

### **Discuss the view that unfair trade with the West is causing underdevelopment in developing world nations.**

In recent years, development policies across developed western democracies have increasingly been moving away from a financial and humanitarian aid-based approach to that of a trade and so called “rights based” one. This draws in part on Walt Whitman Rostow’s modernisation theory which states that in order for development to occur, underdeveloped countries must ‘westernise’ by embracing the free market culture which has supposedly allowed western democracies to flourish. However, it has become increasingly clear over the last number of years that moves by the US and EU in particular, backed by the WTO, have in fact only allowed under development to perpetuate further, thanks in part to unfair trade terms and a lack of change in the corrupt institutions which exist in the developing world.

The EU is a supranational body which prides itself on its rights based and progressive development policy. However, it cannot be forgotten that it also exists to improve the financial prospects of its member states. Thus, it provides an excellent example of Andre Gunder Frank’s ‘metropolis’ that is, a powerful international entity which uses weaker ‘satellites’ in the developing world to increase its power. This became painfully clear in its recent EPA negotiations with prospective trading partners in Africa and South America. During these talks, Europe moved to open up developing markets to an influx of European goods while allowing natural resources to continue to flow out of these ‘satellites’.

However, this is just one reading of the details of the trade talks published by europa.eu. To call these trade terms ‘unfair’, argue such economists as Milton Friedman, would be to ignore the basic principles of the free markets and thus ignore its benefits. Friedman would no doubt argue that opening markets to European goods would create just the kind of conditions needed for a flourishing market economy to take root in the third world, thus bringing it one step closer to the westernisation which it so desperately needs.

However, 'the west' is not solely to blame for allowing such trade terms to come about. For the type of unfair deals epitomised by the recent EPAs to exist, there must also be some collusion by local leaders within developing nations. In a scathing report written in the Guardian ex-Afghan civil servant Jamil Danish criticised European foreign direct investment, a key part of the EU's developmental trade policy. Afghanistan ranked 166th out of 168 on transparency international's corruption index in 2015, but still received foreign direct investment of \$3 billion from the EU in 2017, a move Danish argues, plays directly into the hands of corrupt officials.

One of the most obvious examples of under development caused by unfair trade is the so called 'Green Revolution' of the 1970s. The revolution, driven by genetically engineered seeds and welcomed most famously by the Indian government, has allowed for the patenting of the seed, something which gives western companies a monopoly on agriculture businesses previously owned by local farmers. This has allowed for the growth of industries such as palm oil in Indonesia, which employs 6 million people, mainly in low paid jobs under total control of Western corporations allowed in by unfair trade deals.

When Noam Chomsky in his book 'Who Rules the World?' describes recent trade agreements between developed and developing nations as "little more than investor's rights agreements", he is hitting disturbingly close to the mark. Through the neo-colonialism of trade agreements made by the US and EU, and the corruption of states such as Afghanistan, under-development is being perpetuated by unfair trade agreements across the globe.