

GEOG 370

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Mid-term - Q2.

How Oil Crisis” of the 1970s affected sustainability? Give 4 examples from peer reviewed articles

- Inequality between and among developing countries and the rate of poverty has increased.
- Few achieved growth, but the benefit of such growth was not distributed equally among the population of these countries.
- New directions in development that addressed “**absolute poverty**”, “**basic needs**” and “**redistribution with equity**” emerged.
- This is an introduction to sustainable development.
- Increase of oil prices in 1973 had led to **Oil crisis** and stagnation of development which followed by a **worldwide recession**.
- Rising of oil prices means increase of manufacturing goods.
- This had resulted in high prices of consumer goods which could not compete with lower prices in the international market.
- In turn, unemployment in the western countries increased.
- Consequently, aid to developing countries has been reduced which negatively affect development theory in these countries.
- To solve this problem, developing countries have to borrow money from financial institutions such as the World Bank and IMF.
- However, because of the combination of the low prices of raw materials, corruption and mal-economic policies in the developing countries.
- They were unable to pay back their loans and they got into **deep debt crisis**.
- Both **oil crisis** and **debt crisis** hindered sustainability and contributed to the failure of development theory.

References