

THIRD WORLD DEVELOPMENT

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Summary:

Despite significant advances since World War II, the state of development in poor countries is very unsatisfactory. Around one billion people live in extreme poverty. More than 800 million do not get adequate food. The debt is huge and can never be repaid. About 3 billion people have an annual income of less than \$2 per day. The development taking place has mostly benefited the rich countries and their corporations and the small upper classes in poor countries. Very little "trickles down" to the poorest; In fact recent reports say living standards in the poor countries are now going down.

The basic cause of the problem is the conventional approach to development theory and practice that is being followed. This focuses on promoting economic growth, investment and trade, and it allows market forces to allocate scarce resources and to determine what is developed. Markets inevitably work in the interests of the rich and never develop the things that are most needed. Resources go to those who can pay most, and investment goes into what's most profitable, which is industries that provide what richer people want to buy.

Thus the conventional approach to development should be seen as a form of plunder. When development is defined as enabling as much business turnover and economic growth as possible then the focus will be on helping people with capital to invest to increase production for sale. This means resources mostly go into the most profitable developments, and therefore most wealth and resources flow to the rich while the poor majority lose the access to the resources they once had. Productive capacity becomes geared to producing for local elites and for export to the rich countries, and not to meeting the urgent needs of local people.

Rich world living standards could not be as high as they are if the global economy did not enable the rich countries to take most of the world's resources. Rich countries should cease taking far more than their fair share of the world's wealth, yet

powerful global agencies such as the World Bank enforce adherence to conventional development, especially through the conditions they put on loans.

The "limits to growth" analysis is extremely important for the discussion of development, because it shows that the goal of conventional development for poor countries is impossible. There are not enough resources for all people to rise to rich world living standards and systems.

Appropriate development for the Third World contradicts conventional development. It focuses on enabling people to cooperate in using their local resources to meet their basic needs, immediately, mostly through self-sufficient village-level strategies. Its goal is good basic conditions for all, not affluence, industrialization or growth of GDP. It involves minimizing the role for market forces, foreign investment, trade, and involvement in the global economy. Many in peasant and tribal regions are now turning to this approach.

THE SITUATION

No issue sets more serious challenges to our affluent society and our economic system than does the situation of the poor countries. Considerable progress has been made in recent decades and the common assumption is that we should be content with the development taking place because in time it will lift all out of poverty and towards rich world "living standards". However conventional development theory and practice are grossly unacceptable and must be abandoned.

The main concern is the inequality and injustice the conventional approach involves. The benefits of conventional development go mostly to the rich, the small elite classes in poor countries, the transnational corporations and the people who shop in rich world supermarkets. The important question to ask of a development strategy is how well does it work for those in most need. Most of the world's people are getting very little from the development taking place, and Oxfam finds that conditions for poor countries are now deteriorating.

The inequality evident within the world economy is extreme. The richest 20% are getting around 86% of world income, while the poorest 20% are getting only about 1.3%. About half the world's people have an income of under \$2 per day. At least 850 million people suffer chronic hunger. About 1.8 billion do not have safe drinking water. Thousands of children die every day from deprivation.

Far from progressing towards "self-sustaining, economic growth and prosperity", poor countries have fallen into such levels of debt that few if any would now hold any hope of repayment. Meanwhile many Third World governments deprive their people

and strip their forests more and more fiercely to raise the money to meet the debt repayments. The magnitude of the debt problem sets a major challenge to anyone who believes the conventional development strategy can lead poor countries to prosperity.

But it is not the state of things that should be our major concern, it is the conception or model of “development” that is being followed. Following is discussion of the main faults.

1. GROWTH IS NOT DEVELOPMENT.

The first major fault in conventional development theory and practice is the identification of development with economic growth (or the assumption that growth is the means to development, or the main condition necessary for it, etc.) Conventional development theorists proceed as if all that matters is increasing the amount of economic activity, i.e., of business turnover, production for sale, or Gross Domestic Product. The claim is that the more goods and services produced and sold then the more “wealth” that is being generated, the more taxes governments can collect and spend on problems such as health, education and the environment and the more jobs and incomes people can have.

But development should be about improving all aspects of society, not just the GDP, including its political processes, cohesion, social relations, civility, artistic and cultural life, crime and corruption rates, security, care of old people, equality, and many other things.

Secondly even within the economic sector of society, development is not equivalent to growth. When a tadpole develops it does become bigger but it also changes its form; it becomes a frog and it then stops getting bigger, because it has then finished developing. Economists have no concept of what the end goal of development might be. They can only think about the economy endlessly becoming bigger, i.e., increasing the volume of sales for ever. But it makes no sense to discuss development without having some idea of what the goal, the end point, of development is.

The conventional economist has no concept of sufficient development, or when something has been developed enough. My kitchen has undergone almost no development in forty years; because it is developed enough. There are delightful eco-villages that are developed enough. The conventional economist also has no concept of over-development; just keep on adding freeways, skyscrapers...without any limit.

Worst of all, there is a head-on clash between what will maximise the GDP and what is appropriate. If maximising the GDP is your goal you will encourage local owners of capital and transnational corporations to put more land into export crops, even when it is obvious that most of the land should be growing more food for hungry people.

But if the land was taken out of production of export crops and put into growing food for poor people that would reduce the GDP. In general doing what is best for people and the environment is the opposite of doing what will most increase the GDP. Prioritising growth interferes with, rules out, developing what is most needed.

Therefore we can state a most important economic law which never occurs to conventional economists never ... growth deprives! If you make the maximisation of growth of GNP your supreme development goal then you will enable the flow of development resources out of producing what is most needed and into the most profitable ventures. Yes some and maybe many will benefit, but the poorest will go backwards.

This can be put in terms of the assumed "unidimensional" nature of development. It is thought of as capable only of varying along one dimension, to do with the amount of business turnover or production for sale and the associated levels of industrialization, trade, infrastructures etc. All nations can be lined up according to their GDP per capita, and development is assumed to be about moving up the slope towards the rich world end of the dimension.

But again there are many dimensions relevant to assessing development, and some are much more important than economic factors (security, community, peace, equality, quality of life, and environmental sustainability, for instance.) On almost all social criteria the US is at or nearly at the bottom of the list of OECD countries. (See Speth, 2012.) Many countries with miniscule GDP per capita rate far above rich western countries on quality of life indices. Cuba has a relatively low GDP per capita but is the best in the world on an overall measure of environmental impact in relation to GDP.

So there are several reasons why GDP should not be regarded as the, or an important index of development. We should list the factors that matter in order of priority, and design strategies to achieve them, and this will involve preventing a lot of development that people with capital want to pursue. People with capital to invest never maximise their income by producing what is most needed, such as food for poor peasants.

2. THE MARKET GUARANTEES THAT THE POOR WILL BE DEPRIVED AND DEVELOPMENT WILL BE INAPPROPRIATE.

No principle is more fundamental in conventional development theory and practice than that maximum freedom should be given for market forces to determine what happens. This guarantees that the wrong things will happen.

The global economy is a market system and the three major effects of the market system on development are:

Market forces allow the relatively rich few to take most or all of the

available resources.

The 20% of the world's people who live in the developed countries consume approximately 80% of the resources produced for sale, and their per capita resource consumption is approximately 17 times that of the poorest half of the world's people. For example, while possibly 850 million people lack sufficient food, which might require 40 millions tonnes of grain p.a. to remedy, over 600 million tonnes of grain are fed to animals in rich countries each year.

These extremely unfair distributions of the world's resource wealth come about primarily because it is an economic system in which rich countries are allowed to outbid poor countries to buy scarce things. If you allow the market to allocate scarce things like oil, when a few are rich and many are poor, then inevitably the rich will get most of them. The market has no concern whatsoever for what humans need or what is just or best for the environment. It will always distribute things according to "effective demand", which means that richer people and nations can take what they want and the poor must do without.

A MARKET ECONOMY IS AN INGENIOUS DEVICE WHICH ENSURES
THAT WHEN THINGS BECOME SCARCE ONLY THE RICH CAN GET THEM!

B. Market forces have mostly developed the wrong industries in the Third World.

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

Just consider the fact that millions of Third World people work hard producing things for other people, from which they derive very little benefit, in the form of very low wages. All that labour and all that land could have been fully devoted to meeting their own needs. Look at any typical capital city and you see a vast amount of development of offices, hotels, airports, boutiques, cars and roads...which is of little or no benefit to most people in the country.

But inappropriate development is precisely what should be expected when development resources are invested in what will make the highest profits or contribute most to GDP i.e., when profit and market forces are allowed to determine what is developed.

C. Much of the Third World's productive capacity has become geared to meeting the demand of the rich.

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

When Third World productive capacity is put into producing exports the people of the Third World receive only minute proportions of the wealth generated. For instance in Central America a 3000 ha cattle ranch might provide very low incomes for only two workers, yet that much land might feed 15,000 people if gardened intensively.

"In Senegal a subsidiary of the giant American transnational corporation Bud Antle "... has established huge irrigated 'garden plantations' on land from which peasants have been moved. These plantations produce vegetables in the winter and feed for livestock (for export) in the summer. None of this produce is eaten in Senegal."

"This process is occurring across all of North Africa. In Ethiopia in an area where thousands of people were evicted to make way for agribusiness and then starved to death, international firms are producing alfalfa to feed livestock in Japan."

"In the Caribbean people starve beside fields growing tomatoes and flowers for export."

Beyond Brandt, Third World First pamphlet. p.4.

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

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

Again the core problem is not the lack of development; it is the inappropriateness of the development this economic system generates. So again, to allow market forces, the profit motive and the maximisation of economic growth to be the overwhelming determinants of development is to guarantee that resources will flow to richer people and mostly inappropriate development will result. Therefore conventional development can be seen as a process which draws Third World productive capacity into producing mostly for the benefit of the local rich classes, the transnational corporations and the consumers in rich countries.

Hickel (2021) estimates that the net flow of wealth from poor to rich countries every year is around \$2.5 trillion.

The principle of freedom for market forces is exactly what the transnational corporations and local business classes want. They do not want any restriction on their freedom to go where they like and invest in and produce what they like and sell it where they like. Obviously the more rules a government sets and the more conditions it imposes restrict the freedom of corporations to maximise their profits. For instance, if they were obliged to invest where unemployment is high, or build low cost houses for poorer people, their profits would be less than they otherwise could be.

3. **“PLUNGE INTO THE GLOBAL ECONOMY”**.

“Export a lot in order to earn the money to pay for a lot of imports and infrastructures (and pay off your debt.) Compete against all others to sell something. Stimulate and assist the accumulation and investment of capital, for investment in new factories, farms and infrastructures. Seek loans and aid; capital is needed to build productive capacity. Attract foreign investors to set up firms.”

This makes the country highly dependent on conditions in the global economy. It is encouraged to rely heavily on the one or few exports it is best at producing, and when the global demand for these falls the economy can be devastated. The sensible alternative is of course to build national self-sufficiency, the country's capacity to provide for itself the basic things it needs, while exporting only enough to pay for important imports it can't produce for itself.

But that's no good to the owners of capital or rich world supermarket shoppers; they benefit when poor countries have no choice but to sell a lot to rich countries and buy a lot from them. We can't get access to their resources or their markets if they choose to keep out of the global economic system. But there's no risk of that; they are so heavily indebted that they have no choice but to sell a lot to us to try to pay off their debt.

4. **THE "TRICKLE DOWN" ASSUMPTION**.

The basic justification for conventional development is that although it mostly enriches the rich, in time "...wealth will trickle down to benefit all." There is indeed a tendency for this to happen, but this does not mean that the process is acceptable. There are strong reasons why the trickle down doctrine should be rejected.

Very little trickles down. In the world as a whole the amount of benefit that trickles down is evident in the fact that one-fifth of the world's people now get about 70 times the amount of world income the poorest one-fifth get, and the ratio is getting worse. Neoliberalism has greatly accelerated the accumulation of wealth by the super-rich.

Between 1990 and 2010 global consumption increased by \$10 - \$15 trillion, but 1% of people got 15% of it. The gain for each of them was 637 times as much as the gain for the poorest 53% of the world's people.

Edward, P. and A. Summer, (2013), The geography of Inequality: Where and how much has income distribution changed since 1990?, Working Paper 341, Centre for Global Development, Sept.

“But hasn't poverty been greatly reduced?” It is commonly claimed and accepted that the conventional development has lifted hundreds of millions of Third World poor out of poverty. The conditions large numbers experience have indeed improved greatly, but the situation is complex and the overall effects are debated. Firstly there is the issue of the definition of the poverty line, commonly taken to be an income of \$1.25 or \$2 or \$2.25 a day. This is an absurdly low figure. (The Australian 2016 single person line is \$75 a day.) What income would a person in Thailand or Peru etc. need to not be experiencing poverty? The sum would be far higher than \$2.50, meaning that the numbers experiencing serious hardship must be far greater than the official statistics indicate, and meaning that it is not much of a tribute to trickle down have lifted many above \$2.50 over several decades.

Secondly the gains seem to have been made mostly been in China. Edward and Summer (2013) find that if Chinese figures are omitted then there has been little if any improvement in global inequality and poverty rates in recent decades. And China is not a very attractive example of development. China's development is mostly benefiting a small proportion of its people, leaving perhaps 800 million in rural poverty. Inequality is “...appalling and getting worse.” (McRae, 2008.) (For a detailed and quite alarming account of China's precarious situation see Smith, 2015.)

Neoliberal “development” also impoverishes; what are the net effects?

Conventional/capitalist development creates a lot of poverty, mainly by depriving large numbers of poor people of resources and livelihoods they once had, including in rich countries (especially in the US, consider Detroit.) The removal of protection and subsidies allows foreign corporations to come in and take over markets and productive activity. Chinese broom exporters thrive, by taking the exports that lots of little broom makers in Mexico and Vietnam once had. Because governments define development as increasing the GDP they allow corporations to log forests and build dams and mines, pushing many tribal and peasant people off their ancestral lands. Fletcher (2016) quoting the U.N. Human Development Report says that in 2003, 54 nations were poorer than they had been in 1990, and Sub-Saharan Africa had a lower per capita income than 40 years before. (See also Hickel, 2016.) The poor in Third World countries that are most integrated into the global economy have fared worse than those in other countries. (Wodin and Lucas, p. 55, Meredith, 2005.)

Conventional economists typically enthuse about gains and benefits but ignore the losses and costs. It is not clear how big the net gains in income, employment and welfare have been but the above evidence on global poverty changes suggest that they have not been anywhere near as spectacular as is commonly claimed.

The rate of trickle down development is extremely slow. At present rates it would probably take more than a hundred years for the “living standards” of the poor majority in the Third World to rise to the present rich world level...and by that time at present growth rates rich world GDP per capita would have become astronomical...although that is ecologically impossible (see below.) Yet if the available resources could be applied directly by people to meeting their own needs rapid improvements would easily be achieved.

The “strategy” is grossly immoral, because it (claims to) improve the welfare of those in great need by enabling them to get crumbs from the tables of the rich, while almost all of the benefit of “development” goes to national elites, foreign corporations and rich world consumers. A development process should be evaluated primarily by how well it addresses the most urgent needs, that is, how well it benefits the poorest.

The alternative development model (below) indicates how quickly the main problems could be solved if the available resources were devoted to the needs of people in general. Compare what trickles down to factory workers in Bangladesh paid a few cents an hour with the benefit they would get if they were devoting their time and energy to producing basic goods they need in their own local cooperative firms and farms.

But outweighing all these considerations is the fact that the global resource situation will not permit Trickle Down to work. The “limits to growth” analysis shows that there are nowhere near enough resources for it to lift the expected 9.7 billion poor people to anything like rich world systems and levels of consumption. (See [TSW: The Limits to Growth.](#))

FOREIGN INVESTMENT

According to the conventional view foreign investment is crucial to facilitate development, because development is thought of in terms of investing capital to increase production for sale. However the critical view is that although foreign investment certainly promotes development, the resulting development is almost entirely inappropriate.

Foreign investors never invest in the production of the most needed things, such as cheap food, clean water or simple housing. As has been explained, foreign investment always goes into the most profitable ventures, meaning into producing things for the urban rich or for export to rich countries and draws local land and productive capacity into these activities. Market forces can have no other outcome.

It is a mistake to think that foreign investment is essential because poor countries

lack capital. Foreign investors often raise most of the capital they invest from Third World banks, meaning that there is plenty of capital in the Third World especially in relation to the relatively simple things that need developing.

Most importantly, it is a mistake to think that appropriate development can't take place without the investment of large amounts of capital. In fact little or no capital is needed to develop those things that would most enable modest but satisfactory living standards for all in a typical poor country. (See below.)

WHAT ABOUT AID?

In view of the foregoing discussion, it can be seen that aid (in its present form) is not very important. The solution to the development problem is "...not that we should give more, but that we should take less." In other words giving aid does not change the unjust functioning of the global economy.

The rich countries give very little aid, around 3 cents for every ten dollars they spend on themselves. Most of what they give is "tied"; i.e., given on condition that the money is spent buying from our corporations. Aid in some years has been around 10% of the amount the Third World has had to pay out to our banks as debt repayment (Shah, 2005). Much aid goes to assist nasty regimes that will keep their economies to the policies the rich countries want. (Consider the billions given to Saudi Arabia, one of the most nasty dictatorships in the world.) And now aid is often given on condition that countries accept certain arrangements...especially, you guessed it, moving their economies further to market principles.

Relatively little aid goes into appropriate development. Some forms of aid can be very valuable, and much of the work of the Non Government Agencies is going into appropriate development. But aid is relatively unimportant in view of the way the global economy treats poor countries, and has to be understood as another powerful tool that helps to keep to the kind of development that suits the rich.

GLOBALISATION

Since 1980 the situation of most of the poorest people in the Third World has deteriorated significantly due to the "globalisation" of the world economy and the rise of the International Monetary Fund, World Bank, the World Trade Organisation and of Neoliberal doctrine to be extremely powerful agencies determining development.

Globalisation refers to the movement towards a unified and integrated world economy in which the big transnational corporations and banks have increasing freedom and access to trade and invest as they wish, because the barriers such as protection for industries in poor countries are being removed and governments are deregulating and privatizing their economies. The conventional economist sees globalisation as highly desirable, because the increased freedom of trade it facilitates enables more business activity and GDP growth. But it is having devastating effects

on large numbers in the poor countries. Increased freedom of trade means greater scope for transnational corporations and banks to enter countries to get access to their resources and labour, to take over their firms and to take sales in their markets. It is now widely recognised as being responsible for the destruction of the economies, jobs and living standards of millions of people in rich as well as poor countries. It enables the corporations to focus investment and activity in the few most profitable regions of the world, and to ignore the rest. (... for instance, shift manufacturing jobs from Detroit to China.) Governments cannot direct development into needed areas, because that would be to "interfere with the freedom of trade and enterprise". Avoiding that is the supreme and sacred principle in Neoliberal doctrine.

One consequence of this agenda is that poor people in general and some entire countries, especially in Africa and the Pacific, are increasingly irrelevant to the interests of the corporations and will therefore sink further into stagnation and squalor. They cannot possibly compete in export markets and they have no cheap resources to attract foreign investors. Consequently inequality, great wealth accompanied by great poverty, is rapidly increasing around the world now.

Alternative/appropriate development is not possible unless governments have the capacity to control and regulate the economy, trade, foreign investment etc. For example, they must be able to get foreign investors to locate in regions that need jobs. Yet globalisation is about leaving development to market forces, which in effect means development will only be development of whatever it suits the corporations to develop. Rich countries and their agencies such as the World Bank, actively prevent the governments of poor countries from taking control of their own development.

THE STRUCTURAL ADJUSTMENT PACKAGES

The most powerful forces inflicting these "developments" on poor countries over the last 40 years have come via the Structural Adjustment Packages of the World Bank and International Monetary Fund.

When a Third World country's debts become impossible for it to repay it must go to the International Monetary Fund and the World Bank for assistance. These agencies arrange for more loans to enable debt repayments to be made, but they do so on condition that a Structural Adjustment Package is accepted. This package obliges the country to do a number of things that are supposed to improve the economy, such as cut government spending including assistance to poor people, open the economy to more foreign investment, increase exports (more plantations and logging), devalue (making exports from them to us in rich countries cheaper to buy, and making the country pay more for the imports from us), reduce government regulation, reduce government ownership and control and generally increase adoption of free trade policies.

These conditions are supposed to be designed to "get the economy going again", i.e., to increase business activity, investment, export earnings, and to reduce government spending, so that the country becomes more able to pay back its debt.

There is much evidence that these measures typically have little or no effect in achieving these objectives.

More importantly, the packages are a delightful bonanza for the rich countries and their corporations and banks. Impediments to their access to resources and markets are removed, they can buy up the firms that go bankrupt, they can hire cheaper labour, they can import commodities more cheaply from the country (because of the devaluation). And SAPs force repayments to rich world banks. However the effects on the country's economy and on its poor majority are typically catastrophic. Many small firms fail as imports flood in, unemployment jumps, government assistance to the poor is reduced and food prices rise. Any move to devote more of the country's resources to producing to meet its own needs is ruled out ... resources must first go towards paying off the debt, and the overriding principle is that development must be determined by market forces within the global economy.

For decades there has been a great deal of criticism of Structural Adjustment Packages, which have now been imposed on more than 100 countries (...never on any of the rich countries of course; the USA is the world's most heavily indebted country but would never have a SAP imposed on it!) They have caused or contributed to havoc in many countries, including riots, civil wars (Yugoslavia, Rwanda; see Chossudovsky, 1997) and increased death rates from deprivation, and the fall of governments (e.g., Indonesia.) SAPs and the rules of the World Trade Organisation are now widely recognised as among the main mechanisms ensuring that the global economy functions in the interests of the big corporations and banks and the rich world. (For extensive documentation see TSW: Third World Development, Collected Documents, and TSW: Globalisation, Collected Documents.)

CONVENTIONAL DEVELOPMENT IS THEREFORE A FORM OF PLUNDER

Conventional development can be seen as a process whereby the Third World's resources are taken over by the rich countries and their corporations, and Third World productive capacity is geared to rich world demand. Long ago Third World countries had control over their own forests and lands and ordinary people were able to use most of them to produce what they needed. But the result of conventional development is that these resources have come to be owned by, sold to, or produce for, the benefit of the small local rich classes, the transnational corporations and consumers in rich countries. The work is done by the few who get jobs in the factories and plantations, for very low wages. Conventional development involves bringing people into the global market, where they must sell something in order to buy what they need, and where market forces then ensure that the majority of very poor people get very few of the resources available, have to sell their resources and labour cheaply, and see their land and forests bought by rich people and put into the production of items for others to use. These are inevitable outcomes when development is allowed to be determined by market forces; it is always more profitable to sell to or produce for richer people. The market never attends to what poor people need.

This situation has been understood for a long time; e.g., Goldsmith discussed "development as colonialism". (Goldsmith, 1997.) Rist says, "...development has resulted in material and cultural expropriation." (Rist, 1997, p.. 243.) Schwarz and Schwarz say "Development now seems little more than a window dressing for economic colonialism." (1998, p. 3.) Chossudowsky's The Globalisation of Poverty (1997) details the mechanisms, especially in relation to finance. These are just a few of the earlier works documenting the way in which conventional development is a form of legitimized plunder. (See TSW: [Third World Collected Documents](#).)

CONVENTIONAL DEVELOPMENT SUITS LOCAL ELITES.

Appropriate development contradicts the interests of the small rich ruling classes in poor countries. The present situation is not kept in place solely by the machinations of rich world corporations and governments. Local elites have access to lucrative investment opportunities such as mines and export plantations. So any move to transfer land to facilitate village development etc. is usually strenuously resisted. It is likely to be branded as communist subversion and rich countries are then usually eager to provide military support to crush it ... because their corporations don't want their plantations to be threatened. This is the history of Latin America; see the account of Our Empire.

A NOTE ON "EXCHANGE" AND MARXIST THEORIES.

The general "Unequal Exchange" theory of underdevelopment can be criticized for adopting the conventional "unidimensional" view of development. It is concerned with the loss of monetary wealth from Third World countries via trade conditions which involve unequal exchange. This is claimed to hinder development, which is defined in terms of GDP. But this fails to recognize that the core problem is that the wrong things are being developed. It would in fact be possible for appropriate development to be taking place even though large amounts of money are being siphoned out. (Consider for instance the Zapatistas.)

Marxists typically not only reveal adoption of the conventional definition of development as moving towards rich world industrialisation and consumerism, but have actually insist that capitalist development is necessary in poor countries before conditions enabling revolutionary transition to a post-capitalist society "mature". (Some Marxists now recognize that the Limits to Growth issue rules out the old view. It is interesting that late in his life Marx entertained the possibility of a totally different transition path, which corresponds to the alternative being argued for below, i.e., directly enabling the model of the Russian traditional collective village, the Mir.)

THE UNJUST GLOBAL ECONOMY ENABLES RICH WORLD LIVING STANDARDS

The living standards we enjoy in rich countries such as Australia benefit greatly from the way the global economy works. The global market system and the freedom of

trade the corporations enjoy deliver most of the world's resources to us and draw the Third World's productive capacity into producing mostly for our benefit. What would our tea and coffee cost if those who produced them were paid a decent wage, or if much of the land growing coffee was put into growing food for them?

Again the basic mechanism is simply the fact that the economy operates on market principles. In this kind of economy resources and goods go to those who can pay most for them – that's why the rich get most of them. They are not distributed according to needs or rights.

To be more precise, there are three main groups who benefit from the way the global economy works. The transnational corporations and banks are by far the biggest beneficiaries. The second group includes the small "comprador" richer classes in the Third World who own some of the factories and plantations or have highly paid jobs. It is in their interests to support the unjust economy and to cooperate with the transnational corporations and the rich countries to keep conventional economic and development policies in place. The Third group of beneficiaries includes the ordinary people who live in rich countries because they get far more than a fair share of world resources and they can go to the supermarket and buy many things produced cheaply from Third World resources.

In other words, we have an empire and we could not have such high "living standards" without it. If you doubt this, think how well you would live if you got only your fair share of the world's oil production, or copper or fish, and what would your coffee cost if most of the land producing it now was devoted to food instead?

YOUR EMPIRE CANNOT BE KEPT IN PLACE WITHOUT REPRESSION.

The injustice and exploitation is mainly due to the normal working of the global economy, because market forces automatically enrich the rich and deprive the poor. However people do not like being deprived, hungry and exploited. From time to time they tend to protest. In many countries people can only be kept working in the mines, plantations and sweatshops for starvation wages through violent repression.

The repression is inflicted willingly by the local ruling classes who benefit most from the situation, but often rich countries give arms, training and other assistance that is used to put down dissent, or assist rebels undermining a non-compliant regime, and often rich countries invade to install or get rid of rulers who are not ruling in ways that benefit us.

The history of international relations has always been mostly about struggles between nations to dominate – to get their hands on the wealth of others, by stealth or force, to make others accept conditions that suit the strongest. Over the last 500 years the Spanish, Dutch, British and Americans have taken turns to run the world to benefit themselves, at immense cost to peasants and native people. They have slaughtered and plundered and conquered empires, killing and enslaving millions.

The British empire included about 70% of the planet and took over 70 wars to establish. Many wars arose from the efforts of the French and the Germans to get into the imperial game. In the last 50 years the Americans have invaded many countries and supported many dictators to maintain their empire. The point of all this is of course to make sure we can get the resources of other countries, usually by putting or keeping in place regimes willing to allow their country's fate to be determined by market forces. Several decades ago there were many "nationalist" governments, e.g., those of Nasser in Egypt and Tito in Yugoslavia, which tried to make sure national resources were used primarily for the benefit of their people (...not that they were pure and without corruption), but now just about all of these have been overthrown and replaced by governments willing or forced to play by Neoliberal rules.

Whole nations, not just their ruling classes, contribute to the economic or military conquest of weaker nations, and take pride in their empires. The average Briton would surely have agreed that you should not harm others or steal from them, while at the very same time seeing no contradiction in their fierce pride in the glorious British Empire – which was the result of brutal slaughter and conquest and exploitation of hundreds of millions of people, leaving many serious problems which are still causing immense cost in lives and resources (such as the Palestine – Israel conflict.)

The mentality is still there; the mindless ease with which corporations and governments automatically seek to beat others to resources, wealth and markets, and the unquestioning acquiescence of rich world people who are happy to purchase the tea and coffee and rubber and cheap clothing without any thought about where they are coming from.

(For a detailed 27 page summary of the vast literature documenting these themes see [Our Empire; Its Nature and Maintenance](#),

THE LIMITS TO GROWTH PERSPECTIVE; OVERLOOKED IMPLICATIONS FOR DEVELOPMENT

It is remarkable that the development literature has given so little attention to the "limits to growth" analysis of our global predicament. This shows that it will be totally impossible for all people to rise to anything like the material "living standards" presently enjoyed by the 1/5 of the world's people who live in rich countries, let alone the standards we aspire to. These have to be seen as the over-developed countries while the rest are the never-to-be-developed countries. (For detailed analysis see TSW: The Limits to Growth.)

This "limits to growth" perspective requires the total rejection of any view of development which assumes growth and trickle down, or which takes Western affluent living standards as the goal of development.

Sensible development theory and practice must therefore be based on acceptance of the point Gandhi expressed long ago ...

THE RICH MUST LIVE MORE SIMPLY

SO THAT THE POOR MAY SIMPLY LIVE.

This means that an acceptable approach to development has to be framed in terms of The Simpler Way; that is, focused on providing a high quality of life for all in ways that involve only very low levels of production, consumption and resource use/.

ALTERNATIVE, APPROPRIATE DEVELOPMENT ...THE SIMPLER WAY.

The following basic principles flatly contradict conventional development theory.

1. Enable people to immediately begin applying the existing resources and productive capacity to producing the mostly simple things that are most needed to give them the highest possible quality of life at the least cost in labour, resources and environmental impact. Most if not all Third World regions have all the resources they need to build the basic structures and systems which would provide a high quality of life to all in a few years at most, via relatively simple technologies, lifestyles and systems.

The concern should be to ensure that all people have basic but adequate shelter, food, health services, extensive and supportive community, security, leisure-rich environments, peace of mind, a relaxed pace, worthwhile work, a sustainable environment, and access to a rich cultural life. Achieving these goals is possible with little or no foreign investment, trade, heavy industrialisation, aid, external expert advice or sophisticated technology and with little or no capital. Little more is required than access to and cooperative organization of the land, labour and traditional building and gardening skills the people usually have. Conventional/capitalist development prevents that access.

In other words Appropriate development emphatically rejects any notion of trickle down development. If the available labour and resources are applied fully and immediately to producing what people need the benefit to them will be huge in comparison with what they could ever hope to receive via any trickle down mechanism.

The study TSW: [Remaking Settlements](#)... details the case that in rich world city suburbs it might be possible to reduce resource costs by 90%, and it would be far easier to organize The Simpler Way in villages in poor countries.

2. Priority must be put on cooperation, participation and collective arrangements and effort. People must organise and contribute to town meetings, working bees, cooperatives, commons, and town banks. Villagers govern themselves, researching,

planning, deciding development action via thoroughly participatory procedures. State governments must facilitate and support this level, especially by gearing the national economy to providing villages and towns with the relatively few and simple basic inputs they need, such as chicken wire.

Thus, reject the absurd conventional economic assumption that the best for all results if individuals compete against each other pursuing their self-interest and trying to get rich in free markets. In a satisfactory economy there could be much freedom for individuals, many small private firms, and a place for market forces (under careful social control), but you cannot expect to have a satisfactory society unless the top priority is what is best for all, unless the main institutions and procedures are basically cooperative and collective, and unless there is considerable control and regulation of the economy for the public good. Thus it is important to develop shared facilities, village commons, working bees, community workshops, committees, cooperatives, decisions by village assemblies, and to encourage giving and sharing, volunteering, helping, civic responsibility and social cohesion.

3. Very simple material living standards must be happily accepted. Affluence and rich world living standards must be rejected as impossible for all to have. This does not mean there must be deprivation or hardship. The goal of development cannot be to rise to rich world affluent living standards; it must be material sufficiency on the lowest viable levels of per capita resource consumption for convenience and a good quality of life. Most things will be produced much less "efficiently" than the transnational corporations can produce them. "Living standards" and GDP per capita will be far lower than they are in the rich countries. But these things are not important for a high quality of life or an admirable society.

4. Local economic self-sufficiency is the key to appropriate development. Most of the goods and services used by people must be produced in and very close to the towns and suburbs they live in, by local people using local resources in local firms. Therefore mostly develop small, simple firms and industries serving villages close by, exporting only small quantities of surpluses in order to be able to import small quantities of necessities. Very little heavy industry, or transport or high-rise buildings etc., are needed. Within villages develop many commons and cooperatives, to produce for example poultry, fish, fruit and nuts, wood, free food. Set up committees, R and D groups, working bees, town meetings, and especially leisure and culture committees.

5. Capital and sophisticated technology are of little importance for appropriate development. It is a serious mistake to assume that development cannot take place without large volumes of capital to invest or without modern technology. A well developed village or region can be achieved with little more than traditional hand tool technology which can make highly satisfactory houses, dams, clothing and gardens. People can get together in voluntary working bees to build the dwellings, firms, clinics, stores, premises, gardens, small dams, workshops and leisure facilities their community needs, using mostly local materials such as earth and timber.

6. Have as little as possible to do with corporations, banks, loans and debt, or the global economy. They want you locked into having to sell a lot to them so you can buy a lot from them. They are out to get your resources and to have you working mostly for their benefit. You need little from them. Borrow very little if anything. Export just enough to import necessities. Allow foreign investors in only if they will produce necessities on your terms. Of course you need to import some relatively few modern items such as radios and medicines, so export only enough to pay for these.

7. Social and ecological goals must take priority over economic goals. Development decisions must be based on considerations of social need, morality, justice, rights, tradition, social cohesion and ecological sustainability. No attention whatsoever should be paid to the GDP. Whether it increases or falls is irrelevant. What matters is whether the quality of life, economic security, social cohesion and ecological sustainability are satisfactory. In fact, if appropriate development strategies are adopted this will in general reduce the GDP (e.g., by taking land out of export cropping and making it available to villagers.) In a well-developed Thailand there would be far less work, production, consumption and GDP than there is now! Develop a wide range of measures of important factors such as the quality of life, social cohesion, social problems, and especially ecological sustainability. (Bhutan measures Gross National Happiness.)

Crucial development goals will include, a livelihood for everyone, no unemployment or poverty, a relaxed pace, and freedom from stress and depression, security from deprivation or unemployment or neglect in old age, a beautiful landscape, all having a sense of empowerment knowing that they are in control of their local economy.

8. Governments must do as much regulating, controlling, subsidizing, planning and controlling of the economy as is necessary to enable these goals. National governments should prioritise the industries and infrastructures most likely to provide basic necessities to local economies. They should phase out or prevent many industries that are wasteful or producing luxuries for the rich. They should distribute mostly light industries across the rural landscape, so that all villages can earn small export incomes to pay for the few necessary imports.

All this is of course anathema to Neoliberal/capitalist ideology. It would severely reduce the freedom the rich have to develop the ventures that are most profitable and enable them to get hold of resources and markets. It is "... interfering with the sacred freedom of trade ... it is socialism".

It should not need to be said that the best known forms of socialism are undesirable. The goal must be a highly participatory democratic form whereby people can vote directly on policies, have full access to information, have the power to dismiss officials, and use participatory village democracy to make development decisions.

Also it is only necessary for there to be sufficient social control to ensure that development goals are being met. If you wish to leave the rest of the economy to free market principles you can do that.

9. Think in terms of slowly initiating and elaborating the new, appropriate approach as a new Needs-Derived Economy underneath the old conventional economy. At first a few ordinary people come together to organize the provision of some neglected basic goods and services, such as poultry co-ops or aged care rosters. The longer term goal is to largely replace the old economy., but there will always be some, relatively few, items that must be "imported" to the village, such as chicken wire and polypipe for irrigation.

10. What about high-tech, industrial items, especially health equipment and pharmaceutical items? Some quantities of such things will always have to be "imported" into villages, regions and nations, but relatively few. The focus must be to export from the village small quantities of some things needed in the wider regional or national economy in order to earn just enough to import necessities that cannot be produced locally. National governments should distribute the export factories so that all villages can contribute to meeting the national need while earning the funds to import. This will require considerable planning, coordination and adjustment at levels above the village.

9. Preserve and restore cultural traditions. Do not assume that you must "modernise" and therefore adopt Western consumer culture.

10. Nothing is more important than the understanding of "development" that people have. It is crucial that people be helped to see that conventional/capitalist theory and practice is an ideology legitimising plunder and should be dumped, and to see that the kind of alternative outlined here is the one to be adopted. It is distressing that billions of people have no idea that there can be anything other than the conventional model which locks them into continued poverty and deprivation waiting for trickle down when they could be developing relatively simple systems that would quickly enable them to have far better conditions.

Examples underway.

These kinds of principles are being applied in many places around the world, for example,

- The Zapatistas in Mexico have been able to prevent the government from controlling their region and are building and running their own systems aimed at preserving traditional values and ways.
- The Via Campesino movement is another peasant based initiative, with an estimated 200 million people involved around the world.
- The Chikukwa movement in Zimbabwe. (
- The Catalan Integral Cooperative in Spain is building an inspiring example of self governing collective localism.
- The Global Eco-village Movement now involves thousands in rich and poor countries, building communities that are not driven by the conventional development model.

- Voluntary Simplicity, Downshifting and Transition Towns movements are concerned to increase local development .

What would satisfactory development provide?

Good food: All easily grown in home gardens, village commons, community gardens and small local farms.

Good housing: All easily and quickly provided in the form of small (and beautiful) earth built dwellings, at extremely low dollar cost. See [TSW Housing](#).

Clothing and footwear, furniture, appliances: Mostly simple, cheap and durable, from home crafts and local small firms.

Services: Many that do not require high tech skills, such as child minding, care of aged, simple health care, and basic education, can be organized by ordinary people. Add care of commons, the orchards, forests and ponds. Almost all functions carried out by (distant, expensive, authoritarian) councils, such as road maintenance, maintenance of water and sewer systems (in small and low-tech villages) can be provided by voluntary committees and community working bees.

Leisure and entertainment: Abundant, varied, rich and free sources can be organized by village leisure and culture committees, including concerts, hobbies, games, adventure outings, festivals, visiting minstrels, study groups, craft activities, gardening clubs, cultural traditional activities... Boredom is inexcusable.

A livelihood for everyone: ...a role in providing what others need, enabling self respect, an interesting productive activity, being respected and appreciated.

Security: ...from unemployment and poverty ... the security of knowing that people around you are concerned about your welfare, knowing that the security of each depends on the

Cohesion, solidarity, sense of empowerment, community bonds, good morale...: all will be automatically reinforced in village where people are

working together to provide for each other. A climate of mutual care and support, public spirit and concern for the welfare of the village, pride in the fact that no one is poor or disadvantaged and that we look after each other.

More than this would be needed, such as access to professional health care, but this list would provide all with a high quality of life at very low dollar cost and no dependence on banks, corporations or the global economy.

CONCLUSION

This contradiction between conceptions of development is extremely disturbing. Billions of people struggle to survive in dreadful conditions, having to work hard or put up with unemployment and worry about poverty and insecurity, ...when all of that could be easily avoided. It would be very easy to enable ordinary people to put the resources they have around them and their own labour and skills into creating the simple industries and systems that would meet their basic needs. The problem cannot be fixed until and unless the present "development" model is scrapped and the rich stop hogging far more than their fair share of scarce global resource. But appropriate development would obviously be a disaster for the rich.

Consider those who must suffer the indignity, boredom and danger of begging all day, or trying to sell a few boxes of matches or shine a few shoes to be able to feed their families...or those who have to sell drugs, or steal, or the lucky ones who have jobs in dreadful condition. Consider the conflicts over water and land due to desperate struggles to get enough to live on, while tonnes of fodder are air-freighted out to rich world feedlots. Consider the international conflicts, the wars generated by nations trying to get control over the quantities of resources needed to provide their consumers with their affluent "living standards". None of this can be fixed unless and until the goal of development becomes some kind of simpler way.

Consider the greenhouse problem as billions more Chinese and Indians scramble for development conventionally defined. Would so many steal, kill Rhinos for their horns, run drugs, burn forests, become pirates or mercenaries ... if they had secure jobs in thriving village economies. Most of the world's troubles can be attributed to the tragic adoption of a definition of development that cannot be sustainable, just ... or achievable for all.

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