

Impact of Colonisation on developing economy| sample answer

Q: 'Examine the impact of colonisation on the economy of a developing country that you have studied' (2011 Q7 C.)

The region I have studied is Brazil. It was colonised by Portuguese explorers in the 14th Century and as a result the colonisation has affected the pattern of trade between Brazil and the rest of the world.

Colonialism is the policy or practice of acquiring full or partial political control over another country, occupying it with settlers, and exploiting its natural resources.

The Portuguese were in awe at the sheer amount of raw materials here. They used slave labour to produce wood, sugar, gold and coffee and over the next 400 years exported it to Europe and the USA.

Portugal took all these raw materials from Brazil and processed them abroad. This made it impossible for Brazil to enter the industrial age and meant that the Brazilian industry could not fully develop.

The coffee trade attracted immigrants from Italy and Germany especially. This caused rapid economic growth of states like Minas Gerais. This still didn't help the Brazilians much because though huge coffee plantations were set up, slaves were imported to work on them meaning no jobs were created.

Brazil acquired independence in 1822 from Portugal but trade was still affected by its colonial past. Most of their exports were still to Portugal and the USA.

Their exports were not very varied and did not advance. By 1950 70% of the total exports were unprocessed coffee, as a result the Brazilian economy was heavily affected by the fluctuating world trade price of one crop.

After colonial power left the social system became unequal with several different sections of people: the colonial landowners, politicians and poor powerless working society. Because they all held different opinions tensions built and this led to socioeconomic changes.

Brazil eventually started to change and in 1888 slavery was abolished and then, after several dictatorships, in 1995 a democracy was established.

To break the dependence on exports of unprocessed raw material, a new industrialisation programme was introduced called the Import Substitution Industrialisation (ISI) and was brought in in 1950.

The goal of this programme was to move towards domestic manufactured goods to replace imports. This gave Brazil the opportunity to enter the industrial age and become self-sufficient.

Multinational companies like Ford, Volkswagen were encouraged to come to Brazil, as a result coffee only accounts for 2% of today's exports. Steel, chemicals and engineering products have replaced it.

Because of the recent oil crisis, debt crisis and formation of the Mercosur trading group, Brazil has changed its trading partners since the 1970's.

The Mercosur group is the southern common market. It is a free trade between Brazil, Argentina, Paraguay and Uruguay.