

North-South

Concept: North-South

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Description North-South was a concept used to describe the struggle between industrialized countries (the North) and their former colonies and other new countries (the South) that began as many of the latter gained formal political independence. The North-South debate, as it came to be known during the 1970s, was essentially over the policy changes that would enable the South to rapidly achieve self-sustaining economic growth and industrialization. Southern political elites believed that the post-war grand bargain — a compromise that aimed to progressively liberalize world trade while allowing countries the space to pursue autonomous domestic policies — would not speed the realization of their objectives unless the rich took special measures. The South sought concessions from the North that they thought would help them to transcend economic relationships that they considered to be unfair. New countries also targeted protectionist domestic policies in the North, and the governance of multilateral institutions that they viewed as being driven exclusively by the rich, such as the General Agreement on Tariffs and Trade (GATT).

The South's collective activism commenced at the United Nations General Assembly during the 1950s. Many Southern states asserted that their terms of trade were declining over time, arguing that it did not pay in the long run to export raw materials while relying upon imports to obtain technological and capital goods. They also noted that international mechanisms were required to stabilize commodity prices so that poor countries could avoid crises when the world prices of their principal export crops dropped rapidly. Their efforts on this front led to the adoption of a General Assembly Resolution, 1423 (XIV), and focused the attention of the United Nations Economic and Social Council (ECOSOC) on commodity-related issues. Embryonic solidarity amongst Third World countries was also evident outside of formal UN auspices. The anti-colonial Asia-Africa Conference held at Bandung, Indonesia in 1955 was one prominent instance of this new phenomenon.

The South's increasingly unified front was evident yet again in July 1962 when the ECOSOC presented an International Development Strategy (IDS) for the decade. Subsequently adopted by the General Assembly as Resolution 1710 (XVI), the strategy sought to transfer one percent of the GNP of developed countries per annum to Southern countries in the form of public aid flows. It also sought to increase GNP growth per year across the South to a minimum of 5 percent per year. The General Assembly adopted additional resolutions endorsing a reduction in market access barriers the South faced in the North, and the sovereign right of Southern

countries to nationalize industries. The following year the General Assembly authorized the creation of a permanent UN Conference on Trade and Development (UNCTAD). Notwithstanding the Cold War context and their different political systems and cultures, the South's unity was solidified in 1964 at the end of the first UNCTAD in Geneva when the famous Joint Declaration of the 77 was issued (Joint Declaration 1964). By the end of the decade, however, the lofty objectives of the IDS had not been realized. The tone of the debate had become more acrimonious at the second UNCTAD in 1968, and many Northern countries failed to reach the aid target.

Nonetheless, a Second Development Decade was launched by the General Assembly in October 1970 with the adoption of Resolution 2626 (XXV). For a time the South's agenda seemed to attract little attention in the North, though it shot to the top of agendas when the Organization of the Petroleum Exporting Countries (OPEC) moved to raise oil prices in 1973. At the October 1973 Summit of the Non-Aligned Movement (NAM), a Southern forum, the movement took advantage of the North's new concern and bundled its prescriptions for reform of the trade and monetary systems, increased aid, cheap transfers of technology, and industrialization into a package termed the New International Economic Order (NIEO). As the South pursued the NIEO in the UN system, the Tokyo Round of the GATT commenced. The Tokyo Declaration contained language that aimed to address several Southern grievances. Objectives for the Round included the establishment of measures to enable poor parties to the agreement to diversify their exports and benefit from a system of market access preferences. This program challenged rich countries to set aside the principle of non-discrimination and embrace what Swedish economist Gunnar Myrdal had referred to as a "double standard" for development so that the South could overcome "rigged rules"(1971, 294).

Through mid-decade the UN agenda was much more prominent as the Tokyo Round bogged down. In December 1974 Southern perspectives were enshrined in the Charter of Economic Rights and Duties of States. The Charter detailed fifteen core principles states were to adhere to including the right to control their natural resources, the right to regulate economic activities, and the North's duty to not interfere with these rights. A non-binding document, the Charter represented a high-water mark for Southern activism. Even so, the following year the NIEO package started to come undone. The United States demanded the removal of any language about measures to stabilize and raise commodity prices before they would proceed with negotiations on the rest of the package. A stripped-down NIEO was later adopted by the General Assembly in September 1975, and discussions on the international commodity trade moved to UNCTAD. Further break down in the NIEO was also evident regarding its objective to regulate transnational corporations (TNCs). Southern efforts to establish a binding code of conduct were pre-empted when the Organisation for Economic Co-operation and Development (OECD) adopted voluntary codes for the regulation of TNCs in 1976. The

Tokyo Round ended on a slightly positive note for the South, but in the main, their objectives remained unrealized during the 1970s. Positions on the NIEO had polarized, and the stalemate was such that the Brandt Commission was struck to bridge the North-South divide. Conciliation did not get very far though, as an attempt to renew North-South negotiations failed in 1981 when US President Reagan declared the death of the NIEO. Southern solidarity subsequently weakened as the priorities of Association of Southeast Asian Nations (ASEAN) members and poor commodity-dependent nations in Sub-Saharan Africa diverged, and governments in Mexico, Brazil, and elsewhere that had previously championed the South's cause focused less on advancing a common agenda. Consequently, as the era of conditionality and structural adjustment ensued, some questioned whether it was still appropriate to speak of an undifferentiated South or a North-South conflict.

In the present era of globalization the South's old objective of achieving economic improvement relative to the rich and effecting a redistribution of wealth-generating activities from richer zones to poorer ones remains with us nonetheless (Haq 1976). Efforts Southern states make to increase their ability to pursue autonomous industrial policies, change trade rules, and secure higher levels of development assistance are now informed and backed by a transworld movement that seeks to make the global economy more equitable. Even Northern political leaders have adopted language that indicates their willingness to address at least some of the South's concerns. Given these developments, the South has globalized. For its part, the North has also gone global insofar as market fundamentalists around the world continue to push for market-based solutions to the problems of equitable development rather than redistribution. As a result of these changes, the relative importance of classical, interstate conflict in the North-South debate has declined, even though the 2003 WTO Ministerial Meeting in Cancun demonstrated the resilience of this phenomenon. Global civil society groups and coalitions have become so actively engaged with these matters that the descriptor "North-South" might be less meaningful than it was during the NIEO's heyday. The concept is used much less often than in the past, though the essence of what it attempted to describe — the conflict between the haves and the have-nots — continues to play out in the new world order.

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