

Global South and Global North: An Appraisal of the Dialects of Global Economic Developments

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ABSTRACT

The Sustainable Development Goals (SDGs), which are a major focus in recent days, were adopted by the United Nations in 2015 and provide a universal framework. This article examines the role of selected SDGs—specifically SDG 1 (No Poverty), and SDG 13 (Climate Action)—in bridging the socio-economic and environmental divides with case studies and various discussions and opportunities and challenges. The article advocates for innovative financial mechanisms, localized SDG adaptation, and long-term partnerships that prioritize equitable benefits for the South. These approaches underscore the potential for SDGs to serve as a foundation for reducing global inequalities and achieving sustainable growth.

Keywords: Sustainable Development Goals, global North and Global South, financial mechanism

INTRODUCTION

How strange is it to observe that some parts of the world go hand in hand with globalization and preoccupy a good place in the global market, advanced technologies, and many more, and some parts of the world even having a good place are still deprived of basic infrastructure and find it difficult to withstand economic shocks?

The concepts of Global North and South concepts are different from layman's thinking and have a broader wavelength. According to the UN Trade and Development (UNCTAD), both experience different situations; the global South comprises countries such as Africa, Latin America, Asia (excluding Israel, Japan, and South Korea), and Oceania (excluding Australia and New Zealand), which is a term used to describe the economically disadvantaged regions of the world. These nations typically experience higher levels of poverty, income inequality, and challenging living conditions as compared to the wealthier nations of the Global North, consisting of the countries of North America and Europe, Israel, Japan, South Korea, Australia, and New Zealand, which generally experience

lower levels of poverty and are identified to be more wealthy as compared to the Global South. There is a line that separates the Global North and Global South on the basis of being developed and developing countries. Although this concept of the Brandt line has been criticized and considered outdated in 2023, it is still considered to be a helpful concept in marking inequalities.

The terms Global North and Global South aren't only terms; they signify the reflections of the relationship of two parts, which is shaped by the mark of conflict and interdependence and separately characterized by the terms of developed and developing countries. The terms significantly started originating from Cold War politics, and the division of the Global North and Global South was historically rooted in the colonial era where the powers of the Global North colonized the Global South, which included divisions of countries including Africa, Asia, and Latin America. After the decolonization in mid of the 20th century, when parts of the Global South became independent, it was difficult for them to rebuild their economies without having any clue about what should be done next, this was because the Global South was oriented around the needs of the colonizers. As the Global South focused more on exporting raw materials to the Global North, they were certainly exploited in one way or another, as the focus of many nations of the Global South was diverted from the investment in developing the infrastructure and institutions (such as communication network, energy resources, educational institution, etc.) which might be one of the reasons affecting the economic growth. Thus, the Global North, supposedly with inbuilt advanced infrastructure, institutions possess a higher standard of living enjoying economic power, while many nations of the Global South continue to face disparities and challenges.

Historical Context:

It is thought that Carl Oglesby, an American political activist, came up with the term Global South in 1969 in *Commonwealth* to identify a group of nations that are exploited economically, socially, and politically under the dominant nature of Global North. According to J. A. Hobson, the British socialist, focused on identifying the "taproot of imperialism," dysfunction caused by capitalism. In this system, the capitalist oligarchs are pushed to make profits from other countries rather than their home countries and seek out new opportunities. Focusing on the theories given by Hobson, Lenin, and Luxemburg identified imperialism as the highest peak-related concept of capitalism, which created a global division between the countries which has exploited and which have been exploited. There

have been other arguments on the fact that the Global South has been effectively colonized, resulting in an unequal dependency of the Global South on the Global North, which was mentioned by Gramsci as an argument in 1926 in the essay “The Southern Question.” It was added by an African American intellectual that the cruelty of political and economic games was played where racial discrimination was the topic on a large scale, making the Europeans powerful and privileged and disadvantaging people around the world based on color, which led to a huge long-lasting, persistent impact on the disparities between the Global North and Global South. The writing by Oglesby, an American soldier and Republican politician from Illinois, referred to the dependency theory, a school of thought where the lack of industrialization and the existence of poverty in developing countries prevailed due to the uneven distribution of the world economy.

This theory states that developing countries are bound to be in a state of dependency because of the raw materials being exported to the developed countries, and in return, the manufactured goods are exported to developing countries. If we go back to Indian history, the same practice is observed, which is termed the “economic drain.” If the dependency theory was blended with the modernization theory, which states that all societies don’t pass through unconnected stages but similar ones and “undeveloped” post-colonial states could recover and have a chance to go parallel with the developed countries if they followed and constructed the right policies.

North-South Cooperation is exemplified by global efforts like the Paris Climate Agreement and the Global Fund, where collaborative initiatives address shared challenges and support development in the Global South. Conversely, **North-South Conflicts** are evident in cases such as the debt crisis and structural adjustment programs and trade disputes, where policies and actions from the Global North have led to adverse impacts on developing countries. These case studies illustrate the complexities of international relations and the need for balanced and equitable approaches to global cooperation.

There is a visible gap between the global north and global south - the developed and the developing countries, which saw an urgent need for a framework catering to global needs addressing prosperity, and promoting sustainable development so that future generations don't have to compromise, thus 2015 saw the adoption of the Sustainable Development Goals with 169 targets aiming both developed and developing countries and 2030 to be the year of the deadline. These goals involve

great importance, including an end to poverty (SDG 1), zero hunger (SDG 2), good health and well-being (SDG 3), even distribution of quality education (SDG 4), combating gender equality (SDG 5), ensuring clean water and sanitation (SDG 6), Promoting and adoption of affordable and clean energy (SDG 7), assurance of employment and decent economic growth (SDG 8), Focus towards growth in industries, innovations and infrastructure (SDG 9), Reduction in inequalities (SDG 10), focusing towards sustainable cities and communities (SDG 11), Responsible towards consumption and production (SDG 12), actions towards the climatic conditions (SDG 13), saving the life below water (SDG 14), protecting the life on land (SDG 15), establishing strong institutions ensuring peace and justice (SDG 16) and strengthening global partnerships (SDG 17). This focus is especially significant in goals like SDG 1 (No Poverty), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action), which are designed to create a more level playing field by promoting inclusive growth, social equity, and environmental resilience.

Focus on Reducing Inequalities

The SDG generally tries to address the gaps prevailing between the Global North and Global South in terms of economic, social, and environmental. Among the 17 goals, the focus can be on three goals, **mainly SDG 1**, focusing on No poverty, and SDG 13, focusing on the change in the climatic conditions.

SDG 1: No Poverty

Disparities in Poverty: Latin America and the Caribbean, which come under the Global South, undoubtedly made progress in terms of reducing poverty within two decades. When compared with the upper middle-income countries with a poverty line of \$ 6.45 per day (2017 purchasing power parity), according to the data given by the World Bank in 2023, the poverty in Latin America and the Caribbean was reduced to around 20 % points. Some of the countries, such as Nicaragua, Bolivia, and Honduras, which are defined as the poorest countries, experienced an upturn concerning poverty reduction. According to (Alkire et al., 2020; Gasparini, Santos, and Tornarolli, 2021), the ratio of the number of poor to the total population, which is defined as the incidence, saw a reduction, as well as the average deprivation of the poor defined as the intensity of poverty also reduced. However, there was a significant reduction in income due to the combined blend of economic growth and public policies. The policies that came into the limelight were cash transfer programs and non-contributory pensions. Despite these achievements, 181 million people in Latin America (29% of the

population) continue to be in income poverty, and over 38 million individuals are in multidimensional poverty. According to (Gasparini, Santos, and Tornarolli, 2021), deprivation has been noticed in the areas related to access to clean drinking water and sanitation, proper nutrition, access to clean cooking fuel, years of schooling, and years of schooling.

Elderly poverty rates: Despite rapid economic growth and low poverty rates, in East Asia, the poverty related to the elderly population remains high compared to the Western nations. According to the study, focusing on Korea, Japan, Taiwan, and China, china experiences the highest general poverty rate of around 21%, and Taiwan is recorded to be the lowest (10%). However, the poverty specified to the elderly population is higher where South Korea accounts for 47.2%, Taiwan about 26%, with moderate rates in China and Japan, the former at 27% and the latter at 19%. Although compared to the Western countries, elderly poverty rates are low, with Denmark consisting of 5.7% and the U.S. at 16.7%.

Countries like Canada are developed despite having a poverty rate of 9.9%, and around 94.6 million people in the European Union were vulnerable to poverty, equivalent to around 21.4 % of the population. In reality, although the Global North is developed, it still faces consequences, but the effect might be shadowed by the problems related to the Global South.

Financial Inclusion: Though there has been improvement in financial inclusion, in Sub-Saharan Africa, significant disparities have been noticed among the population, including women, low-income adults, less educated adults, rural residents, and young people.

Certain countries, however, have made substantial progress toward equitable access. In Mali, the gender gap fell from 20 points in 2017 to 5 in 2021, while South Africa's gender gap has been minimal since 2014. Both countries saw increases in account ownership for both men and women across mobile and bank accounts. Kenya, where the gender gap has persisted since 2011, has seen mobile money play a key role in women's financial inclusion; by 2021, 66% of Kenyan women had mobile money accounts, compared to 45% with bank accounts. In Senegal, the gender gap increased to 12 points, yet overall account ownership surged, with more women holding mobile money accounts (38%) than bank accounts (24%).

Income-based disparities are even more pronounced, with 27 of 36 economies showing double-digit access gaps between the richest 60% and poorest 40% of households. Similar patterns exist for education and age-related disparities, with

country-specific variations in how these gaps have evolved over time. To improve financial inclusion in Sub-Saharan Africa, digitalizing payments and increasing access to documentation present promising opportunities. Data from Global Findex 2021 highlights that digitalized government and wage payments have already contributed significantly to financial access; many banked adults in the region opened their first account to receive these payments. In South Africa, almost a quarter of account owners initially opened accounts for government payments, and over 60% opened accounts for wage payments, with minimal gender disparity in this trend.

Agricultural payment digitalization offers a particularly high potential for expansion. Currently, over 80 million unbanked adults in Sub-Saharan Africa receive cash payments for agricultural products. Switching these payments to digital formats could encourage more individuals to open accounts, especially those in rural areas. This could be further facilitated by mobile phones, which 45% of unbanked agricultural payment recipients already possess, helping overcome geographic and logistical barriers.

ANALYSIS OF KEY SDGS IN BRIDGING THE DIVIDE

Case Studies

Cash transfer programs are used as a growing tool to mitigate poverty or reduce it to some extent by providing an estimated amount of money to the impoverished people of the society. Research has shown an improvement in low and middle-income countries in terms of health. Studies have shown that poverty reduction also results in a dual impact on well-being and life expectancy. The cash transfers do have a spillover effect where not only the direct recipients but also others in their community get the benefit.

The Growth of Cash Transfer Programs

In the last two decades, more than 100 countries, mainly low and middle-income, have adopted strategies to reduce poverty, which include government-run cash transfer programs- mainly the number that tend to rise during the COVID-19 pandemic years. In Latin America, most of the programs are conditional programs, where money is provided to poor families to make investments for sending their children to schools, taking them for checkups at healthcare centers, or carrying out programs such as vaccination focussing on addressing short-term income support purposes as well as promoting the long-run accumulation of human capital through education and health services and in Africa, mostly unconditional cash transfers are undertaken which deals with the supply of

money with no restrictions to help the people deal with the poverty, which tends to be less effective because people might be less inclined to the idea of spending money responsibly.

SDG 13: Climate Action

Vulnerability to Climate Change in Southern Countries

There have been cases where the Global South has been seen facing a crisis due to the change in the climatic conditions:

In India, the population is facing major heatwaves along with the rise in temperatures of around 50°C in various regions, causing an overall impact and pressure upon the health, environment, and infrastructure. The heat waves have turned to affect agricultural production as well, and loss of lives has been reported due to heat waves and major changes in the temperature. Many regions are vulnerable to the rising effects of climatic change, resulting in bad health and affecting the economic infrastructure and social well-being. This is an alarm for the urgency to focus on mitigative strategies and reduce the pressure.

Mozambique, a country in East Africa, although a contributor to the emission of global greenhouse gases of around 0.21%, which is quite a negligible amount, is extremely vulnerable to changes in climatic conditions, posing a threat to society, economy, infrastructure, and natural resources. Though there is high poverty, according to the World Bank, the climatic conditions might also be a threat to poverty by 2050 if no proper adaptive measures are taken. According to the Climatic and Development Report (CCDR), an estimated amount of \$37.2 billion is required to strengthen and improve the climatic conditions. Since 1991 to date, Africa has been continuously experiencing a trend related to the rise of the temperature (warm) of about 0.3°C each decade, a bit faster than the global average. North Africa, on the other hand, has been experiencing an increase of +0.4°C per decade. On the other hand, taking the other part, Southern Africa has been experiencing the slowest change in the warming trend at about +0.2°C per decade. In 2023, high-temperature abnormalities, like extreme heat waves and inconsistent rainfall patterns, were observed in northwestern Africa, particularly in countries like Morocco, Mauritania, and the northwest. The State of the Climate in Latin America and the Caribbean in 2023 was recorded to be the warmest year, which was impelled by El Nino effects paired up with the change in the climatic conditions. A rise in the sea level was experienced in the Atlantic region, augmenting the risks to areas near the coasts. Mexico experienced a rapid rate of rise in the temperature at an average rate of about 0.3°C per decade,

alongside Latin America and the Caribbean, experiencing an increase in the temperatures by around 0.82°C. The report indicates taking mitigating strategies to manage the climatic impact across the region. According to the World Risk Index 2023, Bangladesh ranks 9th in the world for climate disaster risk. There is a rise in the water levels and poor living conditions, contributing to poor health, poverty, and food insecurity. The cities in Bangladesh are vulnerable to climate change.

INVESTMENT GAPS IN ACHIEVING CLIMATE GOALS

Achieving SDG 13 and addressing climate vulnerabilities in Southern countries require substantial investment. The UN estimates that developing countries need between \$1.5 and \$2.5 trillion annually to meet their SDG climate targets, covering areas such as renewable energy infrastructure, climate adaptation projects, and disaster preparedness. However, financing for these goals remains critically underfunded, leaving many nations unable to fully address or mitigate the impacts of climate change. There was an argument by the Intergovernmental Panel on Climate Change (IPCC) on the need for finance to be invested in climatic change to support the transition of the world towards the usage of low carbon to promote sustainable development.

Two things mobilize the finance for the climate, which are climatic change mitigation or measures to reduce the emission of greenhouse gases and measures to manage the impacts of the change in the climatic conditions

GEOPOLITICS

The term is related to a broad international relations framework, considering different events such as political instability, tensions, and military conflicts between countries causing a global impact. Financial markets are affected majorly due to geopolitical tensions via controls by the capitals, causing price volatility (Catalán et al., 2023). The restrictions concerning trade due to political tensions disturb the flow of the global supply chains, affecting countries globally with shortages of vital resources, e.g., oil and gas), which can also result in another situation of inflation and hinder growth as a whole and welfare losses (Góes and Bekkers, 2022).

Opportunities for Enhanced North-South Collaboration

The Global South consists of the countries that are developing, for example, the Dominican Republic, which is vulnerable to climatic change, and access to finance turns out to be an important factor. There are big differences in access to technology between developed and developing countries, including the Caribbean

and Latin America. Thus, financing is required for the transformation into green technology and to predict the changes in climatic conditions. On the other hand, African countries face continuous drought and are prone to climatic change, where national food security and safety are affected. Though there are resources in many of the Global South countries, most of them cannot move forward because finance is a constraint for example, Namibia, a country in South Africa, can be rich in green hydrogen if the hands of collaboration are put forward.

Institutional Support:

Role of International Organizations: International Institutions, such as the United Nations, help in bridging the gap between the Global North and Global South divisions. The UN promotes collaborative partnerships across the global countries, and the World Bank blends with its efforts made towards the sanctioning of financial support, focusing on mitigating poverty and other vital projects, specifically in developing countries.

Case Study: The UN has played a vital role, focussing on the promotion of good health and well-being (SDG 3) and quality education (SDG 4) through financial assistance, global cooperation, and policy implementation. The initiatives taken up by UNESCO for education, such as the year 2024, are known to be the African Union's Year of Education, where UNESCO plays the role of forefront leader in promoting an advancement towards the learning process across Africa, striving and aiming to ensure even and equitable quality distribution of education promoting innumerable opportunities. To encourage healthcare, the WHO funds the infrastructure related to healthcare facilities.

Technological innovations: Renewable sources of energy can help in combating the change in climatic conditions and reduce the costs of energy, but, in most developing countries, finance is one of the major factors, for example, investing in an electric car, although the initial cost is higher, but over the long run, the saving will be more with the reduced use of the fuels and overall cost. However, in 2024, the population shift toward using electric vehicles or promoting renewable energy is inducing a slow pace. Considering the importance of renewable energy for a sustainable future, there is a requirement for investment towards renewable energy, mainly for developing countries, so affordable renewable projects can make it possible to combat the effects of climatic changes. taking the example of Morocco, which has developed around 40% renewable energy, India is also seen to be one of the fastest-growing countries to adopt renewable energy sources focusing on sustainability. The World Bank has

invested around \$8 billion in clean energy projects, and focused on investments in renewable energy has been also towards Sub-Saharan Africa.

In the 15th COP 15 conference of parties of the UNFCCC in 2009, there was a commitment given by the developed countries for a collective goal of the mobilization of USD 100 billion every year for climatic action in developing countries, and transparency of the implementation was assured. At COP 21 in Paris, it was renewed and was extended to 2025. According to the 2024 report, the OECD's seventh progress focuses on the increment and mobilization of a total amount of 115.9 billion by the developed countries for financing in climatic actions, exceeding from about USD 100 billion to 11.5 billion.

CONCLUSION

Though there are various challenges faced in terms of climatic changes and poverty till now. But it has come to a situation where the situation has turned much better in some countries but are yet to go a long way.

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