

● Each bar shows the distribution in about 1998 of a demographic or economic indicator between the countries of the North on the one hand (in white) and those of the South on the other (black) (see North/South).

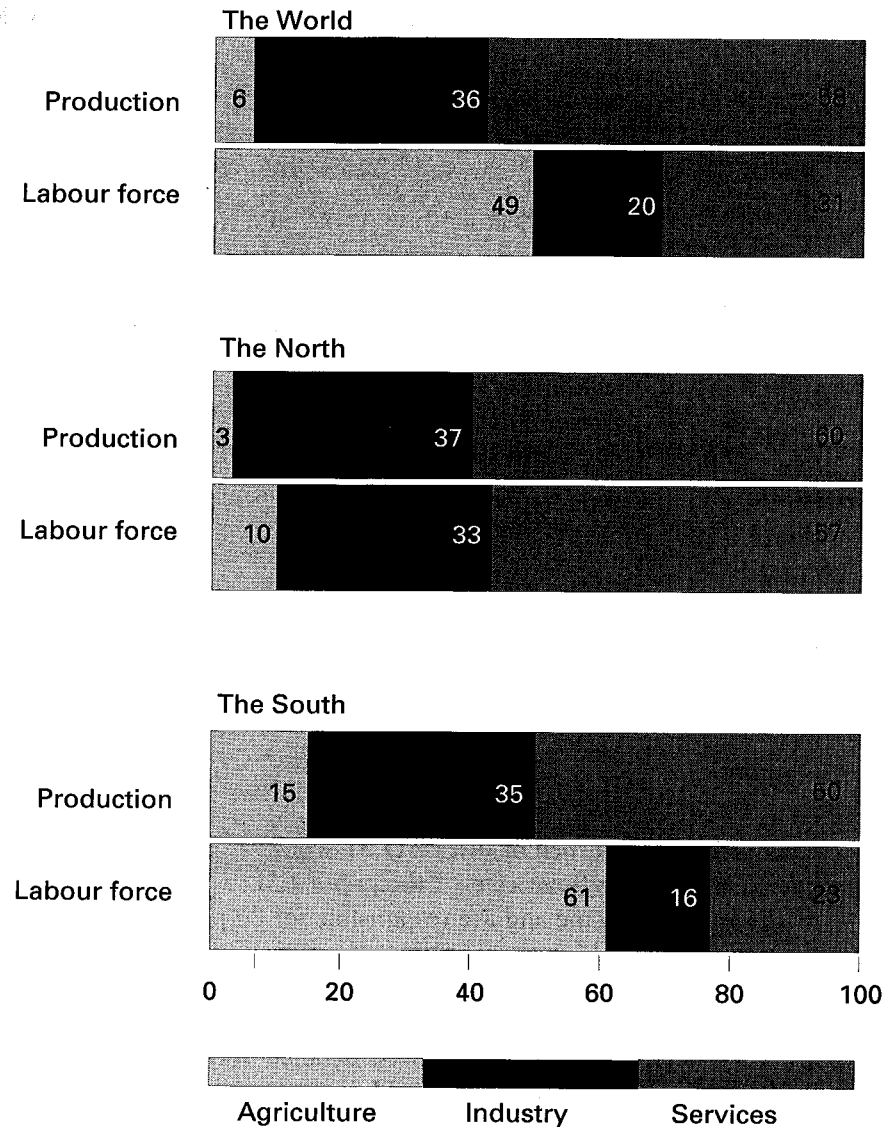
○ The binary division of the world into North and South is very common. While too simplified for most purposes it nonetheless yields some important pointers to the nature of world inequalities. Start with the fifth bar, showing the division of the population between North and South. This is a simple yardstick for a 'fair share'. Equality between North and South would mean that the other bars were divided in the same proportions as population.

But they are not. From the first four bars we see that the South has more than its fair share of children's deaths, rural dwellers, total births and the overall burden of disease. But it has less than its fair share of total deaths, cultivated land, urban dwellers, income, CO₂ emissions, health spending, exports and military spending.

So we see here a world in which four-fifths of the economic resources devoted to health are spent in countries which have only 8 per cent of the burden of disease (▷ 31–41), in which the countries inhabited by only 20 per cent of the population receive 60 per cent of the world's income and are responsible for 80 per cent of world trade and an even higher proportion of military spending (▷ 10–21, 70–77, 108–9).

Later we will see that, since these two groupings of countries are very heterogeneous, other more detailed ways of looking at inequality will show that the world is even more, indeed much more, unequal than it appears in this first simple approximation.

■ World Bank 1999a; WHO 1999; SIPRI 2000, UNCTAD 1999a.



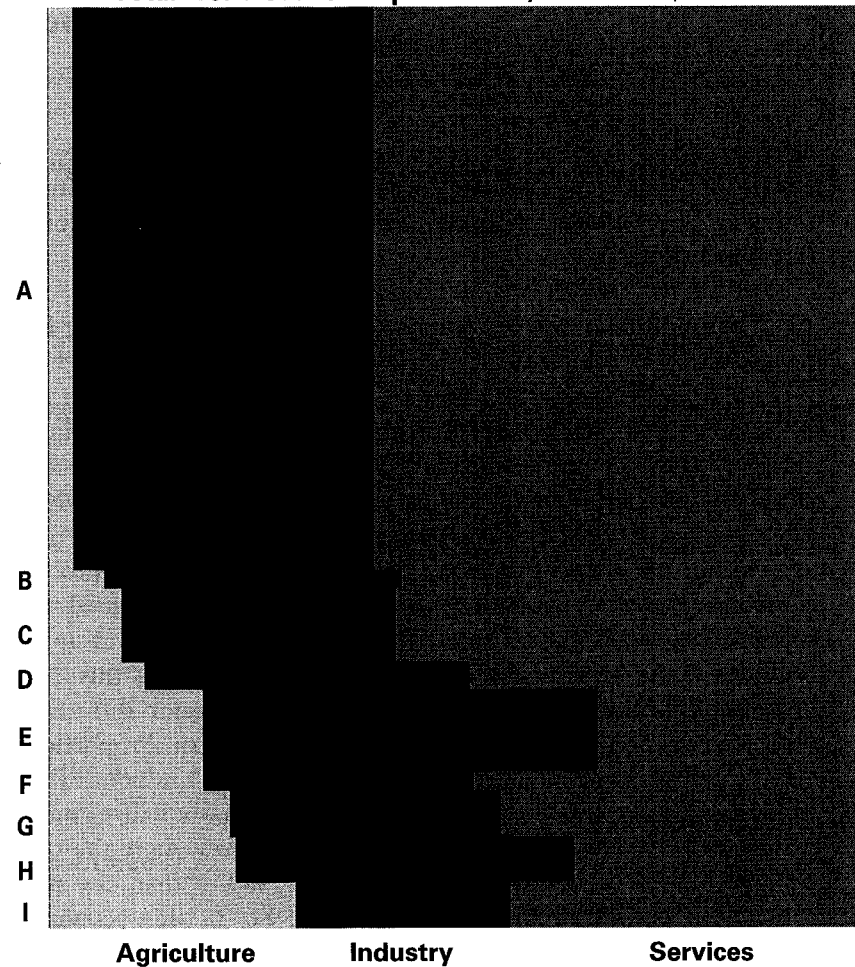
● The bars divide the value of production and the size of the labour force between the three main economic sectors – agriculture, industry and services – for the world, the North and the South (see **North/South**).

○ The traditional way of viewing development attaches great importance to the way output and labour is divided between these three areas of activity. Development has been almost always defined as the structural transition of economies from a traditional state in which economic activity consists largely of low productivity agricultural production, via industrialization, to a state in which high-productivity industrial production comes to predominate over agriculture until finally it is far overtaken by services (a process sometimes called tertiarization). Some economists have argued that this process will begin by increasing inequality but will end up by reducing it. As we shall see, a lot of evidence contradicts this idea.

From this bar chart we see that there is a major difference between the economic structures of North and South. Proportionately six times more people work in agriculture in the South than in the North. And in the South proportionately only half as many people work in industry and services. Almost everywhere the percentage of the workforce in agriculture is higher than the percentage of output or income it produces. So, in this economic sense, labour is less productive in agriculture than in industry and services. In the South this difference in relative productivity is still a good deal greater than in the North.

■ World Bank 1999a.

Total world economic production, 1998 = US\$30 trillion



- | | |
|---------------------------------|--------------------------------|
| A - Industrialized countries | F - Sub-Saharan Africa |
| B - East Asia (except China) | G - South-East Asia |
| C - Latin America and Caribbean | H - Eastern Europe and ex-USSR |
| D - Arab Countries | I - South Asia |
| E - China | |

Different production structures

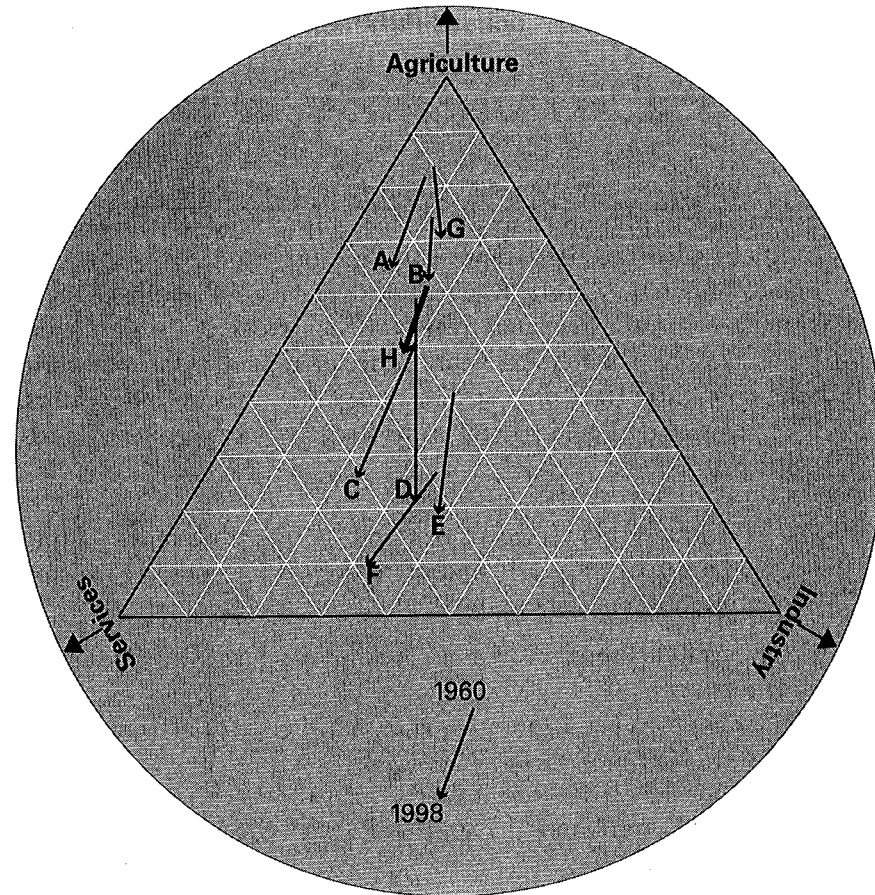
● This chart shows the same information about the structure of production as the previous one but in more detail. The total area of the shaded rectangle represents the total value of world economic production in 1988 (about \$30 trillion). The thickness of each layer of the rectangle (easily visible from the steps in the industry band) shows the weight of the corresponding area in world economic output and the shading shows the division into sectors. The areas are ordered in increasing order of importance of agriculture.

○ This graph gives a good idea both of the division of output between areas of the world and of the relative size of each sector. A number of things stand out:

- the overwhelming economic predominance of the industrial countries;
- the absence of a strong tendency for the share of industry to grow as that of agriculture falls;
- the especially large weight of the industrial sector in China and Eastern Europe and the ex-USSR, the legacy of communist economic policies;
- the clear tendency of services to grow as agriculture declines.

As typical locations of production of the world's output, the field and the factory are yielding to the office, the studio and the parlour.

■ World Bank 1999a.



A - Sub-Saharan Africa
B - South Asia
C - Latin America
D - East Asia (except China)

E - Eastern Europe and ex-USSR
F - Industrialized Countries
G - China
H - World

● This triangular chart is another way of showing the percentages of the labour force working in industry, agriculture and services. Movements towards (or away from) the corners show increases (or decreases) in the percentage of the labour force in the indicated sector. At all points in the triangle the sum of the three shares is 100. The labelled lines show how the structure of the labour force has changed in the world and in seven of its main countries and regions between 1960 and 1998.

○ The sectoral division of labour in the world as a whole (line H) shows a clear tendency of movement during the last forty years: strongly away from agriculture, slightly towards industry and strongly towards services (in the triangle the line falls and at the same time inclines increasingly towards the left). The countries and regions in general follow this pattern but with differences and variations:

- services have greatest relative importance in the industrial countries;
- industry has greatest relative importance in Eastern Europe and the ex-USSR;
- Latin America (C) and East Asia (D) started in 1960 at about the same point on this graph and have since strongly diverged, East Asia having shown much more growth of industrial labour;
- China and Sub-Saharan Africa were also in a similar place forty years ago and have since diverged, with China industrializing more rapidly.

■ World Bank 1999a.