The Third World

"We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap slave labour that is available from the natives of the colonies. The colonies would also provide a dumping ground for the surplus goods produced in our factories."

Cecil Rhodes

Explore and Conquer

In the 500 years since 1500, Europe and its North American colonies rose from a backward part of the world to a position of dominance in the world.

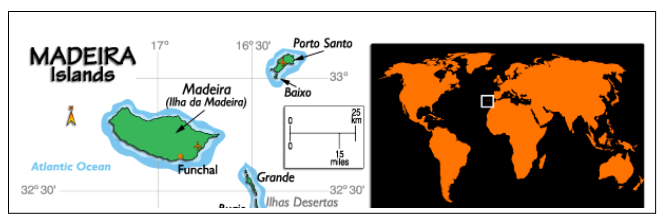
- **Before the 16th century, different parts of the world had evolved separate from each other.**
  - **Trade among Europe, India, China, and the Near East was on a small scale.**
  - **The rest of the world was isolated.**
- **After 1500 European expansion set in train a process resulting in a single economic system for the whole world dominated by European countries and the other countries with significant European settlement.**

A Servant Role from the Start

The original European colonies were established from the outset to provide goods inexpensively to the European market.

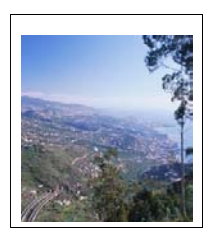
- **Luxury crops not available in Europe**
  - **Due to the climate or soils.**
  - **Or too expensive due to the cost of labour.**
- **Raw materials**
  - **Precious metals**
  - **Timber**
- **Even after achieving political independence in the 20th century, most of these countries continued in this same economic role.**

An Early Example: The Madeiras



In 1420 Portuguese sailors discovered the Madeira Islands off the coast of North Africa and set up a colony there.

- **The islands were unoccupied before the Portuguese settlers arrived.**



- **The terrain was mountainous and forested, but the near equatorial climate was ideal for certain kinds of farming.**

Madeira

The settlers transformed the island of Madeira from its original natural state into agricultural land.

- ○ Fires were set across the island to clear out the forests
- ○ The settlers introduced pigs and cattle, which also caused irreparable damage to the ecosystem.

• In the 1450s the Portuguese began sugar cane cultivation.

- ○ This was a classic cash crop serving a luxury market.
- ○ Sugar had recently been introduced into Europe and was in much demand.
- ○ But its production was labour intensive.

The Plantation System

The settlers adopted the plantation system already in use in Cyprus and on some other Mediterranean islands.

• A large labour force was required to produce and maintain the artificial environment necessary for sugar cane production.

- ○ Terraces and artificial water courses had to be built and the cultivation and harvesting of the crop also required huge amounts of labour.

• Slaves

- ○ The settlers brought in thousands of slaves from North Africa and the Canary Islands.

Cash Crops

Between 1450 and 1500, Madeira changed from a self-sufficient community of 500 farmers to a colony of about 20,000 with a single crop, sugar, all for export to Portugal.

A similar pattern developed in other islands off the coast of Africa and out into the Atlantic as they fell to Spanish and Portuguese conquest:

- ○ Destruction of the local ecosystem.
- ○ Enslavement of the local population, if any.
- ○ Conversion of the entire island to a single cash crop, usually sugar or cotton, requiring vast amounts of slave labour.

The Pattern of Colonization

1. The newly conquered territories were exploited for the benefit of the home economy.
   - ○ Usually growing crops that could not be grown at home or were too expensive to grow at home.
2. Only the poorest ground was left for the cultivation of subsistence crops.
3. Export crops were grown on large plantations, owned and controlled by the European settlers.
4. Cultivation relied on European management, but on local labour.
5. Europeans were a small proportion of the population, but did little of the manual work.

Slavery

A depiction of the Biblical story of the enslavement of the Hebrews in Egypt.

Slavery has been a common feature of human society since the very first.

- ○ **Slavery was the foundation of most of the city-states and empires of the ancient world.**
- ○ **Slaves have been drawn from any disadvantaged group that could not defend itself from raids.**

Source of Slaves

The usual plan of colonization was to enslave the local population.

- **This was usually done, but the introduction of European diseases to those not accustomed to them quickly decimated the local population.**
- **Imported slaves were required.**
    - ○ **The Spanish and the Portuguese soon turned to the well-established slave trade in Africa as a source of slaves.**
    - ○ **As the slave trade grew in Africa, other European countries began to rely on it as well.—the Dutch, the British, all the countries with colonies.**

Other Cheap Labour

When slavery was abolished in the European colonies in the 19th century, it became necessary to find other sources of cheap labour.

Indentured servants:

- ○ **Many destitute Europeans signed on to work for a fixed number of years in the colonies for their employers in return for the voyage and upkeep.**
- ○ **India, China, and the Pacific islands became a large source for plantation labour in the West Indies and other places.**

Convicts:

- ○ **Another source of labour in the colonies were convicts. Especially to Australia.**

The Loss of Self-Sufficiency

Where there were human populations practicing agriculture prior to colonization, the agricultural systems had evolved over a long time and were adapted to the local terrain.

- **Typically these would involve minimal disturbance to the land, maximum usage of natural irrigation, hand cultivation, which reduced and erosion, and a diversity of crops.**
- **Colonial agriculture was more specialized.**
    - ○ **Fewer crops, often just one.**
    - ○ **Reduced soil fertility, increased erosion.**
    - ○ **Left the land vulnerable to epidemics affecting crops, droughts, etc.**

The Crops and Natural Resources of the Colonies

The European colonies all over the world existed primarily to provide crops or other resources to be shipped back home.

The main products were:

- Sugar cane
- Tobacco
- Cotton
- Tea
- Rice
- Rubber
- Coffee
- Cocoa
- Palm oil
- Bananas

Sugar Cane

Medieval Europe had used honey as a sweetener until sugar was available.

- **By 1700, Brazil was the main sugar producing area in the world.**
- **Most of the West Indies became largely sugar cane plantations.**

Sugar Plantations

- **A heavy input of labour required(originally slaves).**
- **The monocropping depleted the soil quickly.**
- **On Jamaica in 1713 there were 8 black slaves to each white resident.**

Tobacco

Originally a Spanish monopoly. When introduced into Virginia, it revitalized the economy.

- **Smoking and snuff taking spread rapidly in Europe.**
- **Required less capital investment than sugar cane.**

Tobacco Plantations

Originally grown on small farms; later on in large plantations with slaves.

- So important to the economy of the colonies of Virginia and Maryland that it was used as a local currency.
- Imports of tobacco from American colonies into London: 20,000 lbs in 1619; 22 million lbs by 1700.
- Exhausted the soil in 3-4 years.

Cotton

The Industrial Revolution was originally focused on the textile industry, particularly cotton goods.

- By 1830, half of Britain's exports were cotton goods; raw cotton was 1/5 of its imports. Until 1800 most of Britain's imports of raw cotton was from the West Indies and Turkey.

Cotton Plantations

The invention of the cotton gin in 1793 transformed American production.

- By 1820, the United States was the largest producer in the world.
- Most cotton was grown on plantations. Like sugar and tobacco, it depleted the soil quickly.
- The scope of cotton growing moved westward across the U.S. from the eastern seaboard as far as Texas.

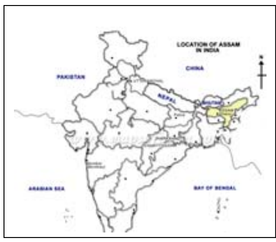
Tea

Cash crops came to dominate the economies of south-east Asia.

- Until the 19th century tea cultivation was all in China and Japan.
- As tea drinking became popular in the 18th century, imports of tea increased 200-fold.

The Spread of Tea Cultivation

When the East India Company monopoly on tea ended in 1833, cultivation spread across south-east Asia and India.



Tea plantations were established on the hills of Assam province in India by clearing the forests.

By 1900 there were 350,000 acres of tea plantations in Assam.

By 1888 Britain imported more tea from India than from China.

Tea Plantations

A Tea Harvest in Tanzania.

Harvesting tea is labour intensive, requiring about 40 people per acre per day.

- **Tea plantation owners everywhere imported many labourers for working the fields. 400,000 into Assam alone in 1900.**

Rice

The staple food of south-east Asia for centuries before European control was established.

- **Grown by peasants for their own use or for trade in local markets.**

Rice Paddies

Britain annexed Burma in 1852 and established extensive rice paddies there to produce rice for export to Britain.

- **Formerly Britain had obtained much of its rice from South Carolina, but that supply was cut off by the American Civil War.**
- **Also the opening of the Suez Canal in 1869 meant that crops from Asia were easier to transport.**
- **The area under rice cultivation in Burma increased 20 times between 1855 and 1920.**

France occupied Indo-China in 1861 and brought about similar transformations.

- **Rice production increased 5 fold between 1880 and 1940.**

Colonial versus Independent

In both Burma and Indo China, large plantations became the norm, driving out the small landowners and leaving the sharecroppers permanently in debt.

Thailand also was transformed by rice cultivation for export, but the country was not a colony.

Rice production in Thailand rose 6 times between 1850 and 1940, and so much was exported that there were problems feeding the local population.

However, with no colonial power to back large estates, the small peasant producer remained the backbone of the industry.

Rubber

The rubber trade was very small before 1840. That was the year of the discovery of vulcanization, which made rubber lighter, more flexible, less affected by temperature changes, and much more useful for bicycle tires.

- **In 1840 Britain imported 300 tons. In 1900, it imported 20,000 tons.**

Rubber Plantations

For most of the 19th century rubber was a natural product gathered in the Amazon from wild trees.

- **The boom in rubber demand transformed the economy of the Amazon region of Brazil.**

Boom in Brazil

- **Exports rose from 31 tons in 1827 to 27,000 tons by 1900.**

In the early 20th century the town of Manaus, 2000 miles up the Amazon, had 8 daily newspapers, an opera house, telephones, and electric streetcars.

The Consuming Countries Desire a Secure Supply

The British wished to have a supply within the British Empire.

- **They obtained some seeds of rubber trees from Brazil and with them started experimental plantations in Malaya.**
- **When they were successful, the Dutch began developing plantations on Sumatra.**
- **Soon Asia came to dominate the world market.**
- **The area growing rubber in Malaya rose from 300 acres in 1897 to 3.3 million acres in 1940.**
- **Large plantations were set up and Tamil workers imported to work on them.**

Brazil's Economy Crippled

The growth of rubber cultivation on large plantations in south-east Asia was crippling to Brazil's trade in rubber from naturally growing trees.

In 1910 Brazil still had 150,000 tappers collecting from trees in the jungle, but that was far less cost efficient than working on neat rows of trees on plantations.

Demand for Brazilian rubber fell.

Brazil's attempts to start plantations of their own also failed because trees planted close together spread a blight disease. The trees in Malasia were immune.

- **Brazil now imports more rubber than it produces.**

Americans Too

In the 1920s the Firestone Tire Company approached the semi-US colony Liberia in west Africa for land on which to establish a rubber plantation.

The Liberian government granted them a million acres of land at a price of 0.04 cents an acre.

Liberian Rubber

The Firestone rubber plantation in Liberia

The Firestone rubber plantations in Liberia had a very large proportion of labourers working on it, providing them with employment, though in very poor conditions.

The domination of the Liberian economy by Firestone and other U.S. companies was so complete that in 1943 Liberia adopted the American dollar as its currency.

Coffee

Coffee is indigenous to Africa, but was not grown there in any quantity.

- **It was first grown as a cash crop in Ceylon in the late 17^{th} century, and later in Java.**
- **It became the main export of the Dutch East Indies.**
- **After a coffee blight broke out in the 1870s, production in south-east Asia fell.**

Coffee Moves to Brazil

Brazil stepped in and became the main supplier in the world.

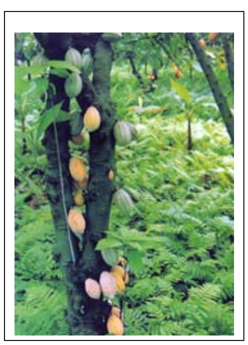
- **Coffee was introduced to Brazil by the Portuguese in the late 18^{th} century.**

Soils were exhausted quickly, but new fields could be opened up as the railways penetrated deeper in the 19^{th} century.

- **Coffee was grown on large plantations dependent on slave labour to keep costs low and cope with constantly falling prices.**
- **After the abolition of slavery, the industry survived by employing the large flood of European immigrants.**

Brazil's economy became heavily dependent on the price of coffee on the world market.

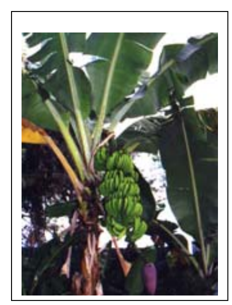
Cocoa



Cocoa was first grown as a cash crop to meet European demand for chocolate.

- **Until the 1880s the main producers were in South America.**
- **It was introduced into West Africa in the late 1870s. Ghana became the main producer.**

Palm Oil and Bananas



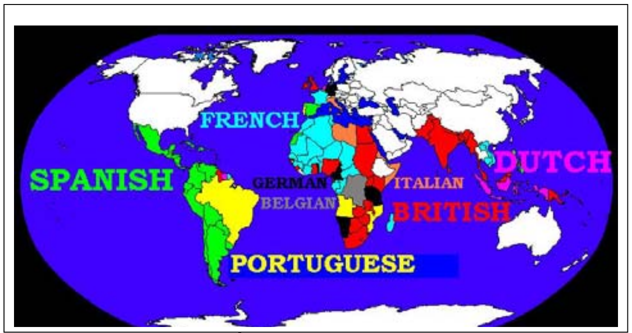
Two other major plantation and cash crops were palm oil and bananas.

Palm oil began as a lubricant and a constituent of soap.

Its use expanded as the major ingredient in margarine.

Bananas remained a local crop until refrigerated ships made it possible to transport them to Europe and North America.

The Creation of the Third World



By the early 20th century, Europe and the United States had brought about a major transformation in the economies and societies of the less developed parts of the world, producing what is now known as the "Third World."

- **The "second" world is the (former) USSR and its communist satellites.**

The Same Sequence, Again and Again

Countries which had been self-sufficient in food, growing crops for local markets became part of a world economy dominated by Europe and the United State.

- **The sequence of events were repeated over and over.**

1. **Crops were grown for export to the developed nations.**
   - The crops were either luxury items for Europe and North America, or vital for industry.
2. **The crops provided diversification for the countries to which they were exported.**

The Sequence, 2

3. **These crops crippled the diversity of the countries in which they were grown.**
   - A diverse agriculture was replaced by monoculture, which was usually harmful to the soils after repeated use and which left the countries vulnerable to plant diseases sweeping through the entire crop.
   - Biodiversity was usually lost in the developing country. Prime farmland was damaged. Forests were cleared.
4. **The developing countries had to begin importing food since they were growing for export.**
   - Cash crops generally took a majority of the available farmland, sometimes up to 80%.

The Sequence, 3

5. **Political independence from former colonial status did not change the economic dependence.**
   - Agricultural, trading, and land-owning patterns set during a colonial period were not easy to change.
   - Diversification proved very difficult. Newly independent colonies simply tried to produce more of the cash crops they had been producing. This resulted in even greater dependence on the same commodities.
   - Even cases where major foreign owned projects were nationalized, it was difficult to change the patterns because the Third World nations did not control trade.
6. **Generally the response of the Third World countries has been to find even more products to export for cash.**

Meat for the First World

Though the Third World countries rely upon vegetable matter, for the bulk of their diet, there was money to be made by raising animals for slaughter and shipping them to Europe and the U.S.A.

- **Vast tracts of forest and jungle have been cleared to provide pasture for cattle for export to the first world.**
- **The average American cat now eats more beef than an inhabitant of Costa Rica.**

Timber

Almost all settled places in the world have destroyed their native forests to clear land for farming, or to provide wood for heating, cooking, shelter, and to make charcoal.

- **But the Third World still had many virgin forests.**
  - **The Industrialized nations are in the process of destroying that.**
- **Citations:**
  - **British Honduras was itself the result of traders seeking a European market for mahogany.**
  - **By the early 19th century, British merchants had destroyed the teak forests of India's Malabar coast and needed a new supply.**

Timber, 2

- **Citations, contd.**
  - **In Burma, the province of Tennasserim was stripped of teak in 20 years after colonization.**
  - **In India during the British occupation, railways were built across the country to move crops to port.**
    - In the 1870s half a million trees a year were felled just to provide railroad ties.
  - **Sandalwood existed primarily in the Pacific islands. It was prized in both Europe and China.**
    - In only 25 years in the early 19th century, all the existing trees in the region had been cut down, bringing an end to the trade. The pattern was to exploit one island until it was exhausted and then move on.

Timber, 3

- **Citations, contd.**
  - **In the Phillipines commercial logging began in 1904, not long after American control of the region was established.**
    - At the time, 80% of the virgin forests still existed. By the 1980s, less than a third remained.
- **The newly independent countries treated timber as another crop to be raised and sold for cash.**
  - In the Ivory Coast, 30 million acres of rainforest existed in 1956, but only 10 million acres remained in the 1970s, and a million acres a year were still being cleared.
  - Typically Third World countries sell logs to the developed nations and then import the processed products such as paper and board.

Minerals

The extraction of minerals from Third World countries is also a major factor in its formation.

- The colonization of Mexico and Peru was driven by the search for gold and silver.
- The final division of Africa into European colonies in the 1880s marked the beginning of large-scale exploration for mineral resources.
  - Some areas were virtually controlled by mining companies.
  - Copper, gold, and diamonds were the main exports.

Minerals, 2

- As with cash crops, mining became a central part of the economy of African colonies that did not change with independence.
  - Mining still provides over 90% of the exports of Zambia and Mauretania.
- The overwhelming majority of all ores are used elsewhere.
  - The Third World processes 10% of the copper ore, 4% of the nickel ore, and 17% of the iron ore it produces.
- As before independence, they are exporters of raw materials.

Fertilizers

One of the consequences of intensive farming is that it depletes the soil rapidly. It is only possible to maintain productivity if the soil is enriched.

- The usual method was animal manure, but Europe's need far exceeded the locally available supply.
- The Third World had a huge supply in the form of guano – bird droppings.

Guano Exports

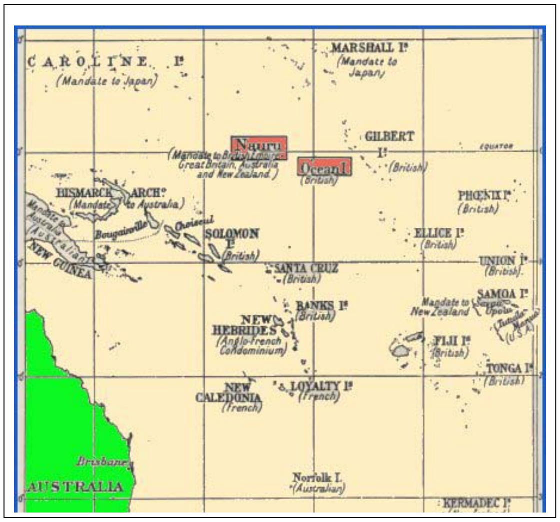
South America was particularly rich in guano. Chile, on the Pacific coast, had huge guano deposits from seabirds.

- Chile took advantage of these deposits and began exporting a million tons a year.
  - The guano was worked by imported Chinese labourers in appalling and highly unsanitary conditions.
  - The tax levied on the exports made up 80% of the revenue of the government of Chile.

Phosphates

Another excellent fertilizer is phosphate.

- **Huge deposits of phosphate make up most of the surface of certain Pacific Islands – Nauru and Banaba "Ocean Island" in Micronesia.**



Nauru and Banaba – A Cautionary Tale

The British Empire needed fertilizer badly and wished to secure its own supply.

- **Nauru and Banaba were conveniently close to Australia and New Zealand. Phospates could be extracted from Nauru and Banaba and shipped to Australia and New Zealand, or could be shipped back to Britain.**

- **Britain formally annexed Banaba (which they called "Ocean Island") in 1901.**

- **Nauru was a German possession until 1914.**

Nauru and Banaba, 2

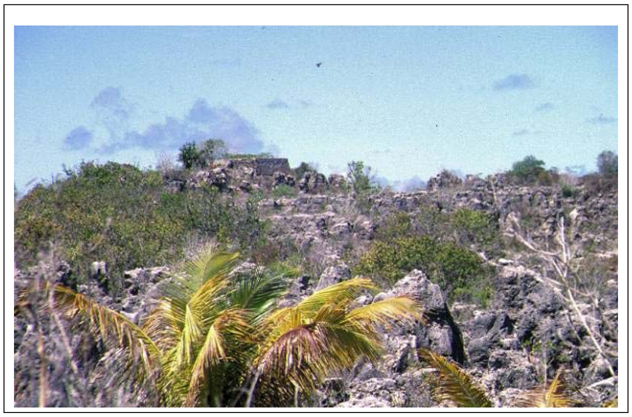
- **In 1900, the British owned Pacific Islands Company bought the rights to all minerals on Ocean Island for a payment of £50 a year – paid in over-priced company goods – in a "treaty" made with the local chief.**
  - **The company began exporting phosphate at the rate of 100,000 tons a year.**
  - **Mining rights on Nauru were obtained from the German authorities. Mining began there in 1907.**
  - **The company brought in 1,000 outsiders to work as labourers.**
  - **In 1919, the company was bought out by the British, Australian, and New Zealand governments, which set up a joint company to run the operation.**

Nauru and Banaba, 2

A Banaba village before phosphate extraction began.

- **By the early 1920s, 600,000 tons was being extracted per year. The natives began to realize what would happen.**

Nauru and Banaba, 3



Nauru after phosphates were removed.

The operations involved clearing away the vegetation and stripping out the top 50 feet of land, leaving an uninhabitable wasteland of jagged pinnacles on which nothing would grow.

- **If mining continues the islands would be ruined forever.**

Nauru and Banaba, 4

- **The Banabans refused to sell or lease any more land to the mining commission.**
  - **In 1927, the British government authorized deep mining over the whole of Nauru and took powers to confiscate all land from the Banabans that they refused to sell.**
  - **By the 1930s phosphate output reached 1 million tons a year.**
- **During World War II, the islands were occupied by the Japanese, who removed all the natives.**
  - **When the war was over, the British refused to allow them to return and instead resettled them on Rambi Island in Fiji. The mining was recommenced.**

Nauru and Banaba, 5

- **The Nauru islanders were allowed to return home, but were then excluded from the company facilities.**
- **Mining extraction increased to 3 million tons a year by the mid 1960s.**
- **The last shipment from Banaba was made in 1980. Nauru production is almost all exhausted now.**

In 80 years of mining about 80 million tons was extracted from the two tiny islands.

- **What to do with the islanders when the deposits were completely exhausted?**

What Happened to Nauru

The government authorities, under a UN mandate, wanted to remove the Nauru residents to the mainland and abandon the island.

- **The Nauru residents rejected the proposal.**
  - **In 1968 Nauru was granted independence, and phosphate mining was transferred to their control.**
  - **The islanders now life along a narrow coastal fringe that is the only part of the island not devastated by mining.**
  - **Their only means of subsistence comes from royalties and profits from the phosphates.**

They Live High off the Hog

The islanders do not need to work. Their material standard of living is high.

There is one 12-mile road that rings the island and essentially goes nowhere.

- **There is one of the highest rates of car ownership in the world on the island.**

The population depends on western food and have started to develop the health problems found in people from the industrialized nations.

The Banabans

The Banabans were not protected by the United Nations.

- **In 1911, the British suggested that a trust fund be set up for the Banabans, to be financed from the phosphate earnings.**
  - **The British Phosphate Company proposed an annual payment of £250 at a time when it was making a profit of £20 million a year.**
  - **The British government persuaded the company to pay royalties of 6 pence a ton, to be held as a fund for the Banabans when the phosphates ran out.**

The Banabans, 2

Most of the phosphate royalties was allocated to pay for the administration of the colony to which Banaba belonged.

- **Only a small amount of the royalties ever reached the Banabans themselves because the British government viewed them as "feckless."**
- **Some of the money was used to by Rambi Island where they were relocated. Rambi has a totally different climate from Banaba.**

- **In the end, the Banabans lost their home and received a trivial sum as compensation. Britain, Australia, and New Zealand obtained a huge amount of inexpensive fertilizer.**

The Third World's Role

- **The Third World has been created by the industrialized nations to provide resources and cheap labour for first world industry.**
- **The development that has taken place in the Third World is of a totally different kind from that in the industrialized nations.**
- **Third World economics is based on living off of capital. Selling resources to countries that use them for their own purposes and pay in goods that are quickly used up.**
- **The only apparent way out of the poverty cycle for Third World countries is to sell their resources faster, which only speeds up their ultimate collapse.**