12

Living Standards in a Changing World

GUIDING QUESTIONS

Economy & Human Geography

- What are the different ways of measuring a country’s development?
- What is the impact of population growth on a country’s standard of living?
- What are the main causes of poverty?
- What problems are created by high debt in developing countries?
- How does improving the status of women improve a country’s economic development?
- What factors contribute to mortality rates?
- What is the relationship between the levels of health of populations and their economic development?
- How do we determine the success of aid programs in assisting developing countries?

Autonomy & World Presence

- What role does Canada play in aiding developing countries?

TIMELINE

1944
UN sets up the World Bank and International Monetary Fund (IMF) to help improve standards of living through economic growth

1948
Marshall Plan created to help rebuild European economy after the Second World War

1949
U.S. President Truman coins the terms “developed” and “underdeveloped” nations

1960s
World Bank, IMF, and OECD loan billions of dollars to developing countries

1968
Canadian International Development Agency (CIDA) created to administer Canada’s foreign aid to developing countries

1970
UN sets foreign aid target of 0.7 percent of the loaning nation’s GNP
CHAPTER FOCUS QUESTION

How do living standards in Canada compare with those of developing countries and what is being done to close the poverty gap and improve human development around the world?

We live on a planet divided between the rich and the poor. Standards of living vary widely between nations and within nations. In both rich and poor countries, disparities exist between the “haves” and the “have-nots.” Some people are very rich, while others try to live on less than $2 a day. This gap in living standards will continue to be one of the most important issues in the 21st century.

While most people in Canada enjoy a comfortable standard of living, people in many parts of the world still struggle to eke out a living. They strive to survive each day and cannot see better lives for their children in the future. According to the United Nations Children’s Fund (UNICEF), “Every year, nearly 10 million children die totally preventable deaths.”

The international community is hoping to address the problems of developing countries through the United Nations’ Millennium Development Goals (MDGs). One of these goals is to halve extreme poverty by 2015. In this chapter, you will learn how the development gap has a profound impact on people’s quality of life including their mortality, nutrition, health, education, and general welfare. You will also explore standards of living in various developed and developing countries and consider the problems in comparing standards of living. How and what do we measure? Why is there such a huge gap between the wealth of the “have” and “have-not” countries and what is Canada’s policy regarding this gap?

It is now our responsibility to make up lost ground—and to put all countries, together, firmly on track toward a more prosperous, sustainable and equitable world.

—Ban Ki-moon, Secretary-General, United Nations

KEY TERMS
Human Development Index
standard of living
literacy rate
GDP per capita
non-governmental organizations (NGOs)
developed countries
developing countries
mortality
malnutrition
United Nations Children's Fund (UNICEF)
World Health Organization (WHO)
multilateral aid
tied aid
Canadian International Development Agency (CIDA)

©P
Measuring Development

Each year since 1990, the United Nations has published a Human Development Report. The report contains the Human Development Index, which ranks the standard of living in UN member countries according to three indicators: life expectancy, literacy rate, and the GDP per capita. GDP, or gross domestic product, is the total value of all goods and services produced in a country in one year. Dividing this number by the population gives the average GDP per person, or per capita.

The purpose of the UN index is to give a crude indication of different levels of economic and social development among the countries of the world. As you can see in Figure 12–1, there is a huge gap between the 10 countries at the bottom of the index and the 10 at the top. The 2009 report explored the gap between rich and poor countries, and between rich and poor people in those countries. It showed that people in 85 countries were worse off than they were in the 1980s. In more than 34 countries, life expectancy at birth was still 50 years or younger, a full 30 years less than in Canada. Yet the wealth of the 200 richest people in the world—nearly US$800 billion in 2008—was greater than the combined income of approximately 40 percent of the world’s population. Despite the efforts of organizations like the United Nations, along with aid from government agencies and non-governmental organizations (NGOs) such as Save the Children and Oxfam, the gap between rich and poor continues to grow.

### FIGURE 12–1 Top Ten and Bottom Ten Countries, UN Human Development Index, Statistical Update, 2009 (2007 data)

**Thinking Critically** From your reading of Chapter 11, what are the characteristics of the birth, death, and infant mortality rates in the top and bottom countries? Are these three measures adequate to show human development in a country?

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Life Expectancy at Birth (Years)</th>
<th>Adult Literacy Rate (%)</th>
<th>GDP per Capita (PPP* $US)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Norway</td>
<td>80.5</td>
<td>99.0</td>
<td>53 433</td>
</tr>
<tr>
<td>2</td>
<td>Australia</td>
<td>81.4</td>
<td>99.0</td>
<td>34 923</td>
</tr>
<tr>
<td>3</td>
<td>Iceland</td>
<td>81.7</td>
<td>99.0</td>
<td>35 742</td>
</tr>
<tr>
<td>4</td>
<td>Canada</td>
<td>80.6</td>
<td>99.0</td>
<td>35 812</td>
</tr>
<tr>
<td>5</td>
<td>Ireland</td>
<td>79.7</td>
<td>99.0</td>
<td>44 613</td>
</tr>
<tr>
<td>6</td>
<td>The Netherlands</td>
<td>79.8</td>
<td>99.0</td>
<td>38 694</td>
</tr>
<tr>
<td>7</td>
<td>Sweden</td>
<td>80.8</td>
<td>99.0</td>
<td>36 712</td>
</tr>
<tr>
<td>8</td>
<td>France</td>
<td>81.0</td>
<td>99.0</td>
<td>33 674</td>
</tr>
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<td>9</td>
<td>Switzerland</td>
<td>81.7</td>
<td>99.0</td>
<td>40 658</td>
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<tr>
<td>10</td>
<td>Japan</td>
<td>82.7</td>
<td>99.0</td>
<td>33 632</td>
</tr>
<tr>
<td>173</td>
<td>Guinea-Bissau</td>
<td>47.5</td>
<td>64.6</td>
<td>477</td>
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<tr>
<td>174</td>
<td>Burundi</td>
<td>50.1</td>
<td>59.3</td>
<td>341</td>
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<td>175</td>
<td>Chad</td>
<td>48.6</td>
<td>31.8</td>
<td>1477</td>
</tr>
<tr>
<td>176</td>
<td>Dem. Rep. of the Congo</td>
<td>47.6</td>
<td>67.2</td>
<td>298</td>
</tr>
<tr>
<td>177</td>
<td>Burkina Faso</td>
<td>52.7</td>
<td>28.7</td>
<td>1124</td>
</tr>
<tr>
<td>178</td>
<td>Mali</td>
<td>48.1</td>
<td>26.2</td>
<td>1083</td>
</tr>
<tr>
<td>179</td>
<td>Central African Republic</td>
<td>46.7</td>
<td>48.6</td>
<td>713</td>
</tr>
<tr>
<td>180</td>
<td>Sierra Leone</td>
<td>47.3</td>
<td>38.1</td>
<td>679</td>
</tr>
<tr>
<td>181</td>
<td>Afghanistan</td>
<td>43.6</td>
<td>28.0</td>
<td>1054</td>
</tr>
<tr>
<td>182</td>
<td>Niger</td>
<td>50.8</td>
<td>28.7</td>
<td>627</td>
</tr>
</tbody>
</table>

*PPP stands for Purchasing Power Parity, which compares the currency of the country to the U.S. dollar to help account for relative cost of living and inflation in the different countries.
The Divided Planet

In 1949, U.S. President Harry Truman referred to a world of “developed” and “underdeveloped” nations. He saw “developed” countries as industrialized, with their people well-housed, healthy, and possessing generally good literacy skills. Their infrastructure—such things as transportation and communications links, electric-power distribution systems, schools, and hospitals—was well-developed. “Underdeveloped” countries had few schools, doctors, and hospitals; roads were mainly unpaved; there were few railways; few people had telephones, and only the cities had electrical power.

In the mid-1970s, the geographical location of “developed” and “underdeveloped” countries led some to refer to the industrialized countries as the North and the countries with lower incomes as the South. Today the accepted terms are developed countries for the most wealthy countries, newly industrializing countries for places like Indonesia and Brazil, which are building up their industries and infrastructure, and developing countries for countries that do not have a modern infrastructure or many industries. Most of the countries at the bottom of the UN Human Development Index are in debt to the developed nations, and they are now being called heavily indebted poor countries (HIPCs).

KEY TERMS

infrastructure structures such as roads, railways, power grids, and communications links that are basic to the functioning of a modern economy, as well as buildings such as schools and hospitals

developed countries the world’s wealthiest countries; they have well-established infrastructures and their people are well-housed, healthy, and have good literacy skills

newly industrializing countries countries that are experiencing rapid economic and industrial growth; many are switching from agricultural to industrial economies

developing countries countries that have lower standards of living than developed countries; many have extensive poverty

heavily indebted poor countries (HIPCs) countries at the low end of the UN Human Development Index that are in debt to developed nations
Closing the Development Gap

In 2000, a major worldwide initiative was launched to close the gap in living standards between developed and developing countries. All member states of the United Nations (189 at that time) adopted eight Millennium Development Goals (MDGs) targeting the world’s main development challenges. By 2015, the world would have less poverty, hunger, and disease, greater survival rates and prospects for mothers and their infants, education for all, equal opportunities for women, an improved physical environment, and a partnership between developed and developing countries to achieve these objectives. These goals are designed to deal with the interdependence between growth, poverty reduction, and sustainable development.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Targets 1990 to 2015</th>
</tr>
</thead>
</table>
| 1. Eliminate extreme poverty and hunger | • Halve the percentage of people whose income is less than $1 (PPP) a day  
• Achieve full and productive work for all, including women and young people  
• Halve the proportion of people who suffer from hunger |
| 2. Achieve universal primary education | • Ensure that children everywhere, boys and girls alike, will be able to complete primary school |
| 3. Promote gender equality and empower women | • Eliminate gender inequality in primary and secondary education, preferably by 2005, and in all levels of education by no later than 2015 |
| 4. Reduce child mortality | • Reduce by two thirds the under-five mortality rate |
| 5. Improve maternal health | • Reduce by three quarters the number of women who die during pregnancy and childbirth  
• Make sure every woman has access to reproductive health |
| 6. Combat HIV/AIDS, malaria, and other diseases | • Halt and begin to reverse the spread of HIV/AIDS, malaria, and other diseases  
• Make sure everyone who needs it has access to treatment for HIV/AIDS |
| 7. Ensure environmental sustainability | • Incorporate the idea of preserving the environment into policies and programs and reverse the loss of environmental resources  
• Reduce biodiversity loss  
• Halve the proportion of people without access to safe drinking water and basic cleanliness  
• By 2020, significantly improve the lives of at least 100 million slum dwellers |
| 8. Develop a global partnership for development | • Address the special needs of the least developed countries, landlocked countries, and small island developing states  
• Develop an open, rule-based, non-discriminatory trading and financial system  
• Deal with developing countries’ debt  
• Provide access to affordable essential drugs in developing countries  
• Spread benefits of new technologies, especially information and communications |

**FIGURE 12–3** The Millennium Development Goals (MDGs)

Thinking Critically Which three of the MDGs do you think are the most important? Give reasons for your answer. Which of the goals are most likely to be met? Which are least likely to be met? Explain.

**PRACTICE QUESTIONS**

1. What would Canada have to do to improve its ranking on the UN Human Development Index?
2. Should Canada feel any responsibility to nations at the bottom of the index?
3. What should the UN do to hold nations to their commitments? How can citizens keep their governments accountable to the MDGs?
4. What are the characteristics of “developed” and “developing” nations?
Until recently, researchers could not easily access accurate and up-to-date information on population and living standards. The Internet has made it easier to find these statistics for Canada and the world. However, as with any resource, the World Wide Web should be used with care. Some Web sites may not be reliable sources of information. Because there is no agency to control what is put on the Internet, you must be selective in those sites you choose to use, and all content must be approached with caution.

Steps to Evaluating Web Sites

1. **Authority:** Are the authors or producers of the material clearly identified, and do they have expertise in the subject area? Is the person or organization responsible for the page clearly indicated? Check the site for credentials, a title, or whether it represents an organization or commercial body. Is it from a preferred domain, such as .gov, .edu, or .org?

2. **Accuracy:** Are sources of information credited? Are dates given for current data? Is bibliographic information provided, such as external links, journals, or books? Is the purpose of the site clear? Does the domain name reflect the site’s purpose? Is the information verifiable? Are the links appropriate to the content of the site?

3. **Bias:** Does the author or producer of the information have a particular point of view? Is more than one perspective presented? Are facts clearly distinguished from opinions? Use external links and statements of purpose to determine the target audience for the site.

4. **Coverage:** Are all topics that you need to know about covered?

5. **Current:** Is the information up to date? Most Web sites have a copyright date or tell you the last time they were updated. Does the site link to other up-to-date sites?

6. **Usability:** Do you understand the material? Check for spelling, grammar, and consistency. How much advertising is on the site? Does it seem reliable?

**How to Decide**

What should you do when information on different sites varies? For example, two reliable sources each give different numbers for Mexico City’s population in 2005. The UN sets it at 19 million. The U.S. Department of State lists 22 million. So which number do you use? The best advice is to check the source against the six steps and use the figure that seems to come from the most reliable source. If a number of reliable sources agree on the same figure, you can usually assume it is accurate. Be sure to include your source for the information.

The following Web sites are credible sources of particular interest to people studying demographics and living standards. Bookmark these and other sites that are reliable sources of information.

- The United Nations Web site has data from many countries in a variety of formats.
- Statistics Canada gives you access to a wealth of data on Canada’s population and social trends.
- For a world perspective, the U.S. Census Web site has links to population and statistics relating to population and development for various countries.
- The Population Reference Bureau is a non-governmental site that has reliable data on population and development.

**Applying the Skill**

1. Which of the steps listed would you consider to be the most important? Why?

2. Search for Web sites with population and development statistics. Rate the sites as good, fair, or poor based on the evaluation checklist. Compare your findings with other students.

3. Find data for a country of your choice, such as literacy rates or GDP per capita, on several Web sites. Account for any variations you may find.

**WEB LINK**

Visit the Pearson Web site for links to the sites above and checklists for evaluating Web sites.
Measuring Living Standards

Levels of economic development are hard to measure accurately. The developed world has accounting systems that can determine such things as the level of industrialization, value of services, and exports and imports. It is much harder to measure these things in developing countries.

Deciding what to measure is another problem when trying to compare levels of development. Developing economies have many people who make goods at home and trade them in local communities. Bartering, rather than currency, may be used in these transactions, making it impossible to measure output. This kind of production is not included in the countries’ accounting systems.

If the wealth of a country is not shared among the people, the average income figure does not reflect the standard of living for the majority. In Qatar, for example, the 2009 GDP per capita (PPP) was US$121,400 because of the income from the sale of oil resources. However, the wealth from these sales is in the hands of a few very wealthy families.

Quality of Life

Standards of living are not only measured in incomes people earn. The quality of life includes such things as health, levels of nutrition, life expectancy, literacy rate, and the status of women and children. A person living in poverty in Canada has access to government programs that provide a safety net of services, such as health care and education. In developing countries, a very poor urban family is likely to live in a dwelling made from scrap materials with no electricity, sanitation, or access to safe water. Getting water and basic supplies may take women hours each day.

Quality of life depends on more than meeting the necessities of life. Many people in countries with repressive regimes can be denied freedom of expression, economic freedom, and the right to a safe and clean environment. For example, advocates for the poor in Canada are free to promote their cause. In some developing countries, the homeless and the illiterate may be denied the vote, or may be intimidated by government-hired thugs if they try to improve their conditions. Even in countries that are recognized as democracies, the illiterate may have no way of confirming that their vote is recorded as requested.
An Urban World

More people live in cities than ever before. As Figure 12–5 indicates, people move to urban areas for many reasons. Various factors can push people to leave the land. Others are attracted to cities by the prospect of a better life. Many migrants find themselves in the growing slums of major cities without a significant improvement in their standard of living.

The UN-HABITAT State of the World’s Cities 2006–2007 report found that poor people living in urban areas are as badly off, if not worse off, than rural populations: “...there are two cities within one city—one part of the urban population that has all the benefits of urban living, and... the slums and squatter settlements, where the poor often live under worse conditions than their rural relatives.” The urban poor and people in rural environments face similar issues in health, education, employment, mortality, and malnutrition.

Globalization

Many people in the developed world believe globalization brings freer trade, cheaper goods, and access to technology, which in turn contribute to wealth and improved standards of living. By joining large trading blocs, such as the North American Free Trade Agreement (NAFTA), and the Asia-Pacific Economic Cooperation (APEC), countries create larger markets for their goods and services. These blocs stimulate economic growth, which helps to improve living standards.

Opponents of globalization note that these trade agreements limit the control a government has over its trade, economy, and even social policies. Many people in manufacturing see globalization as a threat because their job may be sent to a country with cheaper labour or fewer environmental protection policies.

Some countries, such as China and India, have benefited from globalization and have seen a rise in their standard of living. Other developing countries find it hard to compete in the global economy because they lack a functioning infrastructure. Many developing nations are in debt and their industries and natural resources are controlled by multinational corporations (MNCs). Some developing countries also worry that globalization brings social changes that overwhelm local cultures and traditions. Yet, for countries with expanding populations, globalization promises employment and improved living standards.

<table>
<thead>
<tr>
<th>Push Factors</th>
<th>Pull Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underemployment</td>
<td>Labour opportunities</td>
</tr>
<tr>
<td>Ethnic or religious tensions</td>
<td>Medical and social provisions</td>
</tr>
<tr>
<td>Requisition of land for industrial or other uses</td>
<td>Greater access to food and resources</td>
</tr>
<tr>
<td>Droughts or floods</td>
<td>Greater anonymity</td>
</tr>
<tr>
<td>Land degradation</td>
<td>Social networks established by migrants attract relatives and friends</td>
</tr>
<tr>
<td>Lack of resources</td>
<td></td>
</tr>
<tr>
<td>Environmental impacts, such as deforestation</td>
<td></td>
</tr>
</tbody>
</table>

FIGURE 12–5 Reasons for rural–urban migration in the developing world

Thinking Critically: What do you know about work opportunities and medical or social programs for migrants in your area? Do you think migrants usually find what they expect when they move to the city? Explain.

The UN defines slums as

*Urban households lacking one or more of the following: durable housing; sufficient living area; secure tenure; access to improved water source and sanitation.*

—UN Human Settlements Program, 2003

PRACTICE QUESTIONS

1. Why is it difficult to accurately measure levels of economic development?
2. Compare and contrast the lives of Canadians who live in poverty with those in developing countries.
3. Explain the problems faced by people moving from rural to urban areas in developing countries.
4. Create a Plus-Minus-Interesting (PMI) chart for globalization.
Measuring Poverty

Poverty is measured differently in developed and developing countries. The most common measure is the poverty line, which is the minimum income required to pay for basic needs. In developing countries, the absolute poverty line is about $1.25 (2005 PPP) per person per day. Using this measure, the World Bank—an international lending agency—estimated that in 2008 approximately 1.4 billion (one in four) people in developing countries were living on less than $1.25 per day, putting them below the poverty line. Yet there are people who earn $2, $3, or even $5 a day in these countries who remain poverty-stricken. Critics of the World Bank’s measurement prefer to look at individual countries to determine at what level people are unable to afford a minimum of food, clothing, shelter, health care, and education services. This is closer to the way poverty is measured in Canada and the United States.

Measuring Poverty in Canada

Until recently, a set income figure was used to measure poverty in Canada. This figure did not take into account the differences in cost of living across the country. Today, Statistics Canada uses a low income cut-off (LICO) to determine those living in poverty. LICO is defined as a household that spends more than 70 percent of its income on food, clothing, and shelter. The National Council of Welfare (NCW), a federal government agency, differs from Statistics Canada in determining LICOs. The NCW uses after-tax income to measure poverty, whereas Statistics Canada uses before-tax income. The difference can be seen by comparing the number of seniors living in poverty using the two approaches. The NCW’s after-tax measure shows 201,000 seniors living in poverty (see Figure 12–7), while Statistics Canada’s before-tax measure shows 524,000 poor seniors. (See Chapter 10 for a discussion of child poverty in Canada.)

Measuring Poverty in the United States

In the United States, poverty is measured against the cost of a minimum adequate diet multiplied by three to allow for other expenses. In the 1960s, the U.S. government declared a “war on poverty” and chose a set income figure to define poverty. In 2009, it was US$10,830 for a single person, US$14,570 for a family of two, rising to US$37,010 for a family of eight or more. For the family of two, this translates to about US$40 a day.
Human Poverty Index

To accommodate the differing living standards between countries, the UN Human Poverty Index uses different indicators when comparing developing and developed countries. For developed countries, the UN uses data from selected member countries of the Organisation for Economic Co-operation and Development (OECD). Looking at the different indicators may help those in developed countries see the types of advantages that they take for granted.

<table>
<thead>
<tr>
<th>Human Poverty Index for developing countries</th>
<th>Human Poverty Index for selected OECD countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>A long and healthy life</td>
<td>• Probability at birth of not surviving to age 40</td>
</tr>
<tr>
<td>Knowledge</td>
<td>• Probability at birth of not surviving to age 60</td>
</tr>
<tr>
<td>A decent standard of living</td>
<td>• Adult literacy rate</td>
</tr>
<tr>
<td></td>
<td>• % of adults lacking functional literacy skills</td>
</tr>
<tr>
<td>Social exclusion</td>
<td>• % of population not using an improved water source</td>
</tr>
<tr>
<td></td>
<td>• % of children underweight for age</td>
</tr>
<tr>
<td></td>
<td>• Deprivation of a decent standard of living</td>
</tr>
<tr>
<td></td>
<td>• % of people living below the poverty line</td>
</tr>
<tr>
<td></td>
<td>• Long-term unemployment rate</td>
</tr>
</tbody>
</table>

FIGURE 12–8 The Human Poverty Index

Thinking Critically Which dimension (in blue) do you feel is most significant in determining the level of poverty in the developing countries? In the OECD countries? Would you add or delete any dimensions in either index? Why or why not? Why do you think there are different indicators for developing and OECD countries?

PRACTICE QUESTIONS

1. What is the purpose of the Human Poverty Index? How effective is it in highlighting the differences between rich and poor countries?
2. a) How is poverty defined in Canada?
   b) What difficulties are there in comparing poverty in Canada with poverty in developing countries?
3. a) How useful do you think the terms developed and developing are in describing the differences in standards of living between countries? Explain.
   b) Brainstorm in a group to think of other terms to describe the differences in standards of living in countries.
4. Evidence From what you have learned about measuring poverty levels, what are the five most important basic needs that must be met adequately for a person not to be considered impoverished?
The Poverty Trap

About 1 billion people in developing countries go hungry every day. Yet the world produces enough food to feed all 6.79 billion people on Earth. For many poor people, the problem is that they cannot afford the food that is available. Farmers who do not own their land and migrant labourers are the first to feel the effects of droughts, crop failures, or economic downturns (see Case Study on page 398).

Loans to Developing Countries

At the end of the Second World War, the International Monetary Fund (IMF) and the World Bank were set up as agencies of the United Nations. The Organisation for Economic Co-operation and Development (OECD) was also created after the war to help administer the Marshall Plan (an American program for rebuilding Western Europe and its economy). These organizations gave loans and development assistance to help improve standards of living through economic growth. The World Bank, IMF, and OECD encouraged developing countries to engage in megaprojects to promote economic growth. Many of these initiatives caused environmental damage and did not improve the countries’ economies.

In the 1960s, Western banks loaned billions of dollars to newly independent African countries for megaprojects. These nations’ main income came from exporting minerals and agricultural products. A world economic slowdown led to a collapse in prices for these commodities, making it difficult for them to repay the debts. Also, some of the loaned money had gone into overseas bank accounts of corrupt dictators.

WEB LINK
Visit the Pearson Web site to learn more about the World Bank, IMF, and OECD.

FIGURE 12–9 Critics of the World Bank and IMF say that the SAPs and strict loan conditions of these agencies add to poverty since some countries need to cut social programs to meet their debt obligations.
The Cycle of Debt

The Western banks and their governments encouraged the IMF and the World Bank to lend countries money to pay off their debts. The lenders had changed, but the debt remained. Today, African countries alone owe $227 billion. Along with the loans, the IMF told these countries to restructure their economies to help repay their debts. The IMF encouraged poor countries to pursue foreign investment, cash crops for export, and private companies to run some government services. These measures are called structural adjustment programs (SAPs).

Critics have been quick to point out the negative effects of SAPs. They suggest that poor countries are forced to sacrifice spending on health and education to meet the demands of SAPs and repay their debts. For example, in 2005, the IMF instructed the Niger government to increase taxes on basic goods and services such as milk, bread, water, and electricity. The people of Niger, impoverished by years of bad harvests and SAPs, reacted by taking to the streets in protest. The protesters eventually won a reduction in the proposed tax.

The Burden of Debt

Many countries that are in debt have few natural resources or receive low prices for them on the world market because there is an oversupply. In addition, their resources are under the control of foreign multinational corporations. For example, West Africa produces 70 percent of the world’s cocoa, but it must sell its crops to four multinational corporations that control the price. Very little of the profit filters back to the farmers. This makes it very difficult for these countries to earn the money to pay their debts.

The burden of debt for governments in developing countries means they are hard pressed to pay for services that could improve the standard of living of their people. Mozambique, for example, spends 10 times more on debt repayments than on health care. As well, many countries and regions in Africa have suffered natural disasters, such as the devastating floods in Mozambique, drought in East Africa, or brutal civil wars such as those in Rwanda, Sierra Leone, or the Darfur region in Sudan.

Debt Relief

The Heavily Indebted Poor Countries (HIPC) Initiative was launched in 1996 by the International Development Association (IDA) and International Monetary Fund (IMF). The goal of this initiative is to ensure that poor countries are not crippled by their debts. The HIPC Initiative provides debt relief to poor countries with external debts that severely burden export earnings or public finance. In 1999, the initiative was enhanced to help more countries to qualify for debt relief. By the end of 2008, the World Bank and International Monetary Fund had committed more than US$57 billion to help HIPC countries restructure their debts.

In a 2009 report, the IMF noted that 40 HIPCs were eligible for debt relief under the initiative, and 31 of these nations are in Africa. Of the eligible countries, 35 had qualified for HIPC Initiative assistance. Twenty-six countries have reached the completion point, where the HIPC’s debt is forgiven by the governments of developed countries. The IMF notes that some creditors have been reluctant to provide debt relief.
Kenya is an example of a country in which most people are caught in the cycle of poverty. This East African country is about 60 percent of the size of British Columbia, but it is estimated to have a population of 40 million in 2010. This represents an increase of nearly 35 million people in 60 years. With a growth rate of 2.7 percent, nearly a million people are added to Kenya’s population each year. Economic opportunities are limited: many people cannot afford education, and the country’s unemployment rate is 40 percent. According to the 2009 Human Development Report, the per capita income is about US$1542.

Kenya has three main geographical regions. The tropical coast has rainforests and sandy beaches that are now a tourist destination for Europeans. In the central plateau region, there are natural parks with abundant wildlife that form the basis of a tourist industry. About one quarter of the plateau is too dry for farming and has scrub vegetation that is poor grazing land. Another 37 percent of the plateau is tropical grassland, and is traditionally used by nomadic herders for grazing cattle. The highlands in the west are the one good farming area in the country, but represents only about 7 percent of the land. This area produces tea, coffee, and flowers for export.

Kenya has suffered from a series of droughts in the past two decades. The most devastating one lasted from 2007 to 2009, drying up 80 percent of the wells, withering crops, and killing cattle.

About 75 percent of the population makes a living from farming. There is now less food produced per capita than 30 years ago, because of the population increase and the use of good cropland to produce cash crops for export. Less than half of the population has access to safe drinking water, and nearly 20 percent of children under 5 are underweight. More than a million people are infected with HIV/AIDS. The median age of Kenya’s population is 18 years, compared to 39.4 in Canada.

Drought, floods, and ethnic and political violence have forced many Kenyans to leave the countryside to move to cities. Each day, thousands of people move to Nairobi, the nation’s capital, which has industries, services, and is the centre of tourism. More than 60 percent of the population of Nairobi live in slums. In the shantytowns of the Mathare Valley, just outside the capital, one-room shacks made of wood and cardboard are home to an estimated 500,000 people. The settlement has one paved road and no electricity, running water, or sanitation system. People live in a maze of lanes littered with garbage, which turn into rivers of mud in the rainy season. The shantytowns provide a pool of cheap labour for Nairobi.

Ethnic rivalry and government corruption hamper efforts to improve this situation. Transients in the shantytowns have little influence on the government. The new arrivals from the countryside put added pressure on the few services available. All the problems facing Kenya are made worse by a crushing national debt.

FIGURE 12–10 There are several shantytowns like Mathare near Nairobi.
Looking Further

1. List the principal problems faced by Kenya as a result of the increasing population.

2. Make an illustration modelled on the diagram of the cycle of poverty in Figure 12–22 for people leaving the countryside in Kenya and moving to Nairobi.

3. **Cause and Consequence** What two strategies would you suggest to help Kenya break out of the cycle of poverty?

4. Which two factors in Figure 12–15 do you think most clearly illustrate the differences in development between Kenya and Canada?

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**FIGURE 12–11** Kenya’s geographic regions

Reading a Map Match each of the photographs with the appropriate region on the map. How is Kenya’s geography related to its poverty?

**FIGURE 12–12** Dromedary camels in the Koroli Desert

**FIGURE 12–13** Sisal fields on the Vipingo Estate

**FIGURE 12–14** A lodge on a beach near Kiwayu

**FIGURE 12–15** Canada and Kenya: A Comparison, 2005–2010
Canada and Debt Relief

Canada has called for an easing of the debts owed by HIPCs. As of 2004, the federal government has spent $312 million on HIPC programs. The goal is to reduce the debt load of HIPCs so their scarce resources can go toward poverty reduction programs rather than paying interest and service charges. Canada has forgiven all overseas development aid debt to all HIPCs except Myanmar, which is governed by a military dictatorship.

Since 1986, all of Canada’s bilateral aid for development has been in the form of grants, as opposed to loans. Also, 10 Latin American countries have been allowed to repay debts by investing in environmental and other sustainable development projects in their own countries.

KEY TERM

bilateral aid assistance from one country to another

Thinking Critically Do you think Canada is right to forgive debts and put money into debt reduction plans for these countries? What might be the positive and negative outcomes for Canada and the countries whose debts we are forgiving?

PRACTICE QUESTIONS

1. How has the debt burden in developing countries prevented governments from looking after the basic needs of their people?
2. In a two-column chart, list the reasons for and against completely forgiving the debt of developing countries with the highest debt loads.
3. How is the HIPC Initiative meant to help the poorest developing countries?
4. Write a letter to your Member of Parliament explaining your point of view on debt forgiveness.
5. What role have the World Bank and IMF played in the economies of developing countries? Explain some of the problems with SAPs.
Offshore farms: Food for whom?

Each day, one in six people—mostly women and children—does not get enough food to be healthy. In poorer countries where most people depend on agriculture to survive, the costs of oil and fertilizer affect food production. In turn, the prices of imported food have soared.

A recent development in world agriculture threatens to put further pressure on food supplies in some of the poorest countries. Wealthy countries with little agricultural land or water purchase or lease farmland from poor countries. Food is grown and then shipped back to the country that owns the land. This practice is called offshore farming.

China began the trend in 2000 when it purchased land in Cuba and Mexico. Saudi Arabia, Qatar, Kuwait, India, and South Korea are some of the countries that have followed China’s lead. A research group has estimated that foreigners have bought 15 to 20 million hectares of farmland in poor countries since 2006.

There are concerns that offshore farming threatens the future of food production in many developing countries. In 2009, Saudi Arabia received its first food crop harvested from the farms it owns in Ethiopia. While this food was being exported, the UN World Food Programme helped to feed more than 10 million people in Ethiopia.

Against Offshore Farming

Opponents of offshore farming accuse wealthy countries of preying on the misfortunes of very poor countries. The UN report *Land Grab or Development Opportunity?* raised a number of concerns: local farmers’ ability to prove they own their land, political corruption in many poor countries, and environmental issues (such as the use of herbicides and diverting water resources for irrigation). As another UN report noted: “The sale of farmland to international investors is not without risks for developing countries. Experiences show that they can cause land expropriation or lead to an unsustainable use of resources, thereby undermining the livelihoods of local populations.”

For Offshore Farming

Supporters of offshore farming argue that foreign investment in agriculture helps poor countries. It provides export revenues, creates jobs and infrastructure, and gives developing countries access to new agricultural technology. They say that without foreign investment, the land may never be used. According to an investor from Saudi Arabia: “We can become the farmers of the world in terms of food security to Africa. Although we’re taking so many hectares, we are actually going to be helping farmers contiguous [next] to our farms, assist them in repairing the land, plant seedlings, and have an agreement if they wish so that we can buy their products.”

Analyzing the Issue

1. Do you think the benefits of offshore farming outweigh the drawbacks for the poor country? Explain.

2. **Cause and Consequence** Japan, which owns offshore farms, has suggested that there should be an international code of conduct for foreign farmland deals. What three protections for poor countries would you include in such a code?

3. Canada has vast amounts of farmland, but foreign ownership rules prevent other countries from buying the land. List some reasons for and against selling some of Canada’s farmland to other countries.
The Vulnerable Ones: Women and Children

The burden of poverty creates particular hardships for women and children. Many developing countries have male-dominated societies in which females and children have lower status than men. Women and children may have no legal rights, or the legal system may allow them to be treated as property. Women may even be killed to satisfy a family's honour. In some tribal societies, women and children may have to eat whatever is left after the men have finished their meals, which can lead to malnutrition.

The Position of Women

Women in developing countries may have to work more than twelve hours each day to ensure the survival of their families (see Figure 12–18). They are responsible for more than two thirds of the food production and are often left to support the family when men migrate in search of work.

In much of the developing world, the literacy rate is lower among women than among men. Education is often a luxury restricted to males. Only one third of girls in rural India go to school compared to more than half of boys. Many families in this area will keep girls at home to look after the younger children and help with chores until they are married and move to their husband’s village.

Education Is the Solution

Demographers agree that economic development and the fertility rate of countries are connected. A decline in the number of children a woman has in her lifetime frees her to improve her lot and that of her children. Studies show that better-educated women tend to marry later and have fewer children. Because they are literate, they have a better understanding of contraception, and may be able to resist family pressures to have more children.

The children of educated women are also more likely to survive because their mothers know the importance of immunization, clean water, and good nutrition. A study in Peru showed that the infant mortality rate dropped for every year of schooling the mother had. When mothers are sure that their children will survive, they are less likely to have large families.

FIGURE 12–18 The illustration shows how a rural woman typically spends her day in developing countries like Zambia.

Thinking Critically How does this woman’s day compare to yours? How would this workload prevent a woman from improving her status?
Women in Niger

The African country of Niger, a landlocked nation almost entirely in the Sahara Desert, is one of the world’s least-developed countries (see Figure 12–1). Niger ranked last on the UN’s 2009 Human Development Index, with a life expectancy at birth of 50.8 years and a literacy rate of 28.7 percent. As the poorest country in the world, the average income of people in Niger is US$280 per year. A 2010 study estimated that more than half of Niger’s population of 15 million face food insecurity, which includes missing meals, malnutrition, or famine. Many people survive by subsistence farming, producing enough to feed their families with little left over to sell. Niger’s economy centres on exporting livestock and natural resources (it has some of the world’s largest uranium deposits). Fluctuations in world prices affect Niger’s economic stability. Drought cycles, desertification, population growth, and political instability have also undercut the economy. Debt relief provided under the HIPC Initiative significantly reduced Niger’s annual debt, freeing government funds for basic health care and primary education.

Women in Developing Countries

Niger is a traditional Muslim society, and women are bound to obey the wishes of their husbands, fathers, brothers, and other male relatives. Polygamy, or the practice of having more than one wife, is widespread, and the average marrying age for women is 17.6. The average number of children per woman is 7.75. In Niger, most of a woman’s time is dedicated to raising and feeding her children, and she has little opportunity for education. Because of the prevalence of forced early marriage and violence against women in the country, Niger was criticized for ratifying the UN convention on women’s rights. Niger is an extreme example of the situation for women in many developing countries.

Several aid agencies are working to improve the standard of living of women in Niger. Many of their programs focus on women’s equality and education for girls. They believe that community-based programs will help women work together to improve their status. As a result of these and other programs, women are taking a larger role in the economy by selling pottery, firewood, cloth, and anything else that they can to keep their families from starving.
Children in Crisis

Children are often the first victims of underdevelopment. Famine, disease, war, and a host of other problems prey on society’s most vulnerable people. Even if they survive the critical first five years, children in some developing nations have few educational opportunities and are often exploited as child labour. Some are even trapped in the sex trade. The high birth rates in many developing areas mean that this problem will continue in the future. In 1992, the United Nations Children’s Fund (UNICEF) published the Progress of Nations Report (PNR) on the welfare of children. The PNR launched the 21st century with a new index that measures the risk for children in countries worldwide on a scale of 0 to 100. The measure is based on five factors: the mortality rates of children under the age of five, the percentage of children who are moderately or severely underweight, numbers of children who do not attend primary school, risks from armed conflict, and risks from HIV/AIDS.

Canada, the United States, Australia, Japan, and other highly developed nations had risk scores of five or below, which UNICEF considers of no consequence. Africa is the continent where children face the greatest risks. Africa’s average score was 61, compared to Europe’s average of six, and the world average of 30.

**FIGURE 12–22** The cycle of poverty

**Thinking Critically** At what stage do you think intervention in the poverty cycle would be most effective? How might remedies applied to developing countries differ from those applied to poverty in Canada?
Under-Five Mortality Rate

UNICEF’s main measure of human development is the under-five mortality rate (U5MR). Although the difference in U5MR between developing and developed countries is slowly narrowing, children born in developing countries are 13 times more likely to die under the age of five than in developed countries. In addition, 19 of the 20 countries with the highest U5MR are in Africa.

According to UNICEF’s 2008 report The State of the World’s Children, an average of 26,000 children under the age of five die worldwide each day. Almost all of these children are in developing countries, and most of them die of preventable causes. About one third die before they are one month old because they do not have access to basic health care. Up to half of the deaths of children under the age of five are due to undernutrition. Diseases like measles, which is controlled by a vaccine in industrialized countries, are often widespread and contribute to the U5MR. Many children also die of diseases related to poor sanitation, lack of hygiene, and no access to clean water.

Controlling the Under-Five Mortality Rate

One of the UN Millennium Development Goals (MDGs) is to reduce the under-five mortality rate by two thirds between 1990 and 2015. In 2009, UNICEF reported that the death rate of children under five years of age continued to decline. Approximately 10,000 fewer children are dying every day compared to 1990.

The under-five mortality rate has decreased over the past two decades, with the highest rate of decline (2.3 percent) between 2000 and 2008. Key health interventions have contributed to the declining mortality rates. Immunizations, including measles vaccinations, the use of insecticide-treated bed nets to prevent malaria, and vitamin A supplements are examples of some of the initiatives that are helping to save children in developing countries. Progress has been made in all parts of the world, including Malawi and some of the other least-developed countries.

While progress has been made, the global rate of improvement is still short of the MDG target. Combined, Asia and Africa account for 93 percent of all under-five deaths that occur in developing countries each year. 1. What measures need to be taken to meet the MDG target to reduce the under-five mortality rate? Do you think it can be achieved?
Children at War


Each year, at least 300,000 children and young adults under the age of 18 are engaged in armed conflicts around the world, many of them in Africa. These children have to fight as soldiers, attack civilians, and even provide sexual services to army commanders. In Uganda, the Lord’s Resistance Army forced new recruits to prove themselves by killing their family. War Child International, a network of organizations that helps children affected by war, estimates that children are employed in nearly 75 percent of all armed conflicts worldwide, by both regular armies and rebel groups. Approximately 80 percent of these children are younger than 15.

Amnesty International and other human rights organizations would like to outlaw the participation of children in armed conflict. They want the UN Convention on the Rights of the Child to forbid military recruitment before the age of 18. Countries that have 16-year-old soldiers in their armies oppose this proposal. Other critics point out that the African population is generally younger than 18, and that in many tribal societies a 16- or 17-year-old is not considered a child. In Sudan and Somalia, 11- and 12-year-olds have been involved in battle. The key issue, critics argue, should be whether the involvement of young people in military activity is voluntary.

Emmanuel Jal grew up in Southern Sudan, a country torn apart by civil war. When he was seven years old, his father joined the Sudan People’s Liberation Army (SPLA), his mother was killed, and his village was destroyed. Emmanuel was alone in a war zone. Like thousands of other orphans lured by the promise of an education, he decided to flee to Ethiopia. Many of these children, including Emmanuel, were kidnapped by the SPLA and forced to fight.

After enduring the horrors of war for four years, he decided to join a group of child soldiers, or “lost boys,” escaping to eastern Sudan. Of the 300 that set out, fewer than 20 survived the journey across the war zone. Emmanuel was lucky. He was taken in by a British aid worker, who smuggled him out of the country.

Once free from the violence of war, Emmanuel turned to music to tell his story. He has become an international star, combining traditional African styles with hip hop. He promotes peace through his songs, and has used his celebrity to help fight violence and raise awareness of the plight of child soldiers. His music has been featured in several films, and a documentary has been made about his experience as a child soldier.
Working Children

In many developing countries, children work to help support themselves and their families. Abandoned children in cities survive by begging, stealing, or selling sex. According to the UN’s International Labour Organization (ILO), the root causes of child labour are poverty and no access to education. In response to these causes, the first two Millennium Development Goals (MDGs) aim to wipe out extreme poverty and achieve universal primary education.

Working children generally come from the most vulnerable families. In its 2006 Global Action Plan to eliminate child labour, the ILO asked UN members to work toward eliminating the worst forms of child labour by 2016. A dozen countries, including India, Afghanistan, Sierra Leone, Myanmar, and Somalia, have not signed the agreement. Some developing countries are reluctant to put restrictions on children working because 70 percent of child labour is in the agricultural sector.

Unsafe Working Conditions

Children are often forced to work in unsafe conditions. An article in the Guardian states that Plan, a children’s aid agency, “cites research showing that Malawi has the highest incidence of child labour in southern Africa, with 88.9 percent of 5- to 14-year-olds working in the agricultural sector. It is estimated that more than 78 000 children work on tobacco estates—some up to 12 hours a day... without protective clothing.” According to the article, “child labourers as young as five are suffering severe health problems from a daily skin absorption of up to 54 milligrams of dissolved nicotine,” which is “equivalent to smoking 50 cigarettes a day.” A Plan spokesperson concludes: “These children are risking their health for 11p [15 cents] a day.”

The majority of child labourers are in Asia, where few labour laws regulate safety conditions or the hours that children work. The Hindustan Times reported that “children are widely employed in restaurants, canteens, garages, tanneries, and brick kilns where they work for up to fifteen hours a day, without leave for months together. Those working as household help are just slightly better off.”

**FIGURE 12–25** Young children work alongside adults under the scorching sun baking bricks in Batapur, Pakistan.
KEY TERMS
bonded labour (or debt bondage) paying off a loan with labour rather than money; bonded labourers often work for very little pay and their labour is worth more than the original debt
subsidies grants from the government, intended to help people
World Health Organization (WHO) a UN agency that coordinates international health activities and helps governments improve health services

Bonded Labour
Many children are forced to work as bonded labour to help pay off their families’ debts. Craig Kielburger, a Canadian children’s rights activist, recalled his experiences with children forced to work in a carpet factory:

While I was in India, Kailash Satyarthi, a social activist working to help free children enslaved in bonded labour, led a raid on a carpet factory in which twenty-one children were rescued. These children had been tricked into thinking that they were going to a training school to learn how to make carpets. They were even told that they would be paid while learning this trade. Instead, they were taken to another state far away from their homes and forced to work fourteen hours a day for twenty-five cents a day. They had to give the twenty-five cents back to the carpet owner in exchange for one bowl of rice and dal, which is all that they were fed for the day.

—Craig Kielburger

The Burden for Girls
The ILO estimates there are 100 million girls working as child labourers. Girls are sometimes pulled out of school to earn money so their brothers can get an education. Girls face the double burden of working and completing domestic duties in their own homes.

After quitting school, I started to help my parents financially. I collect garbage that can be sold from early morning till afternoon. I give the money I earn to my parents to buy food so we can survive and send my brother to school. When I see my friends go to school, I feel I want to cry. Sometimes, I daydream, imagining myself in school.

—A scavenger girl from Pancur Batu, Medan, Indonesia

PRACTICE QUESTIONS

1. Why are women and children more likely than men to face hardships in developing countries?
2. a) What is the relationship between female literacy and reduced birth rates?
   
   b) Give three reasons why women’s literacy rates in developing countries are lower than men’s.
3. Do you think there should be a set age for soldiers? Why?
4. a) Choose five abuses of children in the developing world. Match them against the list of rights guaranteed by the UN Convention on the Rights of the Child (see Chapter 10).
   
   b) How effective do you think the Convention on the Rights of the Child will be in dealing with some of these abuses? Explain your answer.
The Health Crisis

In many developing countries around the world, a lack of clean water and medical care have resulted in a health crisis.

Clean Water: A Basic Human Need

The UN estimates that, in 2002, about 1.2 billion people around the world did not have access to clean or enough water. Climate change, which has contributed to extreme droughts and damaging floods, is adding to the problem. Open water sources are contaminated. Rivers that supply water for human use are also used for washing and disposing of waste. Irrigation for agriculture takes the largest share of water supplies in the developing world. Many developing countries in the tropics have a dry season. The lack of water during this time affects agriculture and, ultimately, people's health. Aid programs and water subsidies are often relied upon to help those who can afford to pay, leaving the poor with the filthiest water.

The World Health Organization (WHO) estimates that improving drinking water, sanitation, and hygiene could prevent about 10 percent of diseases worldwide. Cholera and typhoid are among the diseases caused by bacteria that breed in unclean water. Almost a quarter of the developing world’s population lives without any form of sanitation or sewage system. The WHO believes that a “significant amount of disease could be prevented, especially in developing countries, through better access to safe water supply [and] adequate sanitation facilities.” Clean water is such an important factor in living standards that the UN included reducing the number of people without access to safe drinking water and basic cleanliness as one of its Millennium Development Goals.

Canada has an enviable record for providing safe water to its citizens. Yet, in May 2000, an E. coli outbreak in Walkerton, Ontario, showed how the system can fail. The bacteria contaminated wells that supply municipal water, making more than 2000 people ill and killing several others.

On average, people in Europe use more than 200 litres [per day]—in the United States more than 400 litres. When a European person flushes a toilet or an American person showers, he or she is using more water than is available to hundreds of millions of individuals living in urban slums or arid areas of the developing world. Dripping taps in rich countries lose more water than is available each day to more than 1 billion people.

—Human Development Report 2006

Thinking Critically

What does the way people treat their rivers tell us about their cultural and economic values?

What are the clean water issues in your area?
The Scourge of Epidemics

Despite advances in medicine, epidemics of tuberculosis, sexually transmitted diseases, HIV/AIDS, and malaria are widespread in the developing world. These scourges pose a threat to the health of Canadians and fellow citizens of the global village. Tuberculosis and malaria, between them, cause more than five million deaths annually around the world.

Malaria on the Rebound

In northern wealthy countries, malaria is often thought of as a problem that has been solved. Yet malaria affects more people than ever before. It is prevalent in 106 countries, affecting half of the world’s population. More than 240 million cases of malaria were diagnosed in 2008, causing untold suffering and loss of productivity in tropical countries. At least a million of these people will eventually die. Many of them will be under the age of five, and the majority of them live in Africa.

Why is malaria an epidemic of the poor in the developing world? For those in remote areas or the slums of cities, help is not readily available. Forest clearing in South America and Asia allows sunlight to warm standing water, creating breeding grounds for mosquitoes in areas that had previously not been affected. Because the incidence of malaria is on the rise around the world, the World Health Organization has made fighting malaria a priority.

Currently, there is no vaccine available, so preventing malaria-carrying mosquitoes from biting people is the most effective way to fight the spread of the disease. One way to do this is to use insecticide-treated bed nets to protect people from being bitten while they sleep. Another effective remedy is DDT, a chemical that nearly eradicated malaria by the 1960s. Due to its overuse in agriculture, the chemical accumulated in soil and water and was eventually banned. In countries such as Zambia, authorities have begun to spray the inside of houses with DDT to repel and kill mosquitoes in the hopes of reducing the spread of malaria.

WEB LINK
Visit the Pearson Web site to learn more about how Canadians can help support initiatives to stop the spread of diseases like malaria.

KEY TERM
malaria a deadly infectious disease common in tropical climates, transmitted to humans by the mosquito

FIGURE 12–28 Warm temperatures, humidity, and poor drainage of surface water make slums, like this one in India, the perfect breeding ground for malaria mosquitoes.

Thinking Critically
What measures could be taken to eliminate mosquito breeding areas in tropical cities?
The HIV/AIDS Pandemic

Possibly the most serious epidemic, now and for the future, is the continued spread of HIV/AIDS. The virus that causes HIV/AIDS destroys the immune system, which protects the body from disease. The virus passes from person to person through sexual contact, blood transfusions, sharing hypodermic needles, or from mother to child during birth. While treatments are available, they are often too costly for sufferers in developing countries, making death a certainty in many cases.

The HIV/AIDS pandemic—an epidemic that occurs over a wide geographical area—affects 33 million people worldwide. In 2008, 2.7 million people became infected, and two million died. More than two million children under 15 years of age were living with HIV and 430 000 children became newly infected.

Sub-Saharan Africa remains the centre of this epidemic. Developed countries, such as Canada, have kept their infection rates for HIV/AIDS to less than one percent of the adult population. But in many sub-Saharan countries, the infection rate is out of control. Of the 33 million people living with HIV worldwide, 22 million are from sub-Saharan Africa. Further, 70 percent of those who died and 91 percent of new HIV infections among children were in sub-Saharan Africa (see Figure 12–30).

<table>
<thead>
<tr>
<th>Region</th>
<th>Adults and children living with HIV</th>
<th>Adults and children newly infected with HIV</th>
<th>Adult prevalence (%)</th>
<th>Adult and child deaths due to AIDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>22.4 million</td>
<td>1.9 million</td>
<td>5.2</td>
<td>1.4 million</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>310 000</td>
<td>35 000</td>
<td>0.2</td>
<td>20 000</td>
</tr>
<tr>
<td>South and Southeast Asia</td>
<td>3.8 million</td>
<td>280 000</td>
<td>0.3</td>
<td>270 000</td>
</tr>
<tr>
<td>East Asia</td>
<td>850 000</td>
<td>75 000</td>
<td>&lt;0.1</td>
<td>59 000</td>
</tr>
<tr>
<td>Oceania</td>
<td>59 000</td>
<td>3900</td>
<td>0.3</td>
<td>2000</td>
</tr>
<tr>
<td>Latin America</td>
<td>2.0 million</td>
<td>170 000</td>
<td>0.6</td>
<td>77 000</td>
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<td>Caribbean</td>
<td>240 000</td>
<td>20 000</td>
<td>1.0</td>
<td>12 000</td>
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<td>Eastern Europe and Central Asia</td>
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<td>110 000</td>
<td>0.7</td>
<td>87 000</td>
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<tr>
<td>Western and Central Europe</td>
<td>850 000</td>
<td>30 000</td>
<td>0.3</td>
<td>13 000</td>
</tr>
<tr>
<td>North America</td>
<td>1.4 million</td>
<td>55 000</td>
<td>0.6</td>
<td>25 000</td>
</tr>
<tr>
<td>World</td>
<td>33.4 million</td>
<td>2.7 million</td>
<td>0.8</td>
<td>2.0 million</td>
</tr>
</tbody>
</table>

FIGURE 12–30 HIV/AIDS statistics for different regions in the world, 2008
Describe three difficulties in providing basic health care in developing countries.

2. Why should people in the developed world be concerned about the health of people in the developing world?

3. Explain why clean water is important.

4. Why is the spread of malaria increasing?

5. Predict how the loss of productive workers from the HIV/AIDS pandemic will affect the future of countries such as Swaziland or Botswana.

6. What actions have the international community taken to fight the HIV/AIDS pandemic? Comment on the success of these actions.
Helping to Improve Living Standards

Since the Second World War, the developed world has been providing aid to the nations of South America, Africa, and Asia. A lack of political and economic stability in most of the former colonies in Asia and Africa made the transition to independence difficult. Foreign aid programs were chosen as the way to foster development in these countries, while at the same time countering the growing influence of the communist bloc. As the volume of aid grew, the political and humanitarian motives of aid donors became interconnected.

Foreign Aid

Development assistance, or the foreign aid received by developing countries, takes a number of forms:

- **Official development assistance (ODA)** is delivered by governments.
- Non-governmental organizations (NGOs) give another type of aid.
- **Multilateral aid** is funded by a number of governments, and usually involves large-scale programs like dam building.
- Bilateral aid goes directly from one country to another.

Developing nations receive foreign aid from various sources. It can come through international bodies such as the United Nations or from national government agencies that manage the distribution of foreign aid. It can also come from NGOs representing religious groups, service organizations such as Rotary International, and other non-profit organizations, such as Oxfam.

Tied Aid

Much bilateral aid is often tied aid, given with conditions attached. For example, donated money must be spent on goods bought from the donor country. More than 40 percent of Canadian bilateral and multilateral aid has been tied to Canadian purchases. A criticism of Western aid projects is that they have been tied too much to the trade system that benefits the industrialized countries at the expense of the developing world. In 2008, the Canadian government announced that food aid had been fully untied and CIDA’s development aid funding would be fully untied by 2013.
Development Assistance Goals

In the 1960s, a UN commission led by Canadian Prime Minister Lester Pearson set a target for development assistance of 0.7 percent of donor countries’ gross national product (GNP). That goal remains today, although countries rarely reach it. Canada’s foreign aid has been decreasing for the past two decades. In 1984, Canada pledged to reach the UN aid target by 2000. As Figure 12–33 shows, Canada’s aid was at 0.32 of the GNP in 2008, falling short of the 0.7 percent target.

Many UN agencies are dedicated to improving the living standards of people in the developing world. For example, UNICEF has been in the forefront in fighting iodine deficiency disorder, a disease that can stunt growth and brain development. The addition of a few grams of inexpensive iodized table salt to the daily diet prevents this disorder. With UNICEF’s help, a campaign to iodize table salt has all but eliminated iodine deficiency in Bolivia. Canada was one of the major supporters of this initiative, which was one of UNICEF’s most successful public health programs.

What If…

What if Canada and the United States put all of their military spending for one year into foreign aid? What do you think the results might be?

FAST FORWARD

Foreign Aid Versus Military Spending

Around the world, the money spent on aid is still dwarfed by military spending. In 2008, military spending was an estimated US$1464 billion worldwide, accounting for 2.4 percent of global GDP. UN aid agencies estimate that a fraction of this total would be needed each year to meet the Millennium Development Goals. They believe that the annual cost of meeting all the MDGs would be about US$143 billion in 2010, rising to US$189 billion in 2015.
Canada’s Foreign Aid Program

Canada’s foreign aid programs began by supporting newly independent Commonwealth countries in Asia, Africa, and the Caribbean. These programs took on greater significance under Prime Minister Pierre Trudeau. In 1968, his government created the Canadian International Development Agency (CIDA) to administer Canada’s aid to developing countries.

CIDA is responsible for administering much of Canada’s foreign aid budget. Like all such organizations, it develops plans and strategies for administering its budget and directing money to areas it deems worthy. CIDA has six priority areas: basic human needs; women in development; infrastructure services; human rights, democracy, and good government; private sector development; and the environment. The agency maintains that its programs

- provide people with access to clean water and sanitation
- improve women’s lives by reducing poverty
- promote access to rural services such as rural electricity and communications
- strengthen democratic development and increase respect for human rights
- help to create jobs
- protect the environment

One way that CIDA deals with foreign aid is to find “partners”—universities, non-government organizations (NGOs), and businesses—that will agree to administer programs or otherwise cooperate with the government. These partners help CIDA to run projects in more than 100 of the poorest countries in the world. CIDA is particularly interested in sustainable development, and it also helps groups to upgrade technology, find and train teachers, improve agriculture, and so on. When this book was written, the Canadian government’s official position was to promote the use of genetically modified seeds and foods, so CIDA is likely to take a similar position.

![Image of children in Africa with CIDA project]

**KEY TERM**

Canadian International Development Agency (CIDA) Canada’s leading development agency for assistance to the developing world

**FIGURE 12–34** One of CIDA’s projects involves children in Africa. How might making living conditions better for poor children in other parts of the world benefit Canada?

©P
CIDA’s Foreign Aid Policy

CIDA distributes aid through UN agencies, directly to governments, and through NGOs. Multilateral programs support efforts such as the Global Fund to Fight AIDS, Tuberculosis, and Malaria and the UN’s World Food Programme. Approximately 53 percent of Canada’s total aid budget goes to bilateral aid.

In 2009, CIDA announced a change in policy that focuses 80 percent of Canada’s bilateral assistance on 20 priority countries and areas, with the goal of getting more resources to those in need. Programs vary by region. For example, aid is focused on combatting poverty and inequity in South America. Under this policy, Canada’s largest aid program will help to rebuild and develop Afghanistan with $1.2 billion over 10 years. The focus is on security, education, and humanitarian aid, including food, health care, and clearing land mines.

Critics of CIDA’s focus complain that Canada is not sending enough aid to Africa. In a 2002 document, CIDA noted that two thirds of the least-developed countries and two thirds of HIV/AIDS cases worldwide were in Africa. Although this region will still get aid, most of Canada’s bilateral aid will now go to countries on the priority list. Less is left for African countries at the bottom of the Human Development Index, such as Niger and Burkina Faso. The government claims that focusing the aid will make it more effective.
Global Problems, Local Solutions

Non-governmental organizations’ aid projects often operate at the grassroots level, providing help directly to people. Initiatives range from well-known, large organizations, such as the Red Cross and Doctors Without Borders, to smaller groups that deal with local projects. Often, the development assistance of NGOs has been more effective than the large projects sponsored by governments because the aid goes directly to the people who benefit.

In Bangladesh, women—many of them landless labourers or wives abandoned by husbands—work on a CARE scheme repairing dirt roads for a four-year period. A portion of their wages of $1 a day is held back and then given to them as a lump sum to invest. Some women establish small businesses or buy motorized rickshaws or plots of land. Most are able to stop the cycle of poverty, improve their living conditions, and provide for their children’s education.

Changes in Aid

Billions of dollars in aid have been spent in developing countries, much of it without improving conditions for the poor. Dictators or local elites are often the winners in the aid sweepstakes. The most successful forms of aid have come from programs that consult the local people and listen to their suggestions.

In recent years, governments have followed the lead of NGOs by promoting small-scale projects that can be maintained locally and are appropriate to the region’s environment. Wells with simple pumps replace irrigation projects, tools are made from local or recycled materials, and local people are given the means to sustain their own development initiatives.

It is clear that poverty is at the root of problems in the developing world. Women and children in particular are trapped in a cycle of poverty. High birth rates, high infant mortality rates, low literacy rates, high instances of disease, and other problems are all connected. Too many of the world’s people are still poorly housed, malnourished, in poor health, and without a secure economic future.

PRACTICE QUESTIONS

1. In an organizer, list the types of aid Canada sends to developing countries and comment on the pros and cons of each type of aid.

2. Make a list of the top three priorities Canada should follow in distributing aid to the developing world. Support each of your choices.

3. Make a list of reasons for and against a proposal to increase the amount of aid Canada gives to developing countries.

4. Give three reasons for and three reasons against the statement that funding NGOs is the most effective way to get aid to the developing world.

5. In a two-column organizer, list the pros and cons of Canada’s official development assistance (ODA) policy of focusing 80 percent of bilateral aid on 20 countries. Do you support this change? Why or why not?
Should Canada link its foreign aid to human rights?

Most Canadians would likely agree that the 1 billion people living in extreme poverty worldwide should benefit from foreign aid programs. Yet many of these people live under regimes that are regularly accused of abusing human rights. To what extent should Canadian aid be tied to the human rights records of governments receiving help?

As outlined in Chapter 10, the interest in human rights grew in response to wartime atrocities. The Universal Declaration of Human Rights and the agreements that followed have become international benchmarks, and the actions of a state toward its citizens are now measured against these standards. The UN takes the position that official development assistance (ODA) cannot reach its potential where human rights are being violated. Yet places where human rights are abused, such as Zimbabwe, can also be the countries that have the greatest need for humanitarian aid.

It was not until the 1970s that human rights began to feature widely in foreign aid, and Scandinavian countries were the first ones to express their concern. Before 1990, Cold War rivalries meant that foreign aid often propped up dictators and repressive regimes. Following the events of September 11, 2001, the “war on terror” revived support for regimes with poor human rights records, such as Pakistan and Indonesia, in an effort to combat Islamic militants and al-Qaeda.

The Universal Declaration of Human Rights and other UN-sponsored agreements, such as the Convention on the Elimination of All Forms of Discrimination Against Women, call for protection of the political, legal, and social rights of women. Two of the Millennium Development Goals are focused on women and maternity. CIDA’s Policy Framework for Women in Development calls for women to be involved in planning and delivering aid programs in countries receiving aid. Should Canada insist that all countries comply with these requirements?

The Case for Denying Aid

Those in favour of denying aid say that it is not enough for Canada just to support UN conventions and formulate policy. The best way to change the practice of these governments is to deny aid whenever human rights are violated. Also, there is no guarantee that the aid will get to the poor and underprivileged. In supporting a strong emphasis on human rights, Lloyd Axworthy,
a former Minister of Foreign Affairs, noted that “...respect for human rights is a critical component of the Canadian identity and therefore must play an important role in our foreign policy agenda.”

The Case for Giving Aid

Those opposed to denying aid point out that diverse cultures have different interpretations of rights (see the discussion of cultural exceptionalism in Chapter 10). They claim the UN Declaration of Human Rights represents a Western view of rights, a view not all people agree with. Can there be one code of ethics in a world of diverse cultures, languages, values, and religions? People must be allowed to follow their own culture’s teachings about rights and tolerance—including the treatment of women.

These critics maintain that good causes are not made better by confusing needs with rights, and dialogue is the key to bringing about change. In practical terms, not addressing poverty in developing nations creates breeding grounds for social unrest, political instability, and terrorism, as seen in Sudan, Ethiopia, and other countries around the world.

The Pragmatic View

Some might argue that aid policies reflect the donor government’s political and economic interests, and that these will generally outweigh human rights. With democratic governments facing regular elections, the need to ensure a healthy economy and respond to pressure from business and special interest groups often means that human rights issues are sacrificed. For example, in 2006 Prime Minister Stephen Harper said he would not “abandon important Canadian values” by toning down criticism of China’s human rights record to improve trade relations with China. During a visit to China in 2009, Harper noted that “a mutually beneficial economic relationship is not incompatible with a good and frank dialogue on fundamental values like freedom, human rights and the rule of law.”

Analyzing the Issue

1. In a two-column organizer, list the reasons for and against giving aid to countries whose governments have poor human rights records.
2. Which side of the debate do you support? Explain.
3. Human rights advocates claim there is a list of basic human rights that could be accepted by all cultures. a) If this is true, what rights would that list contain and how might they appeal to all cultures? b) If you disagree, explain why.
4. Write a letter to the Minister for International Cooperation outlining the precautions you would advise the ministry to take to ensure that Canada’s development aid gets to poor people in need.
5. Humanitarian groups have criticized developed countries for abuses of human rights, such as the disproportionate number of Aboriginal people in Canadian prisons. What is your reaction to the suggestion that Western countries should not impose standards for human rights on developing countries until all human rights claims against themselves have been dealt with? Explain.
As you read in this chapter, there are great differences in the standards of living of people in developed and developing countries, particularly those in the least-developed countries. There are many factors that contribute to living standards and they contribute to the varying standards in countries around the world.

1. a) In an organizer, indicate how each of the factors listed (and others you wish to add) influence living standards in Canada, which is a developed country, and a developing country.

b) Use the list of factors to create a web or mind map. Connect these factors with lines to show how the factors are related and depend on one another in the developed and the developing world. You could use different coloured lines to distinguish between Canada and developing countries, or make a separate web or mind map for each.

CHAPTER FOCUS QUESTION
How do living standards in Canada compare with those of developing countries and what is being done to close the poverty gap and improve human development around the world?

2. What three factors do you consider most important in determining Canada’s standard of living and the standard of living of a developing country? Explain your choices in each case.

3. What factor do you think Canadian governments should target to improve the standard of living of Canadians? Support your choice.

4. What factor would you choose to target if you were to develop an aid program for one of the least developed countries? Explain your choice.

Vocabulary Focus

5. Match five terms from the left column with five terms from the right column. Use a term once only. In each case, explain how each set of two terms relates to standards of living.

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<th>Factors</th>
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<td>Armed conflict</td>
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Knowledge and Understanding

6. Use a Venn diagram to compare and contrast the life of a child in a developing country involved in civil war with that of a child you know in Canada. Summarize the similarities and differences.

7. Why is the under-five mortality rate so important? How is it used to gauge living standards?
8. List the five most pressing problems facing Africa in the order they need to be addressed to raise the standard of living.

9. The United Nations, International Monetary Fund, World Bank, and Organisation for Economic Co-operation and Development have set a goal of cutting in half extreme poverty in the world by 2015. What steps do you think should be taken to achieve this aim by a) these world financial institutions? b) the developing countries? c) Canada?

10. Discuss the importance of access to clean water.

11. List the arguments a person from one of the least-developed countries might make for the benefits of smaller local development projects over larger projects.

12. Outline the main points of an advertising strategy convincing people that their governments should divert 10 percent of military spending to developing countries for development aid.

Critical Thinking

13. Almost 20 percent of Canada's children are estimated to be living in poverty. With a partner, list in order of priority five steps the government should take to improve their standards of living. Display the list, with appropriate artwork, in a poster.

14. Judgements With a partner, develop a Charter of Aid. Include in it the criteria Canada should use in deciding which countries will receive Canadian assistance.

15. Create a cause-effect-results organizer (see Chapter 3) for the causes of diseases, their effects, and how safer water supplies might contain their spread.

16. Why do you think there has been limited progress in achieving the UN's Millennium Development Goals to this point in time? Provide reference to specific goals. Present possible solutions to help increase the likelihood of meeting the goals.

17. Some people believe that giving developing countries money or relieving their debts is the best way to help them. Others argue that sharing technology and teaching them techniques to address their problems will be more beneficial over the long term. Which approach do you think would be more effective in solving the problems of developing countries? Explain.

Document Analysis

18. a) Explain the relationship between women's education and fertility that is evident in the graph below (Figure 12–41).

b) How would you describe the development level of countries with low secondary school enrolments? With high enrolments?