

The Global North is rich largely due to exploitation and underdevelopment of the Global South, which still goes on to this day, and therefore owes reparations to rectify this rift. Discuss

Murmurs of discontent spread throughout the former colonies. In July 2020 this went beyond mere whispers as the Democratic Republic of the Congo demanded compensation for the pain inflicted by decades spent under colonial rule. Just a month later, Burundi laid the same demands at the feet of Belgium and Germany – to the tune of \$43 billion. There's no doubt that a massive proportion of Sub-Saharan Africa's – and indeed the Global South's – modern troubles come courtesy of their exploitation under the Global North; the question emerges, do the modern nations owe reparations for crimes committed centuries ago?

The Global North is an oft-cited idea which, in reality, lacks clear boundaries or unifying principles. For one, the conceptual Global North ignores the geographical parameters implied by the name – it is not simply a conglomerate of nations existing above the Equator or, indeed, some agreed latitude. Therefore, before discussing the Global North-South divide we must establish what the Global North actually describes. *The Brandt Report* of 1980 gave economists and politicians an idea of the immense gulf in development between the two hemispheres; more importantly, it gave us the 'Brandt Line' which depicts the divide based on GDP per capita as a factor. Notably, it straddles the Earth at 30° N but drops to include New Zealand and Australia as part of the Global North. Brandt himself was optimistic for the new century and that coordination between the hemispheres could 'build a world in which sharing, justice, freedom and peace might prevail'.

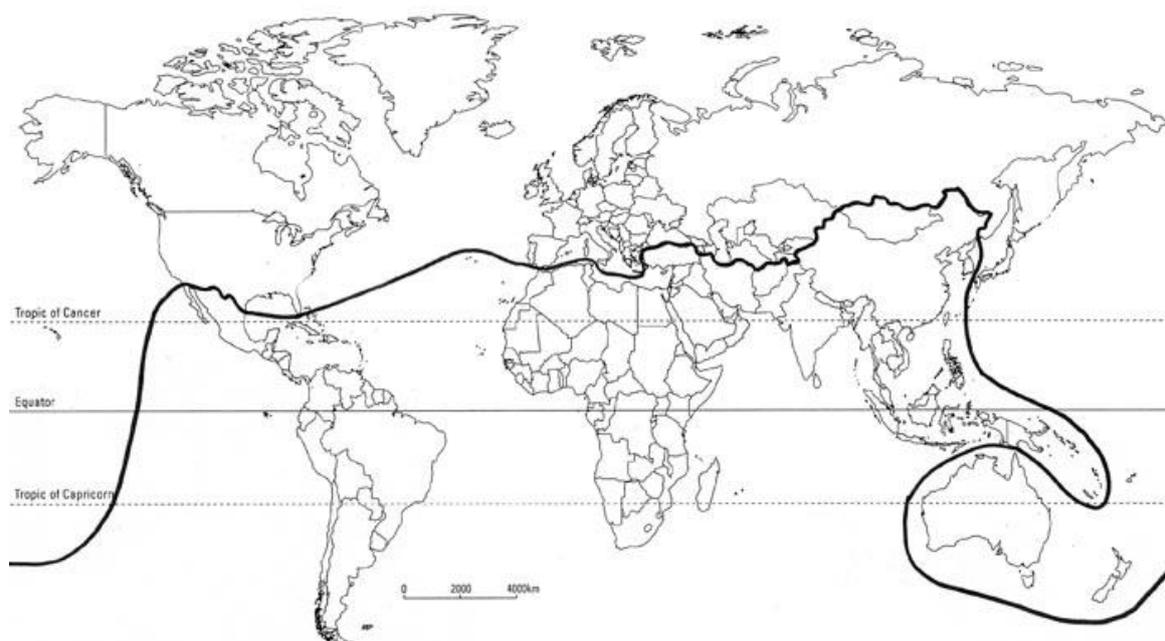


Figure 1 - The Brandt Line

In another sense, the geopolitical North-South divide was highlighted in Alfred Sauvy's *Trois Mondes, une planète* where he coined the terms First, Second, and Third World. The phrases were originally instituted for the USA and the USSR and their respective allies, along with the unaligned Third World – a term now synonymous with poverty and underdevelopment, rather than a particular political alignment. Today we like to characterise the divide through a number of developmental factors: income inequality, wealth, democracy indices, along with political and economic freedom.

Regardless of how you categorise the divide – it is most certainly there. Examining its extent, the North earns four-fifths of the world's income while constituting less than a quarter of its population; additionally, at least up until the early 2000s, over 90% of global manufacturing took place in the North. Interpreting the level to which exploitation has brought about the current situation could allow a conclusion to be reached on whether reparations are truly owed.

The most obvious example of historical Northern exploitation of the South is colonialism – it's simply inescapable. Initially, it came commercially, through companies such as the British and Dutch East India Companies¹ which grew to dominate the economies of their respective subjugated nations. At its height, the East India Company accounted for over 50% of global

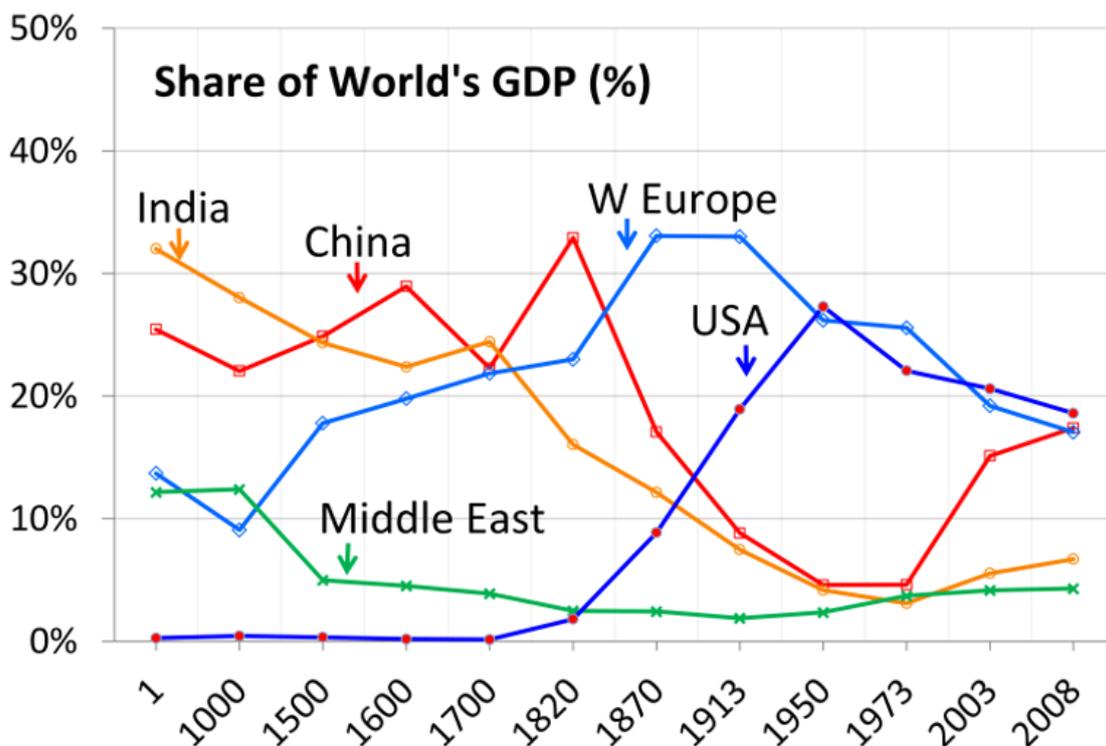


Figure 1 – Indian World GDP share diminished greatly under British Rule (Hunter)

¹ The British East India Company operated in the Indian subcontinent while the Dutch East India Company was in the Dutch East Indies, modern-day Indonesia.

trade and acted with the sovereignty and jurisdiction of a self-governing nation. The global mechanism of colonialism was analogous to that of a catapult. The colonial powers of Western Europe played a major role in the deindustrialisation of non-Western societies; British intervention in the Indian subcontinent reduced its share of global GDP from almost a quarter to just a couple of measly percentage points as shown in Figure 2. The metaphor completes itself in the way colonialism catapulted Western powers to global superiority through the exploitation of their colonial subjects.

Nothing is a more egregious act of exploitation than the Atlantic Slave Trade existing between the sixteenth and nineteenth centuries. Briefly ignoring the horrific brutality and the dehumanising nature of the slave trade, we can identify it as the catalyst for so many demographical and economic issues facing Africa today. Some 12 million Africans were captured and shipped out – primarily to America – by the Europeans, destroying their social fabric and depleting the workforce immensely. The poorest parts of modern Africa share a direct correlation with the areas where the most slaves were taken. The scars of colonialism are visible to this day; African nations were created from thin air, ignoring cultural or geographical divides and instead opting for arbitrary borders which have incited enormous amounts of conflict – both national and international - since.

Even beyond exploitation in its most explicit forms, the colonial powers of Western Europe capitalised on their supremacy by taking further advantage of unfair trade. Through ‘gunboat diplomacy’², they forced many countries which had escaped colonisation to sign unequal treaties, leaving the nations bereft of tariff autonomy. To understand the impact of this, we must examine the strength of protectionist policies in young economies. Alexander Hamilton argued in his 1791 *Report on the Subject of Manufactures* that the US needed to defend ‘industries in their infancy’ from cheaper imports in the more competitive and developed international market. By stripping young economies of ‘infant industry protection’, the powers of the Global North deprived many Latin American and Asian countries of a fair chance at development. Many of these treaties lasted for decades – even well into the twentieth century in some cases. The affected Southern countries experienced negative per capita income growth during the late Industrial Revolution period; an inability to nurture and promote their youthful industries contributed immensely.

² Pursuit of foreign policy objectives with the aid of conspicuous displays of naval power

While the level of ‘exploitation’ today does not even hold a candle to its heights in colonial times, forms of neo-colonialism exist between powerful modern countries and the ‘Third World’. China is exercising its financial might – through FDI³ – across the entire continent of Africa, moulding it into essentially a ‘China’s China’; in this case, however, the development is not necessarily one-sided. The truth is that China is richly compensating African nations as they surge forwards with rapid urbanisation in the ‘fourth industrial revolution’⁴. Daan Roggeveen, the founder of an Architecture firm and an author of books on Chinese and African Urbanisation, said ‘right now you could say that any big project in African cities that is higher than three floors or roads that are longer than three kilometres are most likely being built and engineered by the Chinese. It is ubiquitous’. Africa is sitting on a massive stockpile of natural resources and China has been quick to take advantage of the power vacuum in the wake of departing colonial powers. China itself is still considered a part of the Global South, but in essence its actions in Africa are reminiscent of historical Northern intervention. Indeed, there have been cries of exploitation and Chinese imperialism, with the former governor of Nigeria’s central bank criticising their removal of natural resources without any provision of economic enrichment in the form of skills and jobs. Regardless, Africa benefits in some sense from the massive amounts of FDI – something one could consider a form of economic reparation.

Conversely, a significant portion of the North’s success can be attributed to their intrinsic development. Throughout history, a correlation can be identified between the quality of institutions, the strength of government and more advanced economic development. These are elements of a country which can be built up naturally over time; alternatively, they can be instigated by colonisers or conquering foreign powers. School enrolment and greater provision of public goods, for example, contribute a powerful multiplier effect to development. It could be argued that the Global South has not arrived in its disadvantaged position as a result of exploitation, but instead due to unfortunate geography, climate and numerous other factors.

The Global South has, beyond this, suffered from factors exogenous to the influence of the North. Geography is key to this argument – Africa and South America have been disadvantaged greatly due to their narrow orientation; Eurasia benefits from wide, vast plains of arable land perfect for cultivation and the domestication livestock. A lack of genetic immunity in the ‘New World’ led to the decimation of native populations throughout the continent; immunity that

³ Foreign Direct Investment – Investment in the form of a controlling ownership in a business in one country by an entity based in another country.

⁴ ‘The Fourth Industrial Revolution’ is the ongoing automation of traditional manufacturing and industrial practices, using modern smart technology.

European settlers had from centuries of close integration with livestock – something native Americans never had. Ultimately, the resulting underdevelopment cannot be pinned on European settlers; they could never have foreseen the devastation they would reap on the relatively immunocompromised natives. The blame here falls upon the poor geographical starting points of Southern societies.

Furthermore, Modernisation Theory attempts to explain the underdevelopment of the Global South as a result of their own policies and socio-economic structures rather than Northern intervention. Feudalism, tribalism and relatively primitive economic structures have led their societies to a point where they lack regulation, democracy and have failed to modernise and develop themselves. The theory considers Third World society largely responsible for its own poverty. The archetypal societal approach tends to grant too much power to individuals; corruption in a country's elite leadership can obviously be enormously detrimental to development – but it is all too prevalent.

The Global South now has its own mechanisms in place which, certainly in part, negate the need to have reparations paid by the North. One of the most notable institutions representing the spirit of the developing Global South is the BRICS⁵, a multilateral group of major emerging Southern economies. Between them, they constitute 41% of the global population and approximately 23% of world GDP. The BRICS have two key components to their financial architecture which are dedicated to the development of the Global South, the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). The bank, in particular, aims to lend up to \$34 billion annually with a focus on massive infrastructure development. When outlining the plan for the organisations, the BRICS found themselves keen to distance Southern investment from the North's sphere of influence; since they are willing to offer competitive rates to their Southern associates, perhaps they are best left to collaborate without the need for Northern intervention or reparations.

Moreover, we are obligated to question the feasibility of reparations being paid by the North. Multilateral payments of any kind are notoriously difficult to agree upon, as could be witnessed with the days of debate over collective debt⁶ assumption in the EU in response to the Coronavirus Pandemic. Now consider the complexity of any agreement that would require payment by the collective 'North' to the collective 'South' on the basis of centuries of

⁵ Brazil, Russia, India, China, South Africa (BRICS)

⁶ The EU agreed in July 2020 to an \$869bn recovery package with debt shared between each member state. Despite close links between the EU states it took several days of debate to reach an agreement.

exploitation and mistreatment. Even if it were decided that the current Global North needed to be held responsible for the actions of past generations, the practicality of it dispensing payments or other forms of compensation is contentious at best. Perhaps the more effective method of extending the olive branch would be through bilateral – rather than multilateral – action and intervention; individual Northern powers could be responsible for making reparations with the countries specifically impacted by their ventures.

Ultimately, the statement is true: ‘The Global North is rich largely due to exploitation and underdevelopment of the Global South’ – to a certain extent. While the North has benefited significantly at the detriment of Southern countries, it is unfair to say that their wealth comes largely from exploitation. A significant portion of Northern success came from the strength of their innate development – strong institutions and a focus on societal growth and evolution have built them into successful nations. Regarding reparations, it is apparent that payment from a United North to a United South would be impossibly complicated to arrange; instead, individual acts of bilateral aids between wealthy Northern nations and poorer Southern nations targeting rapid economic and social development could be a far more constructive option.

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