

VIVEKANANDA COLLEGE THAKURPUKUR KOLKATA-700063

NAAC ACCREDITED 'A' GRADE



Topic: Emergence of Third World; Features

Course Title: Emergence of Third World

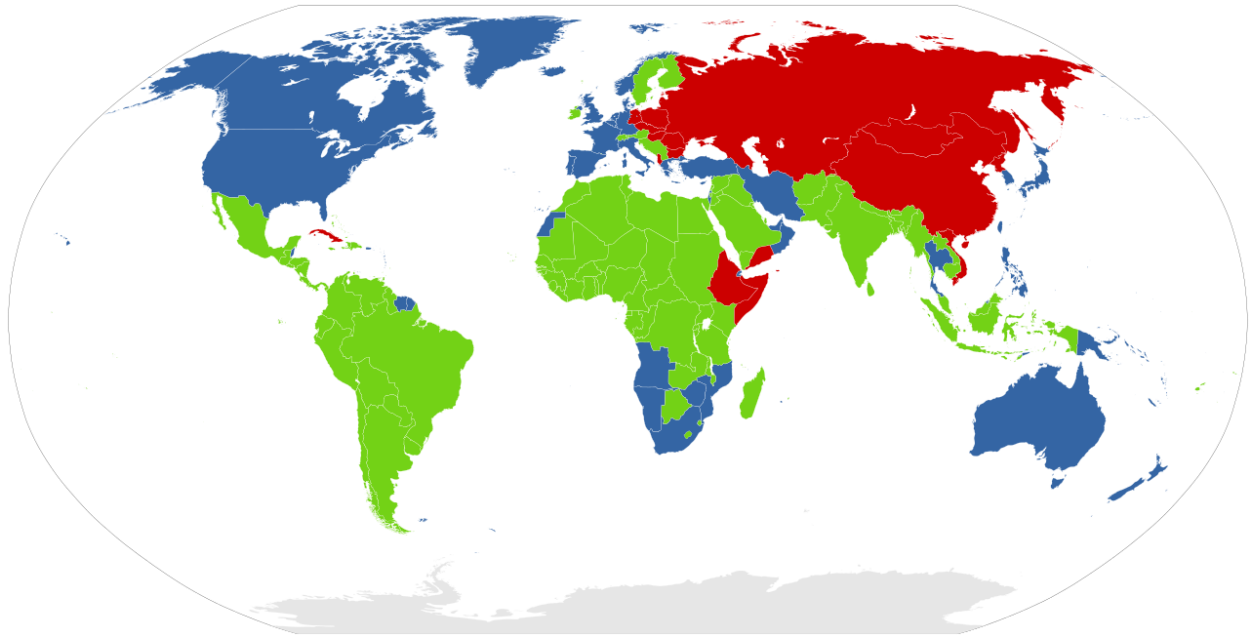
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Name of the Teacher: ANINDITA GANGULY

Name of the Department: POLITICAL SCIENCE



Third World - Definition

The term "**Third World**" arose during the Cold War to define countries that remained non-aligned with either NATO or the Communist Bloc. The United States, Canada, Japan, South Korea, Western European nations and their allies represented the First World, while the Soviet Union, China, Cuba, and their allies represented the Second World. This terminology provided a way of broadly categorizing the nations of the Earth into three groups based on political and economic divisions. Since the fall of the Soviet Union and the end of the Cold War, the term *Third World* has been used less and less. It is being replaced with terms such as developing countries, least developed countries or the Global South. The concept itself has become outdated as it no longer represents the current political or economic state of the world.

The Third World was normally seen to include many countries with colonial pasts in Africa, Latin America, Oceania and Asia. It was also sometimes taken as synonymous with countries in the Non-Aligned Movement. In the dependency theory of thinkers like Raúl Prebisch, Walter Rodney, Theotonio dos Santos, and Andre Gunder Frank, the Third World has also been connected to the world-systemic economic division as "periphery" countries dominated by the countries comprising the economic "core".^[1]

Due to the complex history of evolving meanings and contexts, there is no clear or agreed-upon definition of the Third World.^[1] Some countries in the Communist Bloc, such as Cuba, were often regarded as "Third World". Because many Third World countries were economically poor, and non-industrialized, it became a stereotype to refer to poor countries as "third world countries", yet the "Third World" term is also often taken to include newly industrialized countries like Brazil, India and China now more commonly referred to as part of BRIC. Historically, some European countries were non-aligned and a few of these were and are very prosperous, including Ireland, Austria, Sweden, Finland, Switzerland and Yugoslavia.

Third World vs. Three Worlds

The "Three Worlds Theory" developed by Mao Zedong is different from the Western theory of the Three Worlds or Third World. For example, in the Western theory, China and India belong respectively to the second and third worlds, but in Mao's theory both China and India are part of the Third World which he defined as consisting of exploited nations.

Major features of developing countries

1. Multistructural nature of the economy with various forms of ownership, including archaic (tribal, communal);
2. Specialization in the international division of labor mainly in the production of raw materials;
3. Significant dependence on foreign capital;
4. The influence of traditional institutions in the economy;
5. the high population growth, poverty, and unemployment rates.

1. Multistructural nature of the economy :

The economy of developing countries is based on a mixed socio-economic structure. There are both the capitalist system, tribal, and patriarchal relations in many countries. The state and the state mode play a significant role in the economies of developing countries.

Describing the multistructural nature of the economies of "the third world states," it should be noted that most of them are peasant countries with a predominance of agricultural production. In agriculture, small-scale production is decisive with a significant proportion of patriarchal, natural relations.

The private capitalist structure, which exists in developing countries, unites various forms of capitalist ownership. Regarding the development of private capitalist relations, developing countries differ significantly from each other. In the developed ones, capitalism became a full-fledged part of the economic system, reached a certain level of development. In the group of least developed states, the national private capitalist structure is at the stage of formation.

The specifics of the development of the national private capitalist structure is associated with the problems of accumulation (lack of funds) and the peculiarities of the realization of accumulated funds. These funds are invested in trade (domestic and foreign), real estate purchase, car repair, insurance, taxi ownership, gas stations, etc. In other words, where capital rotates faster. Capital goes into production only when favorable conditions are created.

2. Specialization in the production of raw materials

Often, problems for national investors in developing countries are also related to the fact that the leading positions in the economy belong to foreign capital, which is extremely reluctant to concede its position in favor of local entrepreneurs.

Economic dependence of developing countries in the global economy has its own specific forms of manifestation. Firstly, the countries of this group are directly dependent on the sale of their raw materials on world markets, and consequently, the demand for these goods from their main consumers. Secondly, foreign capital holds significant positions in the economies of most developing countries.

The economic backwardness and economic dependence is a consequence of the conditions for the inclusion of "the third world countries" in the system of the world division of labor that has developed in the postcolonial period. The postcolonial division of labor was formed in the previous decades, and today there is a certain degree as an independent, autonomous factor of the world economy. Source of photo: pcquest.com

3. Significant dependence on foreign capital

The reproduction process in most developing countries takes place mainly at the expense of external financial sources in the form of loans, credits, grants. A significant factor is also the import of foreign equipment and technology, naturally causes the technological dependence of developing countries on developed ones.

The type of expanded reproduction, which is typical of underdeveloped states, is mainly based on the consumer needs of traditional technology and it is extensive. In such conditions, the governments of countries are forced to expand the production apparatus, consisting of small handicraft enterprises, to ensure employment growth in the context of a rapid increase in the labor reserve.

4. The influence of traditional institutions in the economy

Capitalism, which arises and develops in most countries of "the third world," has a peripheral character. It means that it differs from capitalism of industrialized countries not only by the degree of development but also, and most importantly, by the mode of production and distribution of material goods. Capitalism centers originated and developed on a national basis as a long, organic and interrelated process of constant accumulation.

In countries where capitalism began to develop much later, it emerges and grows as a simulation model in a result of the infusion of foreign capital, technology, and ideologies. There is no organic linkage of the development of the model elements. Imitation begins with the creation of a market in which the privileged levels of the population can acquire everything they need. And it almost always excludes from participation in the market and condemns large segments of the population to poverty.

Peripheral capitalism develops asynchronously, unevenly. Economic progress and political democracy do not extend in parallel, but often, on the contrary, lag behind each other. Some of the developing countries manage to find an optimal model for combining national specificities and externally introduced components of the economic system. As a result, an organic economy is formed. It has internal factors of economic growth.

5. The high population growth, poverty, and unemployment rates

The common features of the economies of most developing countries are poverty, overpopulation, high unemployment, and significant indebtedness to industrialized nations. In their social development, the overwhelming majority of the states of "the third world" lag behind the advanced industrial countries by 20–50 times in the standard of living of the population.

Social and welfare allocations typically make up less than 10% of total expenditures in Africa and Asia. This index is slightly higher in the Latin American countries. Almost half of all poor people in the world live in South Asia, whose share in the population of the planet is 30%. The poverty situation in the region is worse in India, Bangladesh, Myanmar. Tropical Africa accounts for 16% of the world's poor states.

There have been no signs of an increase in employment against the background of rapid population growth in past decades. In many African countries, the official unemployment rate exceeds 10%, while in Nigeria it is 50%. In Saharan countries, urban unemployment rose from 10% in the mid-1970s to almost 18% in the early 1990s. In Latin American countries, the unemployment rate ranges from 2.6%. For example, this index is from 22% in Mexico. In Asia, the unemployment rate is lower than in these regions, but the total number of unemployed is enormous. Only in India, it amounted to 34 million people in 1990.

Overpopulation is a well-known problem in developing countries. Population growth rates remain traditionally high here. During the period from 1975 to 1995, the number of inhabitants of this group of countries increased 1.4 times, including the population of Africa grew 1.8 times, Latin America increased 1.5 times, South and Southeast Asia increased 1.5 times. Almost 60% of the world's population lived in Asia, about 12% in Africa, 8% in Latin America in 1995. With general economic backwardness, this situation only worsens the aggravation of the social and economic problems of developing countries.

The group of developing countries covers 4/5 of all countries of the world. They are home to more than 80% of the world's population. It is about 3.2 billion people. Complex socio-economic processes take place there. The decisive trend in the development of these countries, beginning in the 1960s, is their differentiation and the simultaneous growth of their role and significance in the world. Unfortunately, some of them did not find their place in the world economy.