

NORTH–NORTH, NORTH–SOUTH, AND SOUTH–SOUTH RELATIONS

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Contents

1. Introduction
 2. North–South Relations in Theoretical Perspective
 - 2.1 North–South Relations in the Context of Modernization Theory
 - 2.2 Dependency Theory and the North–South Conflict
 3. A Historical Perspective on North–South and South–South Relations
 - 3.1 The Emergence of the South as a Political Force
 - 3.2 The Fight for a New International Economic Order
 - 3.3 Debt Crisis and Structural Adjustment: The Decline of the South since the 1970s
 - 3.4 The End of the Third World?
 4. North and South in a Globalized World
 - 4.1 Convergence or Divergence?
 - 4.2 The Erosion of State Power and the Rise of Non-State Actors
 5. Conclusions
- Glossary
Bibliography
Biographical sketch

Summary

This article analyzes the relationship between the developing countries in the South and the industrialized countries in the North since the Second World War. It argues that though the gap between North and South has widened (see Globalization as if the Entire Globe Mattered) in recent decades, with more people living in absolute poverty than ever before, the interest of the North in the development of the so-called “Third World” has decreased, as shown by the fact that official development aid from the OECD (Organization for Economic Cooperation and Development) countries had shrunk to a mere 0.22% of gross national product (GNP) by the end of the 1990s.

Whereas modernization theorists argue that globalization and liberalization offer new opportunities for the South, bringing foreign investment, technology as well as foreign expertise to the developing nations, this article comes to the conclusion that globalization leads to further marginalization of great parts of the South and that radical changes will be necessary in order to change this trend. Thus, it seems as if the end of the Cold War has further reduced the strategic importance of the South, which now has to compete with the countries in eastern Europe and the former Soviet Union for credits, as well as investment and foreign aid.

The article consists of four parts. After giving a brief definition of the terms “North” and “South,” the second part will introduce the reader to the debate concerning the causes and consequences of underdevelopment—a debate that is structured by competing paradigms such as modernization theory and dependency theory. In the third part, the history of North–South relations will be described, starting with the process of decolonization and ending with the situation after the end of the Cold War. The fourth part takes a look at the present debate which analyzes the consequences of “globalization” for North–South relations. In this context, this article will present empirical data on important structural features of the North–South divide and analyze the development of certain indicators over the last decades.

1. Introduction

The terms North and South are used in scientific as well as political discourse to describe the relationship between the rich and industrialized countries on the one hand and the poor, less industrialized countries on the other hand. Despite the geographic connotation, the dividing line between North and South is not a spatial one since several countries from the Southern Hemisphere belong to the North and vice versa. Instead, central to the concepts of North and South are different economic, political, and social structures, which together generate a specific level of development, which can be measured using a variety of indicators such as gross domestic product (GDP) per head, productivity, unemployment, illiteracy rates, infant mortality, life expectancy, and the like.

While economic and social indicators describe the structural aspects of the North–South divide, a political analysis of the North–South conflict has to deal with the emergence of different coalitions and institutions, representing the interests of South or North in the domain of international politics. The history of the developing countries also plays an important role in this context since it was the experience of colonial subjugation and oppression which contributed to the formation of a common, anticolonial identity in the South. This article makes use of both definitions of North and South: one of them describing the structural features of the North–South relationship and one relating to North and South as political forces, themselves shaping world affairs.

2. North–South Relations in Theoretical Perspective

It was not until the Second World War had destroyed the old world order that the issue of development of the societies in Africa, Asia, and Latin America came on the agenda of policy-makers and scientists in the North. On January 20, 1949, US President Truman declared in his Inaugural Address that a daring new program would be needed to utilize the benefits of modern science and technology for the development of the South, emphasizing that his concept of fair trade on a democratic basis would have nothing in common with the old imperialism of the European powers which had rested on the exploitation of colonies in the interest of foreign financiers.

In retrospect, it can be said that the rising power of the anti-colonial movements, the declining power of the European imperialist states, and the fact that the South had gained strategic importance in the context of the Cold War competition between the

United States and the Soviet Union all contributed to a new interest in the fate of the former colonies. This interest led to the establishment of development theory as a separate academic discipline at American universities during the 1950s—a discipline that was dominated by the modernization paradigm until the late 1960s.

2.1 North–South Relations in the Context of Modernization Theory

The modernization paradigm rests on the belief that the transition from tradition to modernity is a universal and linear process with the developing countries of today moving through the same stages of development as did the industrialized countries in the past. According to the American sociologist D. Lerner, modernization can be defined as a process of social change whereby less developed societies acquire characteristics common to more developed societies. Summing up the literature of several theorists on modernization such as Rostow, Lerner, Deutsch, Almond, Rokkan, Lipset, Weber, Parsons, Eisenstadt and Hagen, to name but a few, these characteristics can be described as in Table 1.

Economy	Capital accumulation, technological progress, “take off” to a stage of self-sustained growth and high mass consumption (Rostow)
Society	Population growth, urbanization, alphabetization, social mobilization, bureaucratization (Lerner, Deutsch, Weber)
Politics	State building, nation building, democratization, redistribution (Almond, Rokkan, Deutsch, Lipset)
Culture	Secularization, rationalization, differentiation (Weber, Parsons, Eisenstadt)
Individual	Empathy, performance-orientation (Hagen, Lerner)

Table 1. Aspects of modernization.

Within the modernization paradigm, western Europe and especially the Anglo-Saxon countries (US and UK) have been characterized as the centers of modernity, innovation, industrialization, dynamic entrepreneurship, achievement, rationality, and freedom. In contrast, the countries of Africa, Asia, and Latin America were defined by the prevalence of traditional institutions, undeveloped divisions of labor, the lack of utilization of their own resources, overpopulation, pre-democratic structures, and the predominance of rites, rituals, and primitive customs.

Modernization theory rests on the premise that in order to develop, the developing countries need to overcome traditional institutions and values. The relations between North and South and their impact on the course of development of the individual countries of the South are either ignored by modernization theorists or they assume that it is in the interest of the Developing countries to learn from, and cooperate as closely as possible with, the developed countries in the North.

While these are the common assumptions of the modernization paradigm, big differences also exist as far as concrete development strategies are concerned. Whereas up until the mid-1970s, many modernization theorists favored a certain degree of state intervention in the economy of developing countries, the 1980s saw a revival of liberal

theory and policy, calling for free trade and the liberalization of capital markets in developing countries in order to further their integration into the world economy. The political advice, given by modernization theorists also changed with time. During the 1950s and 1960s, the commonly held view was that the goal of economic growth was prior to democratic and social concerns (growth first, redistribution later). This view changed during the 1970s and most modernization theorists argue today that economic growth, democratization, and the improvement of the living conditions of the population go hand in hand, each stimulating the other in a virtuous circle.

2.2 Dependency Theory and the North–South Conflict

Dependency theory had been developed by Latin American scientists during the 1960s and was influenced by earlier Marxist theories of imperialism as well as by discussions which took place within the UN Economic Commission for Latin America (ECLA), where development economists such as R. Prebisch and C. Singer observed that the terms of trade are constantly deteriorating for the exporters of primary commodities.

Contrary to the modernization paradigm, the focus of which is usually reduced to the analysis of individual societies and states of the South, dependency theory focuses on the relations between North and South, arguing that the actual situation of developing countries cannot be analyzed outside the history of external penetrations and interventions, which have structured and in turn have been affected by internal features and developments. The central thesis of the dependency paradigm is that oppression and exploitation of the South by the North has contributed to the underdevelopment of the South. The forms and mechanisms of this exploitation are seen in various fields: while some analyze the impact of international trade on the development of the South, others focus on the exploitation of important resources by multinational corporations and others concentrate on the financial relations which have led to the high and ever growing debt burden of the South.

Another feature of dependency theory is its focus on the specific history of colonialism which distinguishes the countries of the North from the countries of the South. As dependency theorist A. G. Frank wrote in his essay “The development of underdevelopment” (published in Jameson and Wilber (1996) *The Political Economy of Development and Underdevelopment*), it is not possible “to formulate adequate development theory and policy for the majority of the world’s population who suffer from underdevelopment without first learning how their past economic history gave rise to their present underdevelopment.” In this view, the experience of colonial exploitation had massive implications for the economies of the South since they were integrated into the international division of labor as exporters of a few agricultural products or raw materials with the consequence that their economies were highly dependent on and oriented towards the markets of the North.

Assuming that the unequal relationships and exchanges between North and South lead to global polarization and increasing poverty within the South, dependency theory calls for a delinking from the Northern based institutions and for the launch of a self-centered development strategy which concentrates on the needs and demands of the domestic population.

As will be demonstrated in the next section, the differences between the modernization and the dependency paradigm, which are summarized in Table 2, are at the center of the political controversies and conflicts which have shaped North–South relations during the previous decades.

	Modernization theory	Dependency theory
Research object	Single developing society	Relations between North and South
Central theoretical concepts	Tradition—modernity, backwardness	Dependency, exploitation, underdevelopment
Reasons for being less developed	Internal factors (low productivity)	Mainly external factors (exploitation, colonialism)
Policy recommendations	Cooperation with the North, integration into the world market, adoption of “modern” institutions and values	Cooperation with other developing countries (collective self-reliance), delinking from the North and the world market in order to introduce a self-centered development

Table 2. A comparison of development paradigms.

3. A Historical Perspective on North–South and South–South Relations

3.1 The Emergence of the South as a Political Force

The countries of the South differ enormously with regard to their size, their cultural traditions, their climates and resources, as well as their political constitutions. What many of them had in common, however, was the struggle for independence from the former imperial powers. The Bandung-Conference in Indonesia in 1955, where the heads of 29 states from Asia and Africa came together, marked the beginning of the rise of the South in international affairs. It was the first time, that several important leaders of the South (such as Nehru, Nasser, Sukarno) manifested their will to play an independent role in world politics.

The relationship between the Northern countries, especially the dominant East–West conflict, undoubtedly had an enormous impact on the relationships within the South: whereas some developing countries decided to cooperate with the Soviet Union in order to challenge the powerful states in the North, a majority of developing countries chose to be independent from the Western as well as from the Eastern bloc. In 1961, the first conference of the nonaligned states was held in Belgrade and within a few years, the Non-Aligned Movement became a strong force within the United Nations General Assembly.

Following the demands of the South for the establishment of a new institution concerned with the regulation of North–South exchange, the United Nations Conference on Trade and Development (UNCTAD) was founded in 1964. UNCTAD I marked the beginning of a continuous cooperation of developing countries with the formation of the so-called Group of 77 (G77) whose membership rose to 131 developing countries in 1995.

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Biographical Sketch

Lydia Krüger (MA politics, MA sociology) is a Ph.D. student at the University of Trier and works at the Centre for European Studies at the University of Trier. Her fields of research are development theory, sociology of money and finance.