

### ***North American Free Trade Area***

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## **NORTH AMERICAN FREE TRADE AREA**

SEE *North American Free Trade Agreement*.

## **NORTH AND SOUTH, THE (GLOBAL)**

The terms *the North* and *the South*, when used in a global context, are alternative designations for “developed” and “developing” countries. Together, the North and South constitute virtually the entire global population. As terms, *the North* and *the South* emerged during the 1970s, probably simultaneously, and in contrast with each other. This article thus discusses these two terms together.

While the countries that make up *the North* and the countries that comprise *the South* share broadly similar economic and historical characteristics with the other countries in their category, there is no precise definition of either term. Two generations ago, the North could have been approximately defined as Europe and its offshoots (such as Canada, the United States, Australia, and New Zealand), but Japan has also, clearly, been a developed country for many years. Several other East Asian countries, including Singapore, South Korea, and Taiwan have shifted into the North in recent decades. While there are no recent examples of countries that have moved in the opposite direction (i.e., to the South from the North), the economic position of Argentina shifted from being one of the richest countries in the world, a century ago, to its middle-ranked position today.

Precise categorization is difficult for several contemporary nations, such as Russia and Saudi Arabia. Russia

was recently admitted to the G-8 (previously the G-7), whose other members (the United States, Canada, France, Germany, Italy, the U.K., and Japan) are the richest and most economically powerful nations on earth. In contrast, Russia has a comparatively low life expectancy, which has fallen in recent decades. It also has limited political freedom and transparency in comparison to most countries in the G-8, and the North more generally.

The North and South have other names. No name is perfect, and neither *the North* nor *the South* is geographically precise. Several countries in the South are entirely in the Northern hemisphere (e.g., India, Nigeria), while Australia and New Zealand, each in the geographic South, are part of the global North, as evidenced by their long-standing membership of the Organisation for Economic Co-operation and Development (OECD). Such geographic imprecision is not unique. For example, *the West* (another synonym for developed countries) now includes Japan, as well as Australasia.

As terms, *the North* (also called *the First World*) and *the South* emerged during the 1970s in recognition of the greater economic and political power of the Third World, and in reaction to growing dissatisfaction with earlier terms, which were increasingly seen as pejorative. (This is discussed further below.) Although the South has long been home for the majority of the global population, its fraction of the global population is rising, as fertility rates have declined by a greater amount in the North. Reflecting this, the South is now sometimes called *the majority world*.

### **THE ORIGINS OF THE THIRD WORLD CONCEPT**

In 1940 Colin Clark published “Conditions of Economic Progress,” which showed the world to be, as one reviewer commented, “a wretchedly poor place.” Two centuries earlier, almost the whole world had been “wretchedly poor,” and it is unlikely that the concept of “developing countries” would then have been much appreciated. The world had largely been divided into several empires, each of which possessed a “civilized” center and peripheries that were more or less considered primitive or even “barbaric.” Before the 1940s it is unlikely that the citizens of what would later be described as the North would have given much thought to the inhabitants of what was to become known as the South. When they did, most would have considered these peoples to be inferior in some way, by virtue of being non-white, less educated, or even “primitive.” Many people in the Third World were subjects in European colonies, living far from the global sources of economic, political, and military power. It is even less likely that the subjugated inhabitants of these Third World lands, many of whom were illiterate, would have

been aware that, even then, they formed a substantial part of the world population.

But such an awareness was growing among leaders within these poor countries, many of whom had been educated, at least partly, in Europe or America. This awareness and exposure to Western culture raised expectations and hopes, and inspired many Third World leaders to try to improve colonial living conditions and win political independence. Opposition to domination by the First World was also fed by increasing migration and travel, which had been stimulated by the two World Wars. Many troops who had participated in these wars, particularly on the allied side, were from the South. In addition, many Europeans served in Asia, and their exposure to conditions in the colonies probably helped erode the resolve of the colonial powers to keep their empires unbroken.

As the twentieth century progressed, the global decolonization movement strengthened, empowered by each country that achieved independence. An increasing number of countries in the South developed a national identity. The newly formed United Nations, born in the period of comparative hope and idealism that briefly flowered following World War II (1939–1945), also provided a forum for developing countries to share ideas and to argue their position before a wider audience.

The term *the Third World* was coined in 1952 by the French demographer, anthropologist, and economic historian Alfred Sauvy, who compared it with the *Third Estate*, a concept that emerged in the context of the French Revolution. (*First Estate* refers to the clergy and the monarch, *Second Estate* to the nobility, and *Third Estate* to the balance of the eighteenth-century French population—as much as 98 percent.) *The Third World*, as a phrase, also achieved acceptance because it usefully contrasted the poor countries to the First World (the non-Communist, high-income, “developed” countries) and the Second World (Communist countries, which though not as wealthy as those of the First World, were then characterized by greater order, higher incomes, and longer life expectancies.)

The decades that followed saw many attempts to form coalitions of Third World countries, to counter the vastly superior power of the “developed” First World countries. With hindsight, it is clear that these were only partly successful.

In 1955 Egypt, Indonesia, Burma, and the three powers of the Indian subcontinent (India, Pakistan, and Sri Lanka) organized the Asian-African Conference, held in Bandung, Indonesia. Twenty-nine countries, representing over half the world's population, sent delegates—including the charismatic Chinese premier, Zhou Enlai—to Bandung. At this meeting, Indian Prime Minister Jawaharlal Nehru explicitly rejected both sides in

the ongoing cold war between the United States and the USSR, expanding on the principles of *non-alignment*, a term he is credited with coining and first using in 1954. The meeting led to the development of the Non-Aligned Movement (NAM), which held its first formal meeting in 1961. Five charismatic Third World leaders—Nehru, Yugoslavia's Marshal Tito, Indonesia's Sukarno, Egypt's Gamal Abdel Nasser, and Ghana's Kwame Nkrumah—are credited with its establishment. China, despite its Communist ideology, has also been a member of the NAM at times.

In 1960, parallel to these developments, five other developing countries (Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela) founded the Organisation of Petroleum Exporting Countries (OPEC), at the Baghdad Conference. Soon after, OPEC was enlarged to include Nigeria and several smaller and poorer African states. Indonesia, the only NAM founder with substantial oil reserves, also joined OPEC.

In 1964 another coalition of developing nations was formed, called the Group of 77. India was instrumental in the formation of this group, which was also joined by Brazil, the most populous and economically powerful South American country and never part of the Non-Aligned Movement. The Group of 77 now has over 130 members. Although the People's Republic of China has never been a formal member, it has been loosely affiliated since the 1970s.

#### THE EMERGENCE OF THE TERM THE SOUTH

The 1970s was a period of foment in the developing countries. Many improvements in living standards and life expectancy rates had been achieved in the 1950s, but by the 1970s these advances were stalling. Impatience in the Third World was growing. In 1973 OPEC substantially raised the price of oil, triggering the first global oil crisis. This had a major adverse economic effect upon the non-oil-exporting countries of the Third World, and revealed a lack of solidarity within the Third World overall. Parallel to this, the developed countries (prior to the discovery and development of the North Sea oil fields) were becoming increasingly dependent on the Third World for energy, due to the decline of U.S. oil reserves. These factors increased the economic power of part of the Third World. In 1974 the first UN-hosted population mega-conference was held in Bucharest. At this meeting the Group of 77 refused to accept responsibility for their poverty, instead blaming colonialism and ongoing Western exploitation. Famously, the Indian delegation called development “the best contraceptive.” This rebellious spirit was also reflected in calls from the Third World for a New International Economic Order (NIEO).

### North Atlantic Treaty Organization

It is unlikely to be coincidental that the terms *the South* and *the North* were first widely used around this time. These terms appear to have entered common usage as an alternative to the long-standing geographical and cultural partition of the world into West and East. The new names avoided the stigma associated with the term *the Third World*, and created the hope that a new world order—one in which the North would be fairer to the South—was underway.

#### REASONS FOR THE PERSISTENT DISADVANTAGE OF THE SOUTH

However, new terms alone were insufficient to bring about fundamental change. Despite the aspirations and efforts of many people, in both South and North, most of the population of the South remains terribly poor. The reasons for this are complex, but several important interlocking factors can be identified. They include the South's historical legacy of disadvantage, much of it stemming from the colonial system. Also significant are the economic and development costs associated with enduring and fighting various diseases, especially malaria, tuberculosis, and HIV/AIDS, all of which affect a substantial number of adults, who would otherwise be more productive. High levels of Southern indebtedness, poor governance, and corruption are also important causes.

Other factors warrant mention as well. One is the comparatively high fertility rate in most developing countries, especially those that are the poorest. This leads to a proportionately large number of children and young adults, many of whom are poorly educated, un- or underemployed, and vulnerable to disease and economic exploitation. Another point is that, on the whole, populations and governments in the North have shown little interest in the social and economic fate of the South. For example, while for several decades many countries in the North have pledged to increase development aid to the South, very few large countries (and none of the members of the G-7) have followed through on these promises. In fact, Northern countries have behaved collectively as though it is just and proper that the economic and social privileges of Northern populations be enhanced by Southern poverty.

Also significant is the great diversity of the countries of the South. They are united by comparative disadvantage and poverty, but divided by differences in culture, language, religion, fertility rates, and stocks of oil and other natural resources. The two most populous nations in the South—China and India—have fought two wars with each other, and have had a continuous border dispute since the early 1960s. India is a secular democracy, which aspires to be a permanent member of the UN Security Council, a status long granted to its great rival China. Totalitarian

China for its part seems as preoccupied with Russia and the United States as with the issues of the South. The South has also been divided by the policies of OPEC, a cartel whose richest countries have shown little interest in promoting the broader interest of the South.

**SEE ALSO** *Dependency Theory; Globalization, Anthropological Aspects of; Globalization, Social and Economic Aspects of; North-South Models*

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## NORTH ATLANTIC TREATY ORGANIZATION

The North Atlantic Treaty Organization (NATO) is one of the longest-running alliances in history. It has been one of the fixed points in international relations since 1949