Demise of the Development Project

Soci 348

Benjamin D. Brewer, PhD

James Madison University
The Development Project, A Reprise:

- Development as National Project/Process Managed by States
- Fixed Exchange Rates on U.S. Dollar Convertible to Gold Insulate National Economic Decisions
- International Agencies & Organizations (IMF, World Bank, GATT) will Assist & Coordinate
EROSION OF DEVELOPMENT PROJECT

- From the Start, Multinational Corporations Construct a World Economy
- "New International Division of Labor" (NIDL)
- U.S. Geopolitical Strategies Help Create Winners and Losers
- Rise of Offshore (Eurodollar) Banking System
CRISES OF THE 1970s
ECONOMIC & GEOPOLITICAL
CRISES OF THE 1970s

Economic

• Rising Competition in Manufacturing
• Slow Growth/Stagnation in First World
• Inflationary Pressures & Costs of Vietnam Undermine Dollar “Gold Standard” in 1971
• Growing Power of OffShore Banking System
• Global “Overabundance” of Credit
CRISES OF THE 1970s

Geopolitical

- U.S. Power/Status and Wealth Undermined by Vietnam
- Third Worldist Movement Demands NIEO in 1974
- OPEC More Powerful; Oil Shock of 1973
- Easy Private Loans to Third World States