10 Global Development

Introduction

Global development is a process that has been occurring since human history began. However, a key aspect of this development, particularly within the last 250 years is that it is not even development in all places. Some countries developed manufacturing industries over 100 years before others. Many countries now have more important service sectors of their economies than manufacturing industry sectors. Nevertheless, a number of countries, even today, have developed relatively little in the way of manufacturing industry or services. This has resulted in a very uneven balance of development in global terms. This chapter looks at the processes that have led to global development, as well as important theories about this complex process. It also locates tourism within the context of global development.

Defining and measuring development

Definitions of developing countries are usually based on economic measures, in particular GDP or *per capita* income (Lea, 1988). Using such measures means that some countries will be labelled 'high income countries' others as 'low income countries'. The low income countries (the poor ones) will then be considered to be 'developing countries' and in the past, until relatively recently, were labelled 'Third World Countries' (O'Grady (1980)). The concept of 'Third World' implies that there are two other worlds – the first and second. Conventionally the First World has been seen to include Western Europe, North America, Australasia and South Africa, whilst the Second World, until the fall of the Berlin Wall in 1989 was made up of the Soviet Union (now largely equivalent to Russia) and Eastern European countries. The Third World was all the rest of the countries of the world (Mason, 1990). Clearly this terminology is no longer applicable, mainly because the Soviet Union and the countries of Eastern Europe, which were strongly linked to the old Soviet Union, are no longer communist and the Eastern European countries are now independent states, many of which are members of the European Union.

However, the two-fold concept of *developed world* and *developing world* still remains. Although it is important to note that these concepts are not static but dynamic. Hence, several countries of Asia, including Korea and Malaysia, which 50 years ago would fit reasonably well within the Third Word and be considered developing countries are now much more like First World or developed countries. Parts of Brazil are very similar to developed countries, but other parts resemble many developing countries. Also some parts of American cities and some European cities are not that dissimilar from developing country cities. China and India have large areas, particularly the rural parts, which resemble developing countries, but the cities in each country have parts that closely resemble parts of European, Australasian and North American cities.

From the late 1980s, the terms 'North' and 'South' were frequently used where the North (roughly the Northern hemisphere north of the Tropic of Cancer) was seen as the more developed parts of the world, while the 'South' was the less developed. Clearly this categorisation is not entirely accurate as Australia and New Zealand, for example, are in the South. However the classification meant that the continent of Africa (except South Africa), all of South and Central America and much of Asia, south of the old Soviet Union, were in the South.

These classifications indicate that using geographical divisions alone may not be entirely satisfactory. Instead a number of criteria have been used to separate the world into 'developed' and 'developing'. Originally, as indicated above, these were primarily economic criteria. In addition to GDP, trade, industrial output and energy consumption, other measures such as economic growth, employment rate and food production have been used (Mason, 1990). Industrial structure has also been viewed as a way of separating the developed and developing worlds, with developed countries having a high proportion of those employed in manufacturing industries, whilst developing countries would have a high employment percentage in primary industries, such as farming, fishing and forestry. However, in the last 50 years, the service sector of the economy has become very important in developed countries. This sector includes banking and insurance, but also tourism. So another way of distinguishing a developed country from a developing country, has been to consider the percentage of the population working in the service sector.

Nevertheless, using solely economic criteria for measuring the level of development does not give a true indication of living conditions for the residents of a country. A major issue with economic measures is that they tend to be at the macro level – i.e. the national level or on some occasions the international level. Such measures may tell us very little about actual conditions for individual citizens in any one country. So in the past 40 years or so a number of social, political and environmental factors have also been used to designate a country as 'developed' or 'developing'. These include issues related to nutrition, food, health, access to clean water, sanitation, education and human rights. Hence, measures related to these factors include literacy rate, percentage of the population attending school up to a certain age, infant mortality rate, calorie supply per head, various measures of environmental pollution and even the number of political prisoners in a specific country.

Development theories

There are a number of theories concerned with global development. Cooper *et al.* (2005) suggest that there are six important groups of theories, with some that date back over 20 years and others from within the last 50 years. These are as follows:

- English classical economic theory
- Marxist theory
- Rostow's stages of economic growth
- Vicious circles of supply/demand
- Balanced and unbalanced theories of growth
- Theories of dependence.

Each of these important theories is explained below and the role of tourism is discussed in relation to the theories.

English classical economic theory

Malthus, Mill and Ricardo are important authors who were working during the 18th and 19th centuries. In summary, they each argued, although in different contexts, that there will always be a close relationship between resource availability and the ability to produce more resources – this being something required by human society. As one example of these theorist, Malthus' ideas focus on human population growth but, although he made no mention of it, they have relevance to tourism. Malthus argued that the human population would continue to rise until food resources became scarcer. If food began to run out, then the population would begin to decline and return to a position once again balanced against the food supply. This seems a relatively simple concept, but Malthus indicated that it was a more complex relationship, which he contextualised in 18th century England farming communities and focused on agricultural labourers, and his theory was linked to economic conditions and particularly wage levels. Malthus' economic theory suggested that the agricultural workers would control and reduce population when the food supply began to become scarce (in other words, *before* it had actually run out). The process can be summarised in the following way. With a large number of working age citizens in a country, wages would fall as the supply of workers exceeded the demand for them. The growing awareness of this by the workers, over time, meant that population numbers would eventually fall, as workers would reduce their family size to ensure there was enough food for them and their family to stay healthy and survive. The means of population control was a natural one (there was no effective birth control in the 1700s when Malthus was writing). Malthus suggested that the control mechanism was that men would delay getting married until they were older, (he lived in a male-dominated world) so they would produce fewer children to feed. With fewer people being born, in the next generation the supply of labour would be smaller, so wages would rise again and with a smaller population there would be sufficient food supply. This, in turn, would encourage men to marry earlier, and have more children. The result of more children would be greater demands on food and the next generation would receive lower wages, as the supply of labour had increased, and therefore men would delay getting married and hence have fewer children. Sometime later, once again there would be enough food and higher wages, as the pool of labour had shrunk. This system of checks and balances, rises and falls in wages and population, would continue *ad infinitum*, Malthus suggested.

Malthus formulated his theory and criticised the situation in Britain at the time that he was writing, as he could see no real incentive for workers to produce more food. He considered that although more food would make them healthy and encourage them initially to have more children, they would know from previous generations that this would soon be followed by a period of low wages and as there would be many more mouths to feed, a less healthy population. So Malthus wanted conditions to improve for the workers, but believed the system his theory postulated would prevent this.

A major criticism of Malthus is that he ignores technological change. In relation to Malthus' ideas and the introduction of new technology, it could mean that either there are higher food yields from the same area of land, or possibly that the population can be artificially controlled (as happens in many countries today) and hence this would reduce the size of families – or indeed both of these!

There may appear, initially, to be little in the way of a link between Malthus' theory and tourism. However, tourism is an economic activity that exerts considerable pressure on the resource of land. Land for use in tourism is not the same as land for food production, but nevertheless tourism creates extra demands on this limited resource, and this is likely to affect its economic value and its supply. As indicated in Chapters 8 and 9, this extra demand on land, if it is not possible to increase the supply, means that it will push up prices, causing inflation. As we noted in Chapter 6, McKercher considers the idea of tourism being a consumptive activity, and that the resources it uses – those making up the global environment – are finite. Even if we build in one of the aspects that Malthus largely ignored, that of changing technology, this is not necessarily beneficial in relation to resources for tourism, as the use of new technology could mean, for example, new modes of transport, and this could lead to the consumption of more resources as new destinations for tourism are likely to emerge.

Marxist theory

Marxist theory is contextualised within a dynamic world, unlike the static one that Malthus and the other classical economist used in their theories. Marx indicated that the (European) world would go through a series of changes in socio-economic