

A loan recipient poses with the cows she bought to help generate income.

Bangladesh's currency, the taka



WITNESS HISTORY AUDIO

Building a Better Life

Bangladeshi Laily Begum used to sleep in a cow shed and spend her days begging. Then she got a loan for \$119 from Grameen Bank, a Bangladesh-based organization that lends money to the poor. She bought a cow and began to build her own business selling milk. Today she and her husband own several shops and a restaurant.

“People now come to me for help . . . I can feed myself and my family, and now other people look at me and they treat me with respect.”

—Laily Begum, February 12, 1998

Focus Question How have the nations of the developing world tried to build better lives for their people?

The Challenges of Development

Objectives

- Understand the paths that nations in Asia, Africa, and Latin America have taken in developing strong economies.
- Describe some obstacles to development in the global South.
- Explain how development is changing patterns of life in the developing world.

Terms, People, and Places

development
developing world
literacy
traditional economies

Green Revolution
fundamentalists
shantytowns

Note Taking

Reading Skill: Identify Supporting Details
Expand this chart to record details about development as you read.

Development		
Economic Change	Obstacles	Changes in Patterns of Life
•	•	•

Dozens of new nations emerged in Africa and Asia in the decades after World War II. A central goal in these regions, as well as in Latin America, was **development**. Development is the process of building a stronger and more advanced economy and creating higher living standards. The nations working toward development in Africa, Asia, and Latin America are known collectively as the **developing world**. The developing world is also known as the global South because it is mostly south of the Tropic of Cancer. Since most industrialized nations are north of the Tropic of Cancer, they are sometimes known as the global North.

Developing Strong Economies

Leaders in the developing nations aimed to improve agriculture and industry. They built railroads, highways, and huge dams to produce electricity. Since a strong economy requires well-trained workers, developing nations built schools to increase **literacy**, or the ability to read and write.

Transforming Economies For centuries, most people in Asia, Latin America, and Africa had lived and worked in **traditional economies**. These are economies that rely on habit, custom, or tradition and tend not to change over time. In traditional economies, property is often owned in common by a family or a tribe.

Traditions, or customs—rather than a central government—limit freedom of enterprise, or the freedom producers have to make business decisions. Traditions also limit competition and the range of choices for consumers. In traditional economies, most people are farmers or craftspeople who make or grow only enough to meet local needs, using simple methods passed down from earlier generations.

European colonists had introduced market economies to these regions to promote the sale of European products. After independence, some political leaders tried to speed development by replacing market and traditional economies with government-led command economies. This meant that governments owned businesses and controlled farming.

To pay for development, many countries procured large loans from banks and governments in the global North. They then had trouble paying off their loans. Since the 1980s, lenders from the global North have required many countries to sell off government businesses and to pursue development as market economies. Lenders have required developing countries to make these changes so that they could pay off their loans.

After developing countries shifted to market economies, companies and individuals from the global North invested in industries in developing countries. When people invest money, they put their money into something that will produce income for them. These investors have financed industries in developing nations that export consumer goods to the industrialized world.

Vocabulary Builder

procure—(proh KYOOR) *v.* obtain, make an effort to get

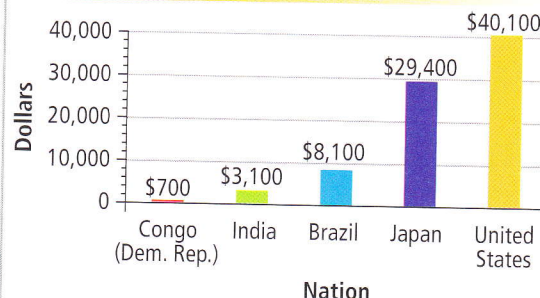
The Global North and Global South

Map Skills The developed countries are also known as the global North, while the developing countries are known as the global South.

- 1. Locate** (a) Brazil (b) India (c) Japan
- 2. Regions** Which continents lie partly within both the global North and the global South?

- 3. Make Comparisons** Based on the graph, how does the standard of living of nations in the global North compare with that in the global South?

Economic Output per Person



SOURCE: CIA World Factbook, 2005





The Green Revolution Beginning in the 1950s, commercially improved seeds, pesticides, and mechanical equipment such as tractors were introduced in many parts of the developing world. These new products involved new farming methods. Together these products and methods are known as the **Green Revolution**. The Green Revolution increased agricultural production in countries such as India and Brazil, feeding many more people. However, only the big landowners could afford these new tools and methods. Because they farmed more land, they could also grow crops more cheaply than those who still farmed on small plots in traditional ways. As a result, prices for crops dropped below what smaller farmers needed to be paid to make a living. Many were forced to sell their farms to big landowners and move to cities.

✓ **Checkpoint** Why did foreign lenders push developing nations to adopt market economies?

Obstacles to Development

Despite loans from the developed world and improvements brought by the Green Revolution, most nations in the global South have faced many challenges to development. Most have found it difficult to escape poverty and the problems associated with it.

Rising Populations Strain Resources Population has grown rapidly in the developing world for the past 100 years. Poor parents often have many children because children can provide the family with added income. Each year the populations of countries like Nigeria and India increase by millions. All of these people need food, housing, education, jobs, and healthcare. Meeting these needs puts a staggering burden on governments strapped for funding. Although governments in many developing nations have tried to slow population growth, their efforts have met with limited success. In many traditional cultures, parents depend on children to support them in their old age. Religious teachings often encourage large families as well.

Now, across the developing world, many people are caught in a cycle of poverty. The UN estimates that 35,000 children die each day from starvation, disease, and other effects of poverty. Because of malnutrition and the lack of good schools, millions of people are prone to disease and unable to earn a good living. They and their children remain poor and cannot escape this tragic cycle.



Depending on Child Labor In traditional farming societies, families depend on children to work on the farm. When people are forced off their farms, they often move to the cities and take low-paying manufacturing jobs. Because they do not make enough money in these jobs to buy what they need, parents must also depend on their children's wages to survive. In India today, around 44 million children work for pay. In Pakistan, children make up 10 percent of the workforce.

Economic Dependence Despite their efforts to build industry, many developing nations continue to rely on their former colonial rulers or other industrialized nations for technology and manufactured goods. Also, some developing nations produce only one main export crop or commodity, such as sugar, cocoa, or copper. Their economies depend on global prices for that one product. If prices drop, these economies suffer.

Because they are poor, developing nations also rely on the wealth of industrialized nations for investment. For example, a developing nation with oil deposits might not have enough money to build its own oil wells and pipelines. So it might turn to a foreign oil company to build these things. In return, the foreign oil company would get some of the income from that oil.

 **Checkpoint** What factors trap people in the developing world in a cycle of poverty?

Different Kinds of Labor

A combine harvester cuts rice stalks in Suriname, while women in Senegal prepare the fields by hand for the coming rain. Which group of farmers is likely to get the highest yield on its crops?

Patterns of Life Change

Economic development has unleashed great changes across the developing world. Just as the Industrial Revolution disrupted traditional ways of life in Europe and North America, economic development is now transforming life in the global South.

Women's Roles Evolve Across the developing world, the move away from traditional ways of life has brought new opportunities for women. New constitutions have spelled out equality for women, at least on paper. In some countries, women like Sri Lanka's president Chandrika Kumaratunga (chahn DREE kuh koo mahr uh TOON guh) have become political leaders. Although women are still less likely than men to have a good education, the gap has narrowed. Women are entering the workforce in growing numbers and contributing their skills to their nations' wealth.

Mumbai: A Divided City

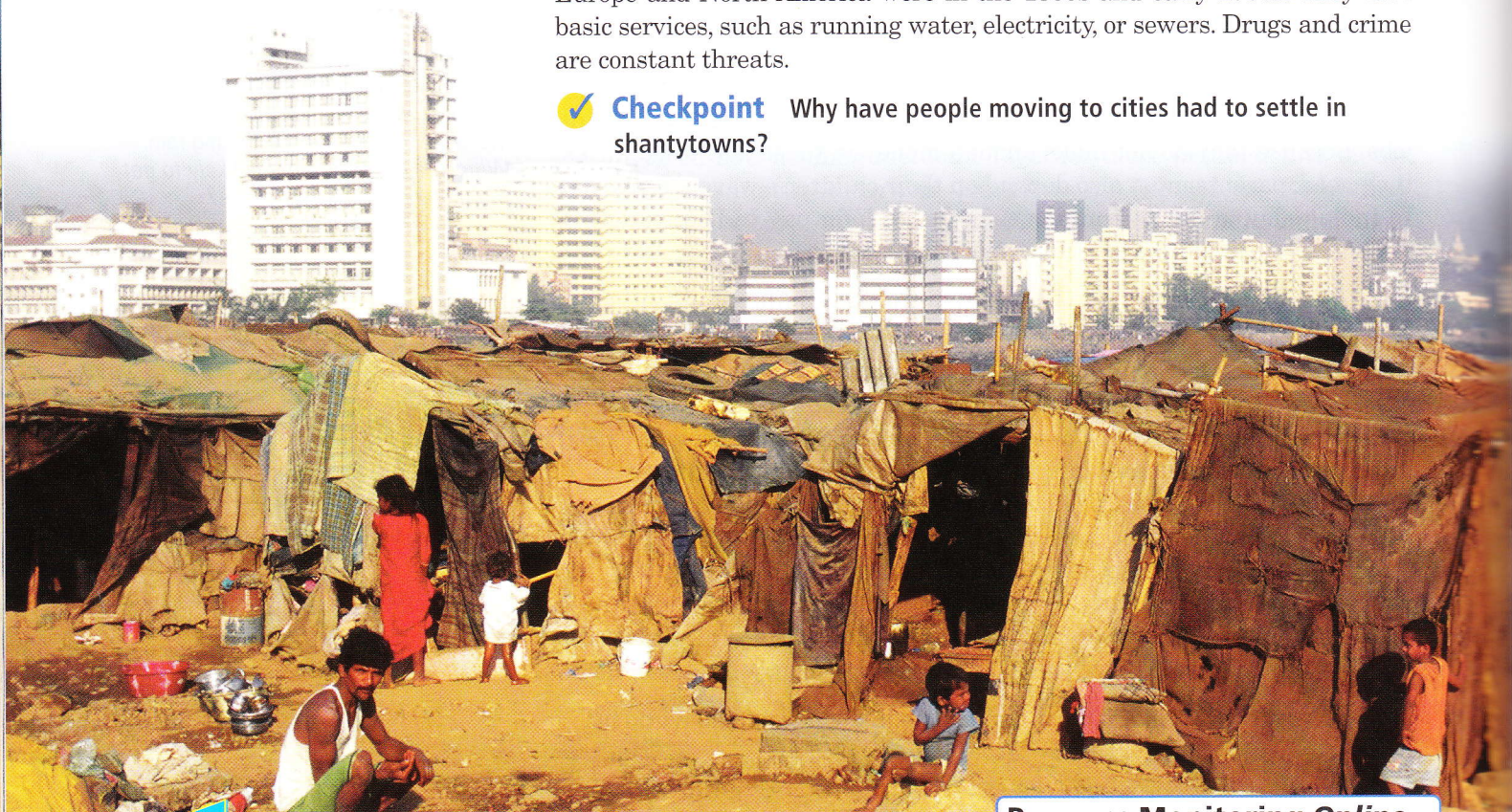
In Mumbai, India, a poor slum contrasts sharply with an affluent suburb. *Why might slums be a particular problem for large, developing cities?*

Religion Influences Societies In recent times, religious revivals have swept many developing regions. Some religious leaders are called **fundamentalists** because they call for a return to what they see as the fundamental, or basic, values of their faiths. Many have sought political power to oppose changes that they think are undermining their valued religious traditions.

Cities Rapidly Grow In African, Asian, and Latin American nations, people have flooded into cities such as São Paulo, Brazil, and Mumbai, India, to find jobs and escape rural poverty. Besides economic opportunities, cities offer attractions such as stores, concerts, and sports. However, with no money and few jobs, newcomers must often settle in **shantytowns**. These slums of flimsy shacks are as crowded and dangerous as the slums of Europe and North America were in the 1800s and early 1900s. They lack basic services, such as running water, electricity, or sewers. Drugs and crime are constant threats.



Checkpoint Why have people moving to cities had to settle in shantytowns?



SECTION

1 Assessment

Progress Monitoring Online

For: Self-quiz with vocabulary practice
Web Code: naa-3311

Terms, People, and Places

1. For each term, person, or place listed at the beginning of the section, write a sentence explaining its significance.

Note Taking

2. **Reading Skill: Identify Supporting Details** Use your completed chart to answer the Focus Question: How have the nations of the developing world tried to build better lives for their people?

Comprehension and Critical Thinking

3. **Summarize** In general, what are the economic goals of developing nations?
4. **Categorize** What are the differences between the global North and the global South?
5. **Identify Central Issues** Why do developing countries remain dependent on former colonial powers or other industrialized countries?
6. **Predict Consequences** How might modern products and technologies weaken traditional cultures?

Writing About History

Quick Write: Explore a Topic Choose one challenge facing developing nations and write a series of questions you could use to direct research on the topic. For example, on the topic of industrialization in developing nations you could ask:

- Which five developing nations have the highest level of industrialization today?
- What industries do these nations engage in?

How has the practice of democracy developed over time?

The American Revolution led to the establishment of a nation based on the principle of democracy, or rule by the people. Later democratic revolutions in Latin America, Africa, and Asia looked back to the birth of the United States for inspiration. Even today, developing nations around the world seeking a model for democratic government often turn to the Constitution of the United States. Yet democracy developed before 1776 and before the Enlightenment ideals that so deeply influenced the American framers. Much of that early development took place in England, although history's first democracies developed in the city-states of ancient Greece.

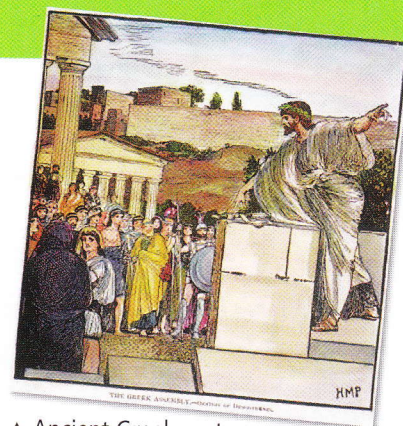
Athenian Democracy

Athens had a direct democracy. That is, all citizens—a male minority that excluded women, people not from Athens, and slaves—could take part in ruling the city-state. This new form of government was partly a reaction to earlier rule by tyrants. The men of Athens rejected submitting to a powerful central authority. Athenian democracy upheld the ideals of liberty and equality. The citizens of Athens safeguarded free speech. They believed that all citizens must be equal before the law.

▼ In the annual open-air assembly in Appenzell, Switzerland, citizens vote directly on major issues.

Magna Carta

During the Middle Ages in Europe, democracy did not exist. However, in England the king was forced to accept limits on his rule. He agreed to consult the most powerful groups in the realm before making important decisions, such as raising taxes. The Magna Carta was one of the first documents to set limits on a king's power. This agreement between King John of England and his barons, crafted in 1215, established the rights of barons. It also emphasized that the law applied to everyone, including the king.



▲ Ancient Greek orator Demosthenes gives a speech to a crowd of Athenians.

English Bill of Rights

In 1689, one year after England's Glorious Revolution, Parliament passed a Bill of Rights. This bill restated existing laws and made it clear that the monarch must follow them. It declared that the ruler had to seek the consent of Parliament, which represented propertied English males, before taking certain actions. It also affirmed several rights of the people, including the right to petition the monarch, freedom of speech in Parliament, and freedom from excessive bail, excessive fines, and cruel punishments.



Thinking Critically

1. What motivated people in the examples above to seek democracy?
2. **Connections to Today** Using reliable online or library sources, research a recent struggle for democracy in a country such as Ukraine or Myanmar. How do recent events compare to the ones mentioned on this page?