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The concept of “North-South Divide” and prospects of its development

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Abstract

The paper is devoted to some aspects of the problem of the gap between the wealthy developed Northern countries (such as the United States, Western Europe, Canada, Japan) and poor and developing Southern ones (such as some Asian, African, Latin American countries and some states in Oceania). It also demonstrates the number of unsolved issues in the countries of the “third world” and processes of backwardness there. The article investigates some causes of the emergence of this problem, as well as ways of solution that were already implemented at the global level, and describes some future prospects concerning the concept of “North - South divide”.

Keywords: North–South divide, international relationships, developed and developing countries, problem of backwardness, world economic order;

1. Introduction

Today it is impossible to imagine current international affairs without the processes of globalization which has become a symbol of nowadays. However, despite many positive aspects of globalization, there are many negative sides of it, when for the reason of the world economic competition a problem of deep economic divide between developed and developing countries is continuously increasing in the present days. In the scientific literature, such a growth trend of economic (and social) backwardness of developing countries from developed ones is designated as the problem or concept of the «North – South Divide».

2. Materials and methods

In this research the following methods were applied: firstly, the historical method in order to trace the origin of the problem and to analyse the reasons for its development, as well as to consider the measures which were undertaken for resolving this problem; secondly, the comparative method in order to demonstrate some economic and social differences between countries of the «first» and the «third» world, the gap between them; thirdly, the descriptive method in order to depict the situation, which could arise in the future regarding the current international order and relationships and some tendencies of globalisation.

3. Results

Unequal relationships among European metropolises and colonies have existed for centuries. However, the beginning of this problem refers to the 50-60th of the XX century when the whole colonial system had collapsed. The emergence of dozens of new independent states on the world map has generated optimistic forecasts about the prospects of their development in the post-colonial period. It was assumed that these countries, having rid of the colonial legacy, would achieve rapidly an economic and cultural prosperity (for example, in the 60-s the economic growth of developing countries was higher than in developed countries, while in the 70-80-s it has slowed sharply, and has even changed to stagnation or irreversible decline). By the mid-80-s the developing countries one by one began to declare themselves (or to be recognized by international financial institutions) as insolvent ones [7].

A geo-economic concept of the «North-South Divide» (or «Rich-Poor Divide») denotes the division that exists between the wealthy North and the poorer and least developed countries of the South, as well as contradictions between modern developed and developing countries [7]. According to Russian geopolitician V.A. Dergachev, the «World North» is a geo-economic macro-region, the world center, which includes the United States, Western Europe and a few advanced countries such as Canada, Japan (countries of the «first world») [2]. In the «North» there is a diversified infrastructure for high-tech manufacturing; these countries are characterized by the high level of income per capita that is a high standard of living there (the HDI index), etc.

The «Deep South» is a geo-economic macro-region, the deep global periphery with typical processes of demodernization and criminalization of their social and economic systems [2]. The developing countries, or countries of the so-called «third world», are the community of Asian, African, Latin American countries and some states in Oceania, which in the past constituted a colonial and semi-colonial periphery of the developed capitalist countries, and which nowadays are far behind in their development from the industrialized countries of the West. The extraction of raw materials, traditional economy system and low level of modernization are typical for «Southern» countries [3].

The countries of the «first world» (it is about 26 states and approximately 23% of the world population) currently consume 75% of the world energy, 79% of the produced fuel, 95% of wood, 72% of the produced steel. At the same time, the sources of these raw materials are countries of the «third world», though 95% of the population of the «North» is provided with enough food, shelter and has a degree, while in the «South» - only 5% [3].

Moreover, average per capita income in the richest 20 countries is 37 times higher than in the 20 poorest countries, and for the past 40 years, this gap has doubled. According to the estimates of the UN Development Programme, at the beginning of the 21 century the total wealth of 225 richest people in the world exceeded \$1 trillion and it is equivalent to the annual income of 2.5 billion poor people (constituting 47% of the world population). Furthermore, gains of the 500 richest people in the world (included in the list of «Forbes» magazine) exceed the total income of the 416 million poorest people [7].

In addition, the GDP share of the richest countries is about 86%, while of the poorest ones – only 1%, and this difference in economic growth leads to a permanent increase of the gap between rich and poor countries [7].

The problem of backwardness, which is associated with the least developed countries, is also viewed through the prism of relations between the rich North and the poor South. For Africa, Asia and Latin America such phenomena as poverty, hunger and chronic malnutrition, high infant mortality, massive epidemics and so on are typical (differentiation of incomes among countries and different population groups; a significantly lower average labor productivity; the hundreds of millions people living in primitive shelters, as well as in the lack of fresh water,

medical care, the ability to receive any education) [5]. For instance, the poor man in the USA is a person whose income is about \$3150 per year (food stamps, benefits on housing, subsidies for health care and other benefits provided to low-income families are not included), whereas the poor man in Haiti has only \$200 per year [5].

The first step towards the revision of the established international economic relations was the creation of a special political structure in 1964 called the "Group of 77". In the present times, the group has already included 134 countries, and the basics of their activity are:

- 1) trade, financial and technical cooperation among developing countries;
- 2) development, harmonization and coordination of joint actions on special sessions and conferences of the UN;
- 3) economic, credit, financial and technical cooperation with others and primarily with developed countries [1].

By the mid-80-s, the developing countries have managed to achieve some positive results – this period was characterized by extension of the international development assistance and alleviation of the debt problem. However, by the end of the 80-s different disagreements regarding their claims appeared (for the reason of the rapid differentiation among some developing countries known as newly industrialized countries and oil-exporting countries, etc.) [7].

In spite of this, some suggestions for improving the economic situation in the «South» have been implemented: in September 2000, the UN Millennium Declaration (which contained the universal desire to eradicate poverty, eliminate shortages of food and water, provide education and reduce the rate of HIV, AIDS and other diseases) and in March 2002, a document of the Monterrey Consensus of the International Conference on Financing for Development were adopted [1].

However, one of the most effective solutions was proposed by Mexico in 2002 – it is a project called «Opportunities». The main purpose of this program is to provide financial help to families in the developing countries for increasing opportunities for their children to attend school, as well as to undergo regular medical examinations for prevention and treatment of diseases. A World Bank evaluation of this program found out that the number of poor people among the participants decreased by 4.9% in the first year, and by 18% in the second year.

In order to solve the existing problems more effectively, since 2006 the UNCTAD (the United Nations Conference on Trade and Development) carefully analyzes the situation in the least developed countries and prepares yearly reports on their growth and development [7]. Based on the annual review of the UNCTAD in 2011, the Istanbul Declaration on the establishment of new and stronger partnerships was adopted. The Declaration included basic techniques for attracting investments in troubled regions and called for promotion technologies and knowledge for structural reforms in the economy and science there.

If we talk about the future prospects of further development of the international order, there are both optimistic and pessimistic forecasts; the latter ones mostly claim that the «third world» would be in a crisis situation that will have a real tendency towards globalization. According to the professor of Peoples' Friendship University of Russia I.A. Rodionova, it seems to be as follows:

- The vast majority of the developing countries will support efforts aimed at overcoming the arms race and the establishment of a new world economic order. The implementation of the principle of "disarmament for development" will be a prerequisite for the advancement of the countries of the «third world», while the military-political, social and economic instability in some regions will still exist.
- The developing world will improve their economic situation, especially "newly industrialized countries" whose number will increase. Nevertheless, the gap in the level of social

and economic growth between developed and developing countries will persist as before. An industrial capacity of most countries of the «third world» and the share of manufacturing industry in economy will increase, and a growing number of developing countries will achieve some scientific and technological progress, but there will be big difficulties arising from the lack of relevant scientific and technical base as well as the lack of qualified personnel there.

- There will be some improvements in the agricultural sector – the combination of new different methods of farming, including the "green revolution" in developing countries will lead to the improvement of the regional food situation. Nevertheless, the consequences of the "demographic explosion" will still persist and lead to worsening of the situation in big cities.

- Moreover, there will be great environmental problems, for example, it took 20 years for developed countries to implement special mechanisms to stabilize degrading changes of the natural human environment, but it is obvious that the developing countries will need more time as the process of "pollution transfer" (with the use of outdated equipment and technological schemes at the same time) in these countries from the developed ones will continue. Also the problem of the scarcity of water and land resources, as well as the process of deforestation will persist and become more complicated [5].

4. Conclusion

In conclusion, it is worth noting that nowadays the tendency of impoverishment of the «third world» is increasing, but people need to understand that the backwardness of developing countries is potentially dangerous not only on the local, regional and interregional levels, but also for the global economic system as a whole. The backward «South» is the essential part of the world economy and, consequently, its economic, political and social problems will be inevitably manifested in the world international affairs. There are already concrete evidences of such a tendency – for example, a large-scale forced migration from developing to developed countries, as well as the spread of both new and previously known infectious diseases over the world [6].

It seems that North – South divide is beneficial for developed countries in order to implement their interests and aims, whereas the countries of the South do not effectively develop, being in some economic and political dependence on the countries of the North, for which the current state of affairs is quite beneficial [4].

The crisis in the economy of developing countries tends to be so deep and pervasive that the problem of the North – South divide is already treated as one of the modern global problems. The measures, adopted by the world community, in some extent give developing countries the opportunity to adapt to the modern economy and change the consciousness of the citizens living there. However, the process of development may take decades, so developed countries should implement more assistance and aid, which are clearly insufficient to solve the existing problems at the present stage of the international relationships.

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