Whatever one concludes with respect to whether global standards of living are getting better or worse, it is undeniable that people everywhere are becoming more closely integrated into and dependent upon a global economic system over which they have no control. This is a consequence not of policy failures but of policy decisions.

The richer, more powerful countries have always sought access to the poorer ones mainly in order to exploit them, and such exploitation has always been undertaken in the name of noble cause—in centuries past, most commonly saving souls, in the late twentieth century, development. That would not cease to be the case if people of selfless good will disassociated themselves from the official enterprise of development assistance. The challenge, then, for those who would turn the tables and promote the empowerment of poor communities is to take advantage of the cover story. If hypocrisy is the tribute vice pays to virtue, the tribute must at least be invested well.

For those who would understand and/or promote international development, the late twentieth century must be seen as both the best of times and the worst of times. Life expectancy and infant mortality rates have improved markedly over the past quarter-century, largely as a consequence of the spread of modern medical and sanitation practices. It is estimated that oral rehydration therapy alone saves more than a million children annually and perhaps a few million more have been protected from a variety of diseases by inoculation. The International Food Policy Research Institute reports that food production increased on average 2.6 percent each year between the early 1960s and the early 1980s, compared to an annual

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world population growth rate over that period of only 1.9 percent. UNICEF sees increases in school enrollment—from less than 40 percent of school-age children in the 1950s to some 70 percent in the mid 1980s—as one of the greatest achievements of the developing world. Literacy rates reportedly continued their climb as well, even through the 1980s, rising in the developing countries from 28 percent to 34 percent.¹

Juxtaposed with such indicators of progress are equally well established indicators of retrogression. Some of these indicators represent the negative effects of indisputably worthwhile endeavors. Overpopulation, for example, owes much to the spreading benefits of modern medicine. Others, like rural landlessness and urban unemployment, are attributable to long term trends, like the spread of export-oriented agribusiness and capital-intensive technology, that have been beneficial to some and damaging to a great many others. And, finally, there are shorter term trends, like international capital flows, that turned extremely disadvantageous for Third World countries in general and the Third World poor in particular in the 1980s.

Progress or Retrogression: A Matter of Perspective

Much of the bad news at the beginning of the 1990s had to do with economic growth trends that, having been positive for most of the previous twenty to thirty years, turned sharply negative in the 1980s. Since the mid-1980s in Latin America and the Caribbean, Africa, and much of Asia, foreign aid and new loans and investments did not begin to compensate for the amounts flowing, as debt service payments, from those areas into the coffers of First World banks. The terms of trade for traditional Third World products also declined sharply. Commodity prices worldwide dropped to a 50-year low during the 1980s. Per capita income dropped by 8 percent during the decade in Latin America and by 20 percent in Africa.²

The U.S. Agency for International Development (AID) reports that 70 percent of the world’s 95 least developed countries suffered overall economic decline in the 1980s. Faltering growth rates have, of course, meant falling wages and rising unemployment. In times of economic decline, the affluent are far better able to defend their share of income and assets, so the belts that are to be tightened will be those already around the narrowest waists. Thus, such belt-tightening normally takes the forms not only of wage freezes, layoffs, and foreclosures, but also of cutbacks in subsidies and services and protections for workers and consumers. UNICEF reports that the world’s 36 poorest countries have slashed budgets for education and health by 25 percent and 50 percent, respectively, during the last half of the 1980s. Food production has also fallen in most of those countries. Infant mortality has worsened in two-thirds of them. Overall life expectancy has declined in a few, and diseases thought to have been eradicated, like smallpox and polio, are reappearing.³ Changes consistent throughout most of the world in budget priorities and other areas of economic policy left no doubt that the debts incurred in the 1970s, in many cases by military dictatorships, were being serviced in the 1980s by the classes and sectors that benefited least from the loans.