Poverty? (increasingly recognized as the key issue)
  - Tony Blair: “We can’t have a world with a few rich, many poor”
  - Chirac: “G-8 must prepare joint responses to shared challenges”

- Why are developing countries poor?
  - Internal causes?
  - External causes?

- Economic development will create new challenges, so we will need creative solutions (e.g., “smart products”, new approaches)

IV. What Is Development?

A. Images: Africa, Asia, Latin America?
- Brainstorm?
- Sources of images?
- True for all in region?
  - Video: “Voices of the Poor”

B. Terms Describing Groups of Nations
- Third world (first, second?)
  - Def. Countries other than W. Europe, US, Canada, Japan, Australia

- Developed/industrialized vs. developing countries (LDCs)
  - How would you characterize these groups of nations?
  - Developed (G-8—the North)?
  - Developing (LDCs—the South)?
C. How great are the differences?  
- Developed (DCs) vs developing counties (LDCs)?
- Among developing (new term, “emerging”) countries?  
  (Income Map)
- Within developing & developed countries?  
  (MegaMall)
  Dual economies—US, India, Brazil, South Africa
- Material World: What do people have?  
  (Family Photos)
  - Contrast?
  - Is only difference a lack of material goods?
    - Many people in LDCs lack access to what else?
- Are people in rich countries happier?
  - Key to happiness = non-economic (family/community)
  - "$1 per day in Malawi

An Ominous sigh: growing inequality between developing vs. developed countries & within countries
- World Income: Low, middle, high income countries  
  (World)
- Increasing growth in inequality of assets (1960-1999)
  Richest 20% vs. poorest 20% of world’s population
  1960: 30:1  1990: 60:1  1999: 74:1
- Richest 200 individuals’ income = income of bottom 40%, 2.4 billion poorest
- Richest 1% of consumes consume the same as the bottom 50%
- Bill Gates--net worth > GDP of the 80 poorest countries!
- So what?
D. How Is Development Measured?

- **Traditional definition (economic growth, make the pie larger):**
  - Increase in GNP (GNI)/capita (value of goods & services)

- **Mixed Success**
  - Rapid growth in some countries (esp. Asia: China India)
  - 80 countries had < per capita income in 1998 vs 1989
  - Percent of world population living in extreme poverty (<$1/day) has declined greatly—but varies by region (Africa vs. Asia)
    - (WB: 1990: 29% vs. 1999: 23%--but still 1.15 billion!)
  - Recent progress in Africa, but great diversity among countries

- But what's **missing** in the traditional definition of development?
  - 
  -
  -

E. Today, development is considered to be a broader concept than simply economic growth

Sears: **Def.** "creating the conditions for the realization of human potential"; deals with how the economic "pie is cut" & improvements in peoples’ daily lives

- **New definition/goals of development includes**
  - Growth in GNP/capita (**necessary, not sufficient**)
  - Improving **food security**
    - **Def.** "ability of households to acquire adequate diet all year"
  - Reducing poverty
  - Avoiding disrupting cultural values
  - Reducing inequality
  - Encouraging creativity, enterprises
  - Increasing political & economic opportunity
  - **Sustainability** - insuring our children's future
o Broader goals of “development” captured in *International Declaration of Human Rights* (1950s)

- Right to: good job, education, food, civil rights, health services, free expression, etc.
- Most countries have ratified IDHR, see as long term “goals”

F. What are some broader measures of development?

- World Bank’s social indicators—much progress ([WB Indicators](#))

- Life expectancy, literacy, doctors/1,000, infant mortality, daily calories, etc.

- Indices of Development

  - *U.N. Human Development Index*
    - Def: country’s achievements in terms of life expectancy, educational attainment, and adjusted real income
  - *Human Freedom Index*
  - *Gender Empowerment Index*

- Why are these indices useful? What are their weaknesses?

G. The Development Problem

- How do societies achieve these goals?

- Development is an ideological concept

  - What is right “income distribution”?
  - Who should benefit/who should pay?
  - What’s the role of the government/private sector?

- Political system & government policies reflect society’s goals & strategies to achieve these goals:

  - Historically, two strategies
    - Govt.-directed development (USSR, most LDCs)
    - Market/private sector-directed (a mega trend!)

  - Transition from government-directed to market economy has been more difficult than expected (e.g., Russian Federation)
H. Is There a Need for a New Development Model?

Some Concerns/Criticisms
- Buarque “Let’s Stop Forgetting” (Brazil)
  - Western model, which defines material wealth as main goal, has led to wealth concentration, corruption, abandoning social investments, foreign debt, loss of traditional values
  - Government must guarantee everyone access to essentials goods & services—food, health services, public transport, a dwelling, safe water, sanitation
- Lula (Brazil’s president)
  - Globalization must be altered to make it more friendly to the “global south”
  - LDCs must be allowed to play a greater role in setting trade and other policies that affect LDCs

- Lampman “Limits of the Global Economy”
  - Religious leaders worldwide concerned about globalization’s failure to fulfill economic promises, undermining of cultural values, emphasis on secular/materialistic values, short-term focus (maximize profits now)
  - Faith-based groups playing an increasingly activist role (e.g., Jubilee 2000—debt relief for poor nations)

Taming Globalization/Reducing Poverty?
- Growing concern, increasing calls for global reforms, especially by developing countries
  - G-8 vs G-20?
  - World Bank/IMF
  - WTO
V. Addressing Global Challenges

- Should the US give priority to addressing global concerns, including widespread poverty?
  - Consider "spillover impacts" of a lack of development
    - It's in our "enlightened self-interest" to assist LDCs reduce poverty, which breeds terrorism & environmental degradation
  - US (and other rich countries) have a moral obligation to assist
    - Greatest capacity to assist
    - DCs profess humanitarian values, commitment to freedom & democracy

- Why are many countries critical of US foreign policy--not just Iraq policy?
  - Failed to ratify several international treaties
  - Didn’t pay UN debt for several years
  - Imposes the death penalty (European human rights concern)
  - Strong support of Israel (“no longer considered an “honest broker”)

- Supported companies who tried to enforce patents on AIDS drugs
- Europe’s vs. US view of terrorism (“war” or “law enforcement”?)
- US vs. poor country’s assessment of the key threat to “security”

- Can the US Acting Alone Solve the World’s Problems?
  - Unilateralism vs. multilateralism
  - Dangers of unilateralism
    - Are US values/virtues unique, universal?
    - Can we successfully “do it alone”?
    - Must ask--What are the full costs of unilateralism?

- Key Issue facing the US/DCs and LDCs:
  - How can the world best address global concerns?
    - Provide more aid/debt relief to LDCs?
    - Implement political and economic reforms?
    - Place greater reliance on multilateral organizations?

- Do rich & poor countries have the political will needed to successfully address global challenges?
### Economic Development Indicators (2001)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
<th>GNP/Capita</th>
<th>Life Expectancy</th>
<th>Infant Mortality (&lt;5yrs/1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>1</td>
<td>$36,940</td>
<td>80</td>
<td>6</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
<td>$35,990</td>
<td>81</td>
<td>5</td>
</tr>
<tr>
<td>Norway</td>
<td>3</td>
<td>$35,530</td>
<td>79</td>
<td>5</td>
</tr>
<tr>
<td>United States</td>
<td>4</td>
<td>$34,870</td>
<td>77</td>
<td>9</td>
</tr>
<tr>
<td>Denmark</td>
<td>5</td>
<td>$31,090</td>
<td>76</td>
<td>6</td>
</tr>
</tbody>
</table>

Israil $16,710  78  9
(largest recipient of US foreign aid)

<table>
<thead>
<tr>
<th>Country</th>
<th>GNP/Capita</th>
<th>Life Expectancy</th>
<th>Infant Mortality (&lt;5yrs/1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>$7,230</td>
<td>73</td>
<td>23</td>
</tr>
<tr>
<td>Argentina</td>
<td>$6,960</td>
<td>74</td>
<td>22</td>
</tr>
<tr>
<td>Mexico</td>
<td>$5,540</td>
<td>73</td>
<td>36</td>
</tr>
<tr>
<td>Poland</td>
<td>$4,240</td>
<td>73</td>
<td>11</td>
</tr>
<tr>
<td>Brazil</td>
<td>$3,060</td>
<td>68</td>
<td>39</td>
</tr>
<tr>
<td>South Africa</td>
<td>$2,900</td>
<td>48</td>
<td>79</td>
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<tr>
<td>Dom Republic</td>
<td>$2,230</td>
<td>67</td>
<td>47</td>
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<tr>
<td>Thailand</td>
<td>$1,970</td>
<td>69</td>
<td>33</td>
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<td>Colombia</td>
<td>$1,910</td>
<td>72</td>
<td>23</td>
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<tr>
<td>Russian Fed.</td>
<td>$1,750</td>
<td>65</td>
<td>19</td>
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<tr>
<td>Guatemala</td>
<td>$1,670</td>
<td>65</td>
<td>49</td>
</tr>
<tr>
<td>Philippines</td>
<td>$1,050</td>
<td>69</td>
<td>39</td>
</tr>
<tr>
<td>Honduras</td>
<td>$900</td>
<td>66</td>
<td>44</td>
</tr>
<tr>
<td>China</td>
<td>$890</td>
<td>70</td>
<td>39</td>
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<tr>
<td>GROUP/COUNTRY</td>
<td>ECONOMIC INDICATOR</td>
<td>SOCIAL INDICATORS</td>
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</tr>
<tr>
<td></td>
<td>GNP/Capita</td>
<td>Life Expectancy</td>
<td>Infant Mortality (&lt;5yrs/1,000)</td>
</tr>
</tbody>
</table>

**Low Income** *(Range=<$475; Mean=$430)*

- **Indonesia**: $680, 66, 51
- **Zimbabwe**: $480, 40, 116
- **Haiti**: $480, 53, 111
- **India**: $460, 63, 88
- **Kenya**: $340, 47, 120
- **Mozambique**: $210, 42, 200
- **Sierra Leone**: $140, 39, 267
- **Ethiopia**: $100, 43, 179

*Return to p. 19  Return to p. 23*
### Distribution of World’s Gross National Income (2001)

<table>
<thead>
<tr>
<th>Category</th>
<th>GNI/capita</th>
<th>GNI (%)</th>
<th>Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>$430</td>
<td>3.4%</td>
<td>40.9%</td>
</tr>
<tr>
<td>(=&lt;745/capita)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle</td>
<td>$1,850</td>
<td>15.6%</td>
<td>43.5%</td>
</tr>
<tr>
<td>(=746-9,205/capita)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>$27,710</td>
<td>81.0%</td>
<td>15.6%</td>
</tr>
<tr>
<td>(&gt;9,205/capita)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>$34,870</td>
<td>31.4%</td>
<td>4.6%</td>
</tr>
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</table>
## Distribution of World’s GNI/PPP (2001)

<table>
<thead>
<tr>
<th>Category</th>
<th>GNI/capita</th>
<th>GNI (%)</th>
<th>Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>$5,134</td>
<td>11.1%</td>
<td>40.9%</td>
</tr>
<tr>
<td>Middle</td>
<td>$15,235</td>
<td>32.8%</td>
<td>43.5%</td>
</tr>
<tr>
<td>High</td>
<td>$26,431</td>
<td>57.1%</td>
<td>15.6%</td>
</tr>
<tr>
<td>U.S.</td>
<td>$34,870</td>
<td>21.3%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

(Note: PPP means non-traded goods are valued at US prices)

### Change in Selected Countries: GNI vs. GNI-PPP/capita

<table>
<thead>
<tr>
<th>Country</th>
<th>GNI/capita Before</th>
<th>GNI/capita After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$3,060</td>
<td>$7,450</td>
</tr>
<tr>
<td>China</td>
<td>$890</td>
<td>$4,260</td>
</tr>
<tr>
<td>India</td>
<td>$460</td>
<td>$2,450</td>
</tr>
<tr>
<td>Kenya</td>
<td>$340</td>
<td>$1,020</td>
</tr>
<tr>
<td>Mozambique</td>
<td>$210</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

(Return to p. 21)