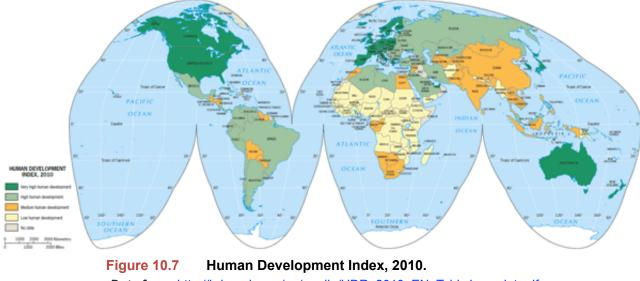
WHAT ARE THE BARRIERS TO AND THE COSTS OF ECONOMIC DEVELOPMENT?

International organizations and governments measure development and then create programs to help improve the condition of humans around the world, especially in the poorest countries of the world. By measuring human development, organizations and governments hope to discern how to break down barriers to development and improve the human condition globally.

One of the most widely referenced measurements of development today is the United Nations Human Development Index (Fig. 10.7). According to the United Nations, the Human Development Index goes beyond economics and incorporates the "three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living." Several statistics, including per capita GDP, literacy rates, school enrollment rates, and life expectancy at birth, factor into the calculation of the Human Development Index.



Data from: http://hdr.undp.org/en/media/HDR_2010_EN_Table1_reprint.pdf

In 2000, the United Nations held a high-profile summit, during which 189 world leaders adopted the United Nations Millennium Declaration, with the goal of improving the condition of the people in the countries with the lowest standards of human development. At the summit, world leaders recognized the principal barriers to economic development and identified eight key development goals to be achieved by the year 2015. They were:

- 1. Eradicate extreme poverty and hunger.
- 2. Achieve universal primary education.
- **3.** Promote gender equality and empower women.
- 4. Reduce child mortality.
- 5. Improve maternal health.
- 6. Combat HIV/AIDS, malaria, and other diseases.
- 7. Ensure environmental sustainability.
- 8. Develop a global partnership for development.

These <u>Millennium Development Goals</u> represent a fairly high degree of consensus about the key conditions that need to be changed if economic development is to be achieved. As 2015 approaches, however, it is becoming increasingly clear that many of the goals will not be met. For example, HIV infection rates remain high, and extreme poverty is still the plight of countless millions.

Barriers to Economic Development

As described in the last section of this chapter, the structures and geography of the world-economy inhibit economic development in the periphery. Numerous factors serve as barriers to the economic development of the periphery. In Chapter 1, we discussed the causes of malnutrition, and in Chapter 2, we examined how AIDS has ravaged Subsaharan

Africa. In Chapter 13, we discuss the vulnerability to natural hazards that exist in many peripheral countries, including the lack of infrastructure to cope with those hazards. It is clear that the world economic system often works to the disadvantage of the periphery but that the system is not the only obstacle that peripheral countries face.

Conditions within the periphery, such as high population growth rates, lack of education, foreign debt, autocratic (and often corrupt) leadership, political instability, and widespread disease hamper development. It is possible to get into the chicken-or-the-egg debate here: did the structures of the world-economy create these conditions, or do these conditions help to create the structures of the world-economy? Many think that neither argument can stand alone, but understanding both structures and conditions is important if you are to form your own opinion.

Regardless of which came first, numerous people throughout the periphery are burdened with familial, economic, cultural, and political hardships. In this section of the chapter, we discuss several of the conditions that affect the economic development prospects of people in the poorest countries of the world, including many factors outlined in the United Nations Millennium Development Goals.

Social Conditions

Countries in the periphery face numerous demographic, economic, and social problems. Most of the less well-off countries have relatively high birth rates and low life expectancies at birth (see Chapter 2). Across the global periphery, as much as half the population is 15 years old or younger, making the supply of adult, taxpaying laborers low relative to the number of dependents. Low life expectancies and high infant and child mortality rates stem from inadequate nutrition (protein deficiency is a common problem). Many in the global economic periphery also lack public sewage systems, clean drinking water, and access to health care, making economic development all the more difficult.

Lack of access to education is also a major problem in the periphery. In some places, even the poorest families pay for their children to attend school. As a result, large numbers of school-age children do not go to school, and illiteracy rates are high. Moreover, access to education in the periphery is often gendered, with boys attending school longer than girls. Girls often stop attending school and instead work in the city to pay for their brothers' school fees.

Lack of education for girls is founded on and compounded by the widespread assumption (not just in the periphery but in most of the world) that girls will leave their homes (and communities) when they marry, no longer bringing income to the family. In parts of the periphery, trafficking in children, especially girls, is common. Mike Dottridge, a modern antislavery activist, explains that **trafficking** happens when "adults and children fleeing poverty or seeking better prospects are manipulated, deceived, and bullied into working in conditions that they would not choose." This phenomenon is not considered slavery because the family does not sell a child; instead the child is sent away with a recruiter in the hopes that the recruiter will send money and the child will earn money to send home. The trafficked children are often taken to neighboring or nearby countries that are wealthier and in demand of domestic servants. Others are trafficked across the world, again typically to work as domestic servants. Dottridge explains that the majority of girls are "employed as domestic servants or street vendors," although some girls are "trafficked into prostitution."

Some countries are working to change access to primary education in order to make education universally available. In 2000, the Millennium Development Report prompted the government of Rwanda to improve access to education. In 2003, fees for primary education were eliminated, and two years later schools started receiving revenues based on the number of students they were educating. Rwanda's goal was to make primary education available to all by 2010. Progress has been made, but it is difficult to assess whether the goal was achieved. Moreover, access and completion are two different things; of the almost two million children currently in primary schools, only half reach the sixth year of school. Moreover, without adequate funding to support the growing student population, some of Rwanda's students meet under trees and many convene in swelling classrooms. Aid is flowing in from outside, but sustaining support for the country's educational sector remains an ongoing challenge.

Foreign Debt

Complicating the picture further is the foreign debt crisis that many periphery and semiperiphery countries face. Shortly after the decolonization wave of the 1960s, banks and other international financial institutions began lending large sums of money to the newly independent states, money earmarked for development projects. By the 1980s and 1990s, the World Bank and the International Monetary Fund (IMF) were lending significant amounts of money to peripheral and semiperipheral countries, but with strings attached. To secure the loans, countries had to agree to implement economic

or governmental reforms, such as privatizing government entities, opening the country to foreign trade, reducing tariffs, and encouraging foreign direct investment. These loans are known as **structural adjustment loans**.

Once peripheral countries owe money to the IMF, the World Bank, and private banks and lending institutions, they need to repay their debts. Spending a large part of the country's budget on debt repayment makes it difficult for a country to invest in more development projects. For many countries the cost of servicing their debts (that is, the cost of repayments plus interest) exceeds revenues from the export of goods and services (Fig. 10.8). Meanwhile, in many countries, the returns on development projects have been much lower than anticipated. These factors have created a global debt crisis for the poorest countries in the world.



Figure 10.8 External debt service as a percentage of exports of goods and services for low-and middleincome economies, 2006.

Data from: The World Bank. *Millennium Development Goals Atlas.* Washington, DC: The World Bank, 2008. Online at http://devdata.worldbank.org/atlas-mdg.

Structural adjustment loans were part of a larger trend toward **<u>neoliberalism</u>** in the late twentieth century. Neoliberalism derives from the neo-classical economic idea that government intervention into markets is inefficient and undesirable, and should be resisted wherever possible. These ideas were at the heart of the conditions that were attached to loans and refinancing programs, but neoliberal ideas spurred a general turn toward the transfer of economic control from states to the private sector. This development, in turn, fostered economic globalization while shrinking the size of the public sector in a number of countries. The trade-off, however, was the expansion of corporate control and the erosion of the ability of regional and state governments to control their economic destinies. Hence, the neoliberal turn has been highly contentious.

High debt obligations and related neoliberal reforms arguably contributed to the economic and political crisis in Argentina at the end of 2001—leading to overreliance on a privatized export sector that left the country vulnerable when shifts in the global economy weakened the competitiveness of Argentinian exports. But government spending also was also unsustainably high, and corruption was rampant (Fig. 10.9).

By 2005, internal economic growth and aid from Venezuela put Argentina in a position to work out a complex debt restructuring plan that has pulled the country back from the brink. Argentina's agricultural economy bounced back in 2010 with the rise of corn and soy prices. Argentina's economy is stabilizing, but in cases where countries are facing imminent economic, political, and social meltdown, the only alternative may be to default on loans. Defaulting countries then find themselves in a severely disadvantaged position when it comes to attracting future external investment. And if a substantial number of countries were to default at the same time, a global economic crisis could ensue that would work to the disadvantage of almost everyone.

Field Note

"Arriving in Argentina during the political and economic upheavals that had begun in 2001, I saw signs of dislocation and trouble everywhere. Beggars pursued pedestrians on the once-fashionable Avenida Florida. Banks had installed protective shutters against angry crowds demanding return of their frozen and devalued deposits. A bus trip on the Patagonian Highway turned into an adventure when masked protesters carrying rocks and burning rags stopped vehicles and threatened their occupants. Newspapers carried reports of starvation in Tucumán Province—in a country capable of producing seven times the food its population needs."



Figure 10.9 Buenos Aires, Argentina. © H. J. de Blij.

Disease

Those living in the global economic periphery experience comparatively high rates of disease and a corresponding lack of adequate health care. These circumstances directly affect economic development, making survival difficult for many people, orphaning children, and weakening the labor force.

As highlighted in Chapters 1 and 2, the high concentration of HIV/AIDS cases in parts of the periphery presents a significant obstacle to development—particularly in parts of Subsaharan Africa. Moreover, <u>vectored diseases</u>—those spread by one host (person) to another by an intermediate host or vector—are a scourge in warm, humid parts of the periphery and semiperiphery. The warm, moist climates of tropical environments enhance biological activity. Vectors abound in such environments, and infectious diseases spread rapidly through host populations.

Development experts look at malaria as a "silent tsunami" in the periphery, comparing its death toll to the tsunami that ravaged South and Southeast Asia in late 2004. That tsunami killed some 300,000 people (including children) *at once*. Malaria kills about *150,000 children* in the global periphery *each month*. Malaria is an infectious disease spread by mosquitoes that carry the parasite in their saliva. Scientists did not determine the role of mosquitoes in the diffusion of the disease until the late eighteenth century. Today, the sequence of the disease is well known. The mosquito stings an infected host and sucks up some of the disease agents. In the mosquito's stomach, the parasites reproduce and multiply, eventually reaching its saliva. When the mosquito stings the next person, some of the parasites are injected into that person's bloodstream. The person who has been stung develops malaria and becomes a host.

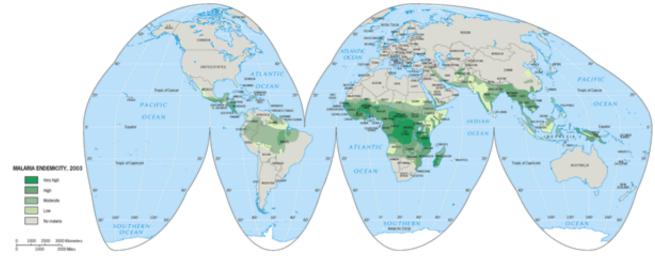
The disease manifests itself through recurrent fever and chills, with associated symptoms such as anemia and an enlarged spleen. Nearly one million people in the world die of the disease each year. Malaria is a major factor in infant and child mortality, as most of the victims are children age 5 or younger. If a person survives the disease, he or she will develop a certain degree of immunity. However, many infected by malaria are weak, lack energy, and face an increased risk of other diseases taking hold in their weakened body.

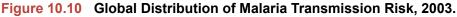
Malaria occurs throughout the world, except in higher latitudes and altitudes, and drier environments. Although people in the tropical portions of Africa suffer most from this disease, malaria is also prevalent in India, Southeast Asia, parts of southern China, and the tropical Americas.

Several types of malaria spread throughout these regions, with some being more severe than others. In addition to humans, various species of monkeys, rats, birds, and even snakes can be affected by the disease. In Subsaharan Africa, malaria's virulence results from the effectiveness of its vectors—three African mosquitoes (*Anopheles gambiae*, A.

arabiensis, and *A. funestus*). Whole populations are afflicted, and entire regions have been abandoned because of the prevalence of the disease.

Antimalarial drugs exist, but to defeat malaria, afflicted regions must eliminate the vector: the mosquito. During the 1940s, the government of Sri Lanka (then Ceylon) launched a massive attack on the mosquito with the aid of a pesticide called *dichloro diphenyl trichloroethane* (DDT). The results were dramatic. The mosquito was practically wiped out, and the rate of deaths attributable to malaria fell markedly. In 1945, Sri Lanka's death rate overall had been 22 per 1000; in 1972, it reported a death rate of only 8 per 1000. The figure was further reduced to 5 per 1000 by 2004 and then rose again to 7 in 2009, as reflected in Figure 10.10.





Adapted with permission from: World Health Organization, Roll Back Malaria Department and United Nations Children's Fund. World Malaria Report, 2005. http://rbm.who.int/wmr2005/html/map1.htm

The conquest of malaria produced a new set of problems, however. DDT proved to be highly carcinogenic and to have negative health and environmental consequences of its own. Also, the lowered death rate through malaria eradication led to a substantial rise in the population growth rate, creating new problems for Sri Lanka. By the time the birth rate dropped (it is 19 per 1000 today), the island had experienced a population explosion.

Success in combating major vectored diseases often is only temporary. Following the Sri Lankan experiment, India initiated a massive assault against the malaria mosquito, and the number of new cases of malaria declined dramatically. But ten years after the program was introduced, India reported that 60 million people were infected with malaria, more than half the number who had the disease before the antimalaria campaign began. This example proved the mosquito population's ability to rebound quickly after even the most intensive application of pesticides.

Today the war against malaria is taking a new tack: genetic interference with the mosquito so that its capacity to transmit the malaria parasite, *Plasmodium*, is destroyed. By introducing "engineered" mosquitoes into the general population, health experts hope that the number of nonvirulent mosquitoes will rise significantly. A number of programs also focus on distributed insecticide-laden mosquito nets to surround sleeping quarters and protect people from the mosquitoes that are most active at night (Fig. 10.11).



Figure 10.11 Tamolo, India.

Tamolo is on the Car Nicobar islands off the coast of India. After the 2004 tsunami, the wetlands became breeding grounds for the mosquitoes that carry malaria. This baby sleeps under a mosquito net distributed to villagers by United Nations Children's Fund (UNICEF) workers. These efforts are having some dramatic impacts in parts of Africa, but malaria remains a scourge of the poorer peoples living in low latitudes, which is an impediment to economic development. © Pallava Bagla/Corbis.

Political Corruption and Instability

Although not addressed in the Millennium Development goals, political corruption and instability can greatly impede economic development as well. Establishing a stable, legitimate government that can maintain control over and lead a low-income country can be a daunting task. In peripheral countries, a wide divide often exists between the very wealthy and the poorest of the poor. In Kenya, for example, the wealthiest 10 percent of the population controls nearly 50 percent of the country's wealth, and the poorest 10 percent control less than 1 percent of Kenya's wealth. The disenfranchisement of the poor and the competition among the rich for control of the government (and the potential spoils that go along with that) can lead to extreme political instability within a state—as Kenya experienced in 2007–2008. Add to these factors involvement from outside the country, especially by powerful countries, and the political instability can easily escalate, yielding horrid conditions in which military dictators, selfish megalomaniacs, and corrupt governments can come to power.

Countries of the core have established democracies for themselves; since World War II, they have held regularly scheduled democratic elections. But countries in the periphery and semiperiphery have had a much harder time establishing and maintaining democracies. In the process of decolonization, the colonizing countries typically left governments that reflected political and social hierarchies during the colonial period. Some failed, some were overthrown by military coups, and some saw the consolidation of power around a dictatorial strongman. Many countries in the periphery and semiperiphery have alternated repeatedly between quasi-democratic and military governments. Some argue that without considerable wealth, maintaining a liberal democracy is all but impossible.

Opening the homepage of any major newspaper on any given day will reveal a story somewhere in the world that demonstrates the link between economic stability and political stability. In post-Taliban Afghanistan, economic woes represent one of the greatest threats to the stability of the United States-supported government in Kabul. More than half of the population is impoverished, and the government lacks the funds to invest in development. Foreign aid—much of it from the United States—has provided some help, but the flow of aid has been variable and its amount insufficient to address the country's searing economic problems. Many analysts see this as a key impediment to achieving stability in Afghanistan. As the *Economist* put it in 2006, "poverty helps the Taliban."

In places where poverty is rampant, politicians often become corrupt, misusing aid and exacerbating the plight of the poor. In Zimbabwe, the year 2002 left many people starving, as poor weather conditions created a meager harvest. The country's ruling party, ZANU-PF, headed by Robert Mugabe, demanded cards from Zimbabweans who registered for the "food for work" program—cards demonstrating membership in the ZANU-PF political party. As conditions worsened in subsequent years, the Mugabe government faced increasing resistance. A potential challenger, Morgan

Tsvangirai, emerged in 2008. Members of his opposition party were killed and the challenger was harassed, but after a contested election that many believe Tsvangirai won, a power-sharing agreement came into effect that kept Mugabe as president and made Tsvangirai the prime minister. Some stability returned to the country, but continuing tensions make it difficult to address Zimbabwe's enormous economic problems.

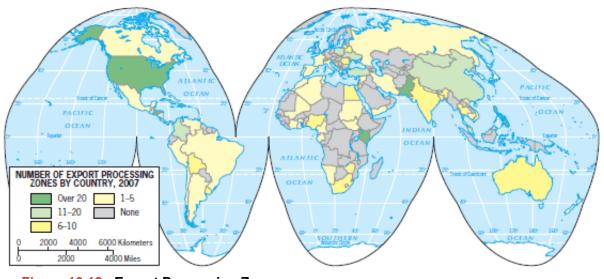
The Zimbabwe case shows that in low-income countries, corrupt leaders can stay in power for decades because the people are afraid to rise up against the leader's extreme power or because those who have risen up have been killed or harmed by the leader's followers. Circumstances and timing need to work together to allow a new government to come to power. When governments become excessively corrupt, other countries and nongovernmental organizations sometimes cut off development aid to the country. Yet when this happens, everyday people often bear the brunt of hardship. Even when the global community cuts off the corrupt government's aid, core countries and nongovernmental organizations often try to provide food aid to the people. All too frequently, when this type of aid reaches its intended beneficiaries, it is rarely sufficient to meet basic needs or reverse the trajectory of hardship in the country.

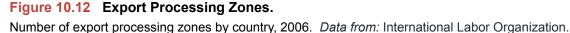
Costs of Economic Development

Economic development changes a place. To increase productivity, whether industrial or agricultural, people transform the environment. When a country goes through intensification of industrial production, air and surface water are often polluted. Pollution is not confined to industry. With intensification of agricultural production, the introduction of pesticides and herbicides can have deleterious impacts on the soil and groundwater. Tourism can be just as difficult on the environment—taxing the existing infrastructure beyond its capacities. The costs of tourism often stretch far beyond the environment, affecting ways of life and fundamentally altering the cultural landscape.

Industrialization

In their efforts to attract new industries, the governments of many countries in the global periphery and semiperiphery have set up special manufacturing export zones called <u>export processing zones (EPZs)</u>, which offer favorable tax, regulatory, and trade arrangements to foreign firms. By the early 2000s, more than 60 countries had established such zones, and many of these had become major manufacturing centers (Fig. 10.12). Two of the best known of these zones are the Mexican <u>maquiladoras</u> and the <u>special economic zones</u> of China (discussed in Chapter 9). Governments locate such zones in places with easy access to export markets. Thus, the maquiladora zone in Mexico is situated directly across the border from the United States, and the special economic zones of China are located near major ports. These zones typically attract a mix of manufacturing operations, depending on the skill levels of the labor force and the available infrastructure.





The maquiladora program started in 1965 when the Mexican government designated the region of northern Mexico as a maquiladora district, making it a place where raw materials could be shipped into Mexico, manufactured into goods, and then sent back to the United States free of import tariffs. U.S. corporations relocated manufacturing plants to Mexico to take advantage of the program.

Although the maquiladora phenomenon started in 1965, it did not really take off until the 1980s. During the 1980s, American companies recognized the expanding wage and benefit differences between the United States and Mexican worker and began relocating to the maquiladora district in northern Mexico. Although competition from other parts of the world has led to the closing of some plants, today some 3000 maquiladoras continue to function, employing 1 million workers and accounting for 50 percent of Mexico's exports. The maquiladora plants produce goods such as electronic equipment, electrical appliances, automobiles, textiles, plastics, and furniture. The plants are controversial both in Mexico and the United States, as corporations that have relocated there avoid the employment and environmental regulations that are in force just a few miles to the north. Many maquiladora factories hire young women and men for low pay and few if any benefits, putting them to work in repetitive jobs, often in environmentally questionable conditions.

In 1992, the United States, Mexico, and Canada established the <u>North American Free Trade Agreement (NAFTA)</u>, which prompted further industrialization of the border region. NAFTA took effect January 1, 1994. In addition to manufacturing plants, NAFTA has facilitated the movement of service industries from the United States to Mexico, including data processing operations. Most of the new plants are located in two districts: Tijuana on the Pacific Coast—linked to San Diego across the border—and Ciudad Juarez on the Rio Grande across from El Paso, Texas. In recent years the socioeconomic and environmental contrasts between cities on either side of the U.S.-Mexico border have become increasingly stark. Violent crime has become a particularly serious problem in Juarez, even as El Paso remains comparatively safe, and the slums of Tijuana are a world apart from much of San Diego. Although NAFTA was designed to foster increased interaction in North America, cross-border disparities have worked together with growing U.S. concerns over illegal immigration and the infiltration of foreign terrorists to make the U.S.-Mexico border more tightly controlled and more difficult to cross than in prior decades.

Agriculture

In peripheral countries, agriculture typically focuses on personal consumption or on production for a large agricultural conglomerate. Where zones of larger-scale, modernized agriculture have developed in the periphery, foodstuffs are produced for the foreign market and often have minimal impact on the impoverished conditions of the surrounding lands. Little is produced for the local marketplace because distribution systems are poorly organized and because the local population is typically unable to pay for foodstuffs. If the local population owns land, their landholdings are usually fragmented, creating small plots of land that are difficult to farm in a manner that produces much income. Even on larger plots of land, most farmers are equipped with outdated, inefficient tools and equipment. The main crops tend to be grains and roots; farmers produce little protein because high-protein crops typically have lower yields than grain crops. On the farms in the periphery, yields per unit area are low, subsistence modes of life prevail, and many families are constantly in debt.

Impoverished farmers can ill afford such luxuries as fertilizers, and educational levels are typically too low to achieve widespread soil conservation. As a result, soil erosion is commonplace in most peripheral areas. Severe soil erosion in areas with dry or semiarid climates around deserts results in extreme degradation of the land and the spread of the desert into these lands. Although the expansion and contraction of deserts can occur naturally and cyclically, the process of **desertification** is more often exacerbated by humans destroying vegetation and eroding soils through the overuse of lands for livestock grazing or crop production.

Desertification has hit Africa harder than any of the other continents (Fig. 10.13). More than half of Africa is arid or semiarid, and many people farm the marginal, dry lands of the continent. Land ownership patterns, the need for crops and protein sources (both for local consumption and for export), and power differences among groups of people lead some farmers and ranchers to turn marginal, semiarid lands into farm and ranch lands. Lands that are available for farming or ranching may be used more intensively in order to increase agricultural production (see Chapter 13). In semiarid regions, the decision to farm more intensively and increase agricultural production has the unintended consequence of eroding the land, encouraging out-migration, and creating conflict.

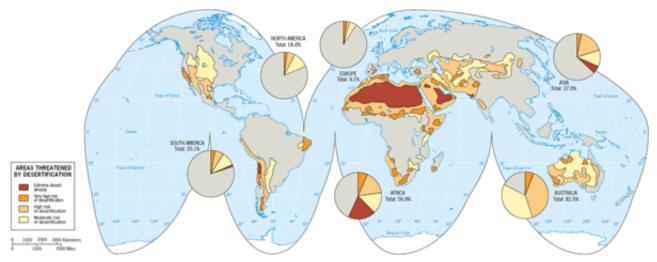


Figure 10.13 Areas Threatened by Desertification.

Deserts expand and contract cyclically, but nature's cycles can be distorted by human intervention. This map shows areas threatened or affected by desertification. *Data from* several sources, including J. Turk et al., *Environmental Science*, Philadelphia: Saunders, 1984, p. 305.

In Subsaharan Africa over the last 50 years, more than 270,000 square miles (700,000 square kilometers) of farming and grazing land have become desert, extending the Sahara Desert to the south. Some of the African desertification may be caused by climatic fluctuations, but overgrazing, woodcutting, soil exhaustion, and misuse have undoubtedly accelerated the process.

Tourism

All development strategies have pros and cons, as is well illustrated by the case of tourism. Peripheral island countries in the Caribbean region of Middle America and in other parts of the world have become leading destinations for millions of tourists from richer states. Tourism is now one of the major industries in the world and has surpassed oil in its overall economic value, and it sometimes brings some wealth and employment to these countries (see Chapter 12). Tourism may also have serious negative effects on cultures and environments.

In economic terms, to develop tourism the "host" country must make a substantial investment. Sometimes imports of building materials and equipment strain the country's supply system, and funds are diverted to hotel construction that could have been spent on other needs such as housing for citizens. Moreover, many hotels and other tourist facilities are owned not by the host country but by large multinational corporations. These corporations earn enormous profits, most of which are sent back to owners, shareholders, and executives.

Countries that do earn substantial income from tourism include Thailand, Kenya, Barbados, and Fiji. Much of the income a country receives from tourism revenues are reinvested in the construction of airports, cruise-ports, and other infrastructure that supports more tourism. Tourism can create local jobs, but they are often low-paying and have little job security. In tourist zones, many employees work two or three jobs in order to break even. Tourism can bring wealth to owners, shareholders, and executives outside of tourist destinations.

Tourism frequently strains the fabric of local communities as well. The invasion of poor communities by wealthier visitors can foster antipathy and resentment. Tourism can also have the effect of altering, and even debasing, local culture, which is adapted to suit the visitors' taste. In many instances tourism fosters a "demonstration effect" among locals that encourages them to behave in ways that may please or interest the visitors but that is disdained by the larger local community. Some tourism workers consider employment in the tourist industry dehumanizing because it demands displays of friendliness and servitude that locals find insulting.

A flood of affluent tourists may be appealing to the government of a poor country whose elite may have a financial stake in the hotels where they can share the pleasures of the wealthy, but local entrepreneurs often take a different view. Indeed, powerful multinational corporations and national governments may intervene to limit the opportunities of local, small-scale operators in favor of mass, prearranged tourist destinations ("exclusive" resorts) that isolate the tourist from local society. Overreliance on tourism can also leave an economy vulnerable if shifting economic circumstances cause a sharp decline in the number of tourists or if natural disasters hit. Because many tourist destinations in poorer countries are beach attractions, natural hazards such as the 2004 tsunami in Southeast Asia can destroy the lynchpin of a country's economy (we discuss the tsunami and other natural hazards in greater detail in chapter 13). Suffering the loss of thousands of people; dealing with the after-effects of sewage, homelessness, orphans, and the destitute; and coping with rebuilding the tourist destinations must occur while the flow of tourist-related income has stopped.

The cultural landscape of tourism is frequently a study in harsh contrasts: gleaming hotels tower over modest, often poor housing; luxury liners glide past poverty-stricken villages; opulent meals are served in hotels while, down the street, children suffer from malnutrition. If the tourist industry offered real prospects for economic progress in low-income countries, such circumstances might be viewed as temporary, unfortunate by-products. However, the evidence too often points in the other direction.



Think of a trip you have made to a poorer area of the country or a poorer region of the world. Describe how your experience in the place as a tourist was fundamentally different from the everyday lives of the people who live in the place.

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