Globalization and the North-South Divide

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Abstract

The ever growing inequalities in economic, social, technology and overall spheres of development between the Global North (otherwise the Core or First World) and the Global South (the Third World or periphery), has caused quite a stir among economic and development scholars. While scholars have advanced series of theories to explain this phenomenon, and possible ways in which the South can further catch up with the North, there seem to be no real changes or improvement after all. Interestingly, the concept of globalization which gained prominence during the last decades of the 20th century only but facilitated the rapid integration of hitherto Third World economies into the global capitalist economic system with the aim that it would further contribute to the development of Third World economies. Years have past, but the Third World still looks vulnerable with almost no hope of improvement. Employing the multi-analytical approach, this work investigates the role of globalization in the North-South debacle.

Keywords: Global North & South, Inequalities, Development, Globalization, Integration.

Introduction

The North-South is a representation of two distinct worlds. It is a term used to describe a grouping of countries based on their socio-economic and political settings. In its basic form, the phrase is used to differentiate between the rich/industrialized countries of the Northern Hemisphere (including, the United State, Canada, France, the United Kingdom, Germany), and the poor/unindustrialized countries of the Southern Hemisphere encompassing countries in the Americas, Asia, the Pacific and Africa.

With just about one-fifth of the World's population and over 80 percent of the global GDP in its command, countries of the Northern Hemisphere occupy an advantageous position in virtually all spheres of life, as against those living in the South. This dichotomy and inequalities are manifest in all aspect of the Third World, whether in the economy, politics, education, science and even in technological growth. To tackle this debacle, efforts were made to integrate the world's economies with the view that it would aid the industrialization and development of the Third World. Regardless, this ambitious effort has failed to reproduce the achievements and growth of the North in the South, except for some isolated cases. For Akpuru-Aja (2000), globalization cannot turn around the fortunes of the Global South insomuch as their economies are under the manipulation of foreign powers.

Conceptual Clarification

Akpuru-Aja (2000) contends that globalization like most terms, is subject to different definitions and interpretations. He sees globalization as self-propelling, and one which represents a global village as much as a market. He opined that globalization is the facilitation of the flow and exchange of ideas, values, goods and services, banking and finance, science and technology, foreign investment, and market integration through the use of electronic communication.

Accordingly, Fernando (2021) defined globalization as the proliferation of products, information, culture, national borders, jobs and technology. Economically, the term represents the inter-dependence of nations across the globe, particularly as it has to do with trade relations.

Giddens (1990) described globalization as the deepening of social interactions throughout the world, uniting distant locales in such a manner that local happenings are created as a result of events occurring many kilometers away, and vice versa. Again, he defined globalization as a process cutting across such spheres as political, technical, cultural, as well as economic. It is 'new' and 'revolutionary' and is mainly due to the 'massive increase' in financial foreign exchange transactions, which has been facilitated by dramatic improvement in communications technology, especially electronic interchange facilitated by personal computers.

PoloGeorgis (2021) defined Globalization as a process that, based on international tactics, attempts to extend corporate activities on a global scale, and was triggered by technical breakthroughs, as well as economic, political, and environmental developments, which facilitated global communications.

According to Albrow (1990), globalization encompasses those processes by which the peoples of the world are integrated into a single world society, the global society. This captures globalization as an integrating phenomenon. Basically, it unites the peoples of the world as though regional barriers never existed.

Held et. al (1999) defined globalization as a method or set of processes that entails change in the spatial organization of social relations and transactions – as measuring by their extent, intensity, velocity, and impact – resulting in transcontinental or interregional flows, network activity, interaction, and power exercise. He argued that globalization entails a widening, deepening and speeding up of global interconnectedness.

Globalization, according to Modelski, et.al (2008), is not a novel idea, but rather a diachronic, or 'time-based' process. They viewed globalization as a historical process that dates back to antiquity and one which must be studied in order to be understood.

Globalization is a process of economic integration that entails the creation of a worldwide marketplace characterized by free trade and a minimum standard of living, as well as the development and use of international structures, primarily but not exclusively of an intergovernmental nature.(…) internationalism's basically pro democratic rationale contrast sharply with globalization logic (Jones, 2006).

Global South

According to Otieno (2019), the term "Global South" first appeared in the 1950s, but Carl Oglesby was the first to apply it to contemporary politics when he commented on the United States' dominance over the developing world. Politically, the term was also used by the founding members of the Non-Aligned Movement (NAM). Since the 1970s, however, the term has been used in international relations to refer to developing countries of the world. It is premised on the fact that, with the exception of New Zealand and Australia, all of the world's industrialized countries are located to the north of these developing countries. It does not however suggest that, all developing countries are the same, but it does emphasize the fate they share in common: underdevelopment, poverty, high mortality, low per capita income etc (Thacker, 2008).

The Global South arose in part to assist countries in the southern hemisphere in cooperating on political, economic, social, environmental, cultural, and technical challenges (Wikipedia, 2021). To grasp the concept however, one must first understand the social, economic, and political significance of the north-south divide. The northsouth

divide refers to the line that separates the world's richest and poorest countries, not the equator. The developed countries of North America, Europe, Asia, and Oceania are thus considered to be the global north (The West, the First World, and parts of the Second World).

Global North

The Global North is a term used in classifying the developed and technologically advanced countries of the world. Countries of Western Europe, the Americas (United State and Canada), Australia, and New Zealand and some countries in Asia, fall into this bracket. According to Sawe (2017), the nations to the north of the Divide have developed economies and account for more than 90 percent of the world's industrial industry. Despite accounting for only one-quarter of the entire worldwide population, these countries control 80% of the overall global GDP.

Theoretical framework

One theory that would be of immense importance to the understanding of this debate is the Marxian inspired dependency theory, advanced by the Argentine economist Raul Prebisch. Explaining the relationship that exist between the two worlds (North-South), Prebisch like Karl Marx, stressed that, it resembles that of an unparalleled and an uneven relationship. He argued that the underdevelopment of the South, are products of some unequal exchanges, which is occasioned by the capitalist mode of production. Rodney (2009) argued that, insofar imperialism and capitalism continue to create unequal exchanges between the countries of the North and those of the South, and insofar they are consistently shortchanged, countries of the South would hardly experience any form of development. Explicating further, it can be conceived that, the interactions that exist between the countries of the North and those of the global South, is such that, the wealth and expertise of the South have been drained by countries of the North, and that this have made the countries of the South totally dependent on the North. According to Marx, "capitalist production, encourages the development of technology, and the bringing together of numerous processes into a social whole, only by sapping the original sources of all wealth - the soil and the labourer". They do not produce their own food and are absolutely not in control of their national resources/economies, hence, resulting to the massive underdevelopment and the increasing inequalities between the Global North and Global South.

By making policies that are detrimental to countries of the Global South, and by limiting them to a dependency level (where their economic, political cum socio-cultural patterns) are tied to the dictates and manipulations of countries in the Global North, the South, at

best, cannot advance above a mediocre level. This theory captures the peripheral positioning of the countries of the global South, which is made possible by capitalist imperialism and the further dislocation of the southern economies, as against those of the more industrialized capitalist North, as the root cause of underdevelopment.

Empirical Framing

In order to have a full grasp of the topic under discourse, there is the need for the review of relevant literatures.

In Walter Rodney's How Europe Underdeveloped Africa, he explicated on the reasons why the Third World countries are underdeveloped, using Africa as a reference. According to Rodney, the interactions between Africa and the Europe created an unequal balance, which resulted in the massive exploitation of both material and human resources out of the shores of the Africa. That colonialism and imperialism interrupted the progress of the African society, while also introducing barriers that limited the rapid growth of the people. He further explained that African interactions with the West, created limitations that reduced the continent and her people to a level of dependency, and that since the West enjoy reaping from the sweats of Africans, they create tendencies and/or monopolies that tend to limit the expansion of African society, hence, the continued reign of underdevelopment.

Accordingly, Robinson and Acemoglu in their Why Nations Fail: The Origin of Power, Prosperity and Poverty buttressed that though, European colonialism and imperialism impoverished most parts of the world and kept most parts of it in perpetual penury, they however argued that poor governance coupled with weak institutions of states and extractive economies are largely responsible for the underdevelopment of the global South. According to them, the primary drivers of development are essentially political stability, strong institutions of state, inclusive economic institutions and not necessarily, geographical or the biological conditions as advanced by some scholars. Acemoglu and Robinson stressed that, as far as leaders from of the global South continue to create extractive institutions and insofar some of her citizens continue to be stronger than states' institutions (which are a characteristic of the Third World countries), achieving development could be an uphill task.

In his contributions, Claude Ake in hisAPoliticalEconomyofAfrica highlighted the increasing role of imperialism and capitalism in the underdevelopment of Africa. The exploitation of the African continent and the disarticulation of the continent's economy as he opined, have reduced the continent to a mere dependency level, and an exporter of just

raw materials. Again the integration of the African economy into the global economies, have on the one hand handicapped Africa and on the other reduced it to the status of an underdeveloped continent.

Globalization and the North-South Divide

There have been increasing debates among development scholars as to what role globalization plays in deepening the north-south debacle. While many are in total agreement that globalization is breeding an almost unbridgeable gap between the industrialized North and the South, others are of the view that it is propelling the growth of the south in no small measure.

First, a glaring implication of globalization on the North-South debate is that, it has created financial inequalities between the countries of the advanced global North, as against those of the global South. This has resulted in disparities in earnings, as well as affected the financial conditions of the people. According to Birdsall (1999), as a result of globalization, countries of the South are at high risk of a widening income disparities. This disparity she argued is made possible by the liberalization of trade, which makes economies highly competitive and apparently, pitches the very sophisticated economies of the North against the weak/vulnerable economies of the South. Conversely, the liberalization of world trade as she argued, have facilitated the importation of foreign consumer goods at cheaper and affordable prices reducing the real cost of consumption for the urban poor, while at the same time, created new labour-intensive jobs in agriculture and industries, leading to increased earnings for the rural poor.

Globalization facilitates the privatization of hitherto public corporations (which were recurrently bankrupt), and inadvertently concentrate wealth in the hands of a few individuals and/or multi-nationals corporations, who in turn introduce policies/strategies that are themselves extractive. In countries of the global South, characterized by small, weak/vulnerable economies and/or relatively weak institutions of state, such privatization leads to increasing gaps among the poor and the rich, which seemingly, creates inequalities.

Again, the integration of world economies (which was facilitated by globalization) and the setting up of certain financial institutions like the IMF and the World Bank have further accelerated the indebtedness of many Southern countries. For instance, the IMF's Structural Adjustment Program which was aimed at helping developing economies recover from the financial crises of the 1980s ultimately sunk many Third world economies in more difficult waters, increasing their levels of financial indebtedness, and

consequently, doubling the rate of poverty. Also, the Green Revolution program of the 1950s and 60s did increase agricultural outputs, but more ironically, it displaced farmers who could not afford High-tech inputs (George, 2013). Accordingly, Birdsall (2003) argued that, though some progress were made, the Green Revolution did not end the scourge of hunger, underdevelopment and the chronic poverty that was visited on the peoples of the South, but rather increased social inequalities via unequal access to production resources. This led to social tensions and disturbances.

Culturally, as globalization increased interactions between countries of the North and the South, it advertently led to loss of cultures, values and traditions. For instance, most countries of the South have abandoned their identities and stuck with those of the globalizers. More importantly, globalization has facilitated the urbanization and the influx of rural population to urban cities, ultimately, affecting rural population and their economies.

Conclusion

Though the North-South debate would continue to linger, and though globalization will continue to affect the countries of the North and South (whether positively or negatively), it is expedient to note that, the countries of the South have a lot to do if they are to catch up with the already industrialized North. Their mere admittance into a globalized world system may not necessarily, guarantee the closure of the "inequality gap" if effective/actionable measure are not put in place to tackle such disparities. So long as extractive/exploitative strategies are not combated, this division between the North-South would continue to widen.

It therefore behooves on world's leaders and governments of the South, to sincerely and proactively chart ways to help the South grow. Because, insofar the South are left in this precarious situation where poverty, hunger, unemployment, underdevelopment, economic sabotage and inequality are the order of the day, tensions, instability and conflicts would continue to characterized the world's society, retarding growth/development in the South, and by extension the developed North.

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