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Dimensions of a Scandal

Seventy seven percent of the world's population - four billion people - live in developing countries. In this so-called "Third World":

- 1.4 billion live in absolute poverty
- 180 million children, one in three, suffer from serious malnutrition
- 1.3 billion people don 't have safe drinking water
- 2 million children die each year from immunizable diseases
- 300 million school-age children are not in school
- female literacy is still only two thirds that of men

For most people in the Third World, daily life means growing poverty.

With it comes hunger, sickness, inadequate housing, illiteracy, poor sanitation, unemployment and, increasingly, environmental degradation.

Yet how many of us ever stop to wonder why SO MANY people in the world - 1.4 billion at last count, nearly a third of the planet's population - are locked into a seemingly endless cycle of degradation and despair. Who or what is causing this?

This information sheet tries to provide some answers to that very complex question - and to explain how Community Aid Abroad/Freedom From Hunger (Community Aid Abroad/FFH) is addressing the issues that are raised.

Let's kick off our investigation by examining some of the common assumptions about Third World poverty and its causes:

"THEY DON'T PRODUCE ENOUGH FOOD"

Some developing countries like Thailand and Zimbabwe normally export food, while others like Bangladesh rely on food aid and imports. There's no direct link between self-sufficiency in food and poverty.

The poor go hungry because they either don't have the money to buy available food or the land to grow it on. Often the best land in the Third World is concentrated in the hands of local elites or foreign companies.

"THEY HAVE TOO MANY CHILDREN / THERE ARE JUST TOO MANY PEOPLE"

Poor people do have large families but usually because they HAVE TO. For a start, many children die young, so couples have more as a



safeguard. Those who do survive often bring in additional income for the family, help with farm work and provide security for parents in their old age.



Photo: Henning Christoph, UNFPA. For the chronically poor, extra children can mean more hands to earn income, and more security in old age. One of the most effective ways of stabilising population growth is to remove insecurity by raising living standards.

There's no doubt that a rapidly growing population can strain a poor country's natural and financial resources. However, concern over population size often obscures the fact that it's inequitable distribution of resources (like land) among people, rather than their numbers, that causes poverty.

Paradoxically, the most effective way to stabilise population growth is to raise living standards: as men and particularly women gain increased access to health services, become better educated and more financially secure (as is happening with the middle classes in many Third World cities), they tend to have fewer children.

"NATURAL DISASTERS KEEP THEM POOR"

In Australia we have droughts as bad as those in Africa, but millions of people don't die. The difference is that poor countries don't have the resources to prepare for, or deal with, nature's onslaughts, and they suffer in proportion.

Poverty can actually cause some so called "natural" disasters. Landless peasants often have no choice but to clear fragile hillside land for farms - increasing the risk of landslides and erosion. Disasters are a result of poverty rather than a cause of it.

"THEY NEED TO INDUSTRIALISE"

It's not that simple. Developing countries like India and Brazil are large industrial powers, yet more and more people slip into poverty. While industrialisation may help a country's overall economic performance, Community Aid Abroad/FFH's experience is that the benefits seldom "trickle down" to the very poor.

Taiwan and South Korea's export oriented industrial growth is often held up as an example for other developing nations. But while on the surface growth in both countries has been remarkable, many people "missed the bus" - in Taiwan from 1965-85 the share of income going to the bottom 40 percent of the population actually declined. Environments in both countries have also been devastated and political freedoms suppressed.

"THEY NEED MORE FOREIGN INVESTMENT"

There is no guarantee that foreign investment will benefit a Third World economy. Countries must woo investors with generous concessions - which often put local companies out of business - while guaranteeing that wages stay low, workers docile and environmental controls minimal. Profits leave the country and are not translated into benefits for the poor like hospitals or schools.

Foreign companies often import their own expatriate workers to do the skilled jobs and may use their own suppliers rather than those in the host country. While jobs and industries are created, they can easily

be lost again if the foreign company decides it can find cheaper labour or more stable (usually repressive) governments elsewhere .

"THEY NEED MORE AID"

Yes. But the quality of the aid is also important. What's needed is more development assistance that meets people's basic needs like health and education. Much official aid goes into "big ticket" projects like dams, airports and power stations that seldom help the poor. Instead, they are often geared to the commercial or political interests of donor governments and local elites.

Official donors often overlook countries in greatest need in favour of those with trade or strategic value. Only one quarter of aid is currently earmarked for the 10 countries in Africa and South Asia containing three quarters of the absolute poor.

Perhaps the cruelest aspect of the aid situation is the fact that the outflow of money from Third to developed countries in debt repayments currently exceeds what they receive in official assistance.

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