Examine the impact of colonialism on a developing country that you have studied.

The developing country that I have studied is Brazil. It was a colony of Portugal’s for over 400 years and this had a major impact on the economy and population of Brazil. As a colony, Brazil was used as a cheap source of raw materials, especially agricultural raw materials such as sugar cane, tobacco, coffee and timber. Brazil had little control over the price paid for these products and for this reason the economy fluctuated as the price of these commodities went up and down. Most of the exports went to Portugal and other Western countries (Europe & the US). Here the raw materials were processed, which created jobs in these countries and added value to the products, which benefitted the developed countries. Brazil did not benefit from this type of trade as it sold its exports cheaply and then had to buy expensive manufactured goods from rich developed countries. This was a classic colonial trade pattern.

Brazil gained independence in 1822, however the colonial trade pattern continued, which economist call neo-colonialism. Right up to the 1950s, most of Brazil’s exports still went to Europe and the US and were dominated by coffee, sugar cane, timber and tobacco. Coffee dominated Brazilian exports and it was still 70% of exports in 1950s. Again, this meant that as the price of the coffee and sugar cane rose or fell each year, so did the Brazilian economy. These large changes in Brazilian economic growth made it hard to plan for investment in infrastructure, education and health-care.

Wold War 2 reduced the amount of imported goods Brazil could buy and this led to the import substitution scheme being introduced shortly after the war (1950). Instead of exporting cheap raw materials and importing expensive manufactured goods, Brazil invested in home grown manufactured goods and put high taxes on imported manufactured products to keep them out of the markets (Import Substitution Scheme). The import substitution scheme was successful in that it allowed Brazil to invest in manufacturing and it increased the range of products Brazil could export.
Today, exports from Brazil include steel, aircraft, chemicals as well as the agricultural commodities such as coffee, tobacco, beef, soya and timber. The problem with the import substitution scheme, however was that it cost a lot of money, which Brazil borrowed from international banks. By the 1970s these high debts became a major problem for Brazil as a world recession reduced demand for Brazil’s products and it was unable to repay these debts.

Colonialism also affected the population of Brazil. For most of its history, Brazil has been a very divided society where the gap between the poor and rich has been much wider than in European countries. This is because the Portuguese imported huge numbers of African slaves to work on the sugar and coffee plantations (farms) and even when slavery was abolished the descendants of these people continued to be poor and uneducated labourers. Even today, black Brazilian are more likely to be poorer and uneducated than while European descended Brazilians. Many of the slave descendant live in the favelas of the large cities. The wealth and land of Brazil was in the hand of a very small minority of colonists (Portuguese descendants). Most developing countries are much more unequal than rich developed countries and so Brazil followed the colonial pattern in this way too. As the wealth of the country was in the hands of a very small minority, there was no middle class group of people to go out and buy goods and services and create jobs. This big divide between rich and poor also led to a lot of political unrest as people in Brazil demanded changes. For much of the 20th century Brazil was ruled by a military dictatorship due to the political unrest caused by this huge inequality.