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White Paper



During the Cold War, the world was described in three parts. The “First World” was the United States and its Allies; the “Second World” was the Soviet Union and its proxies; and the “Third World” was the developing nations. The term “Third World” grew offensive to many nations, therefore, following the Cold War with the Second World no longer in the picture, the term “Global South” was coined.

In 1964, the G77 was founded as an organization of 77 like-minded developing nations, which collectively advocated for the members’ interests at the United Nations. The G77, now 134 strong, often refers to itself as the Global South. China, though not a full member, has attached itself to the G77 (referred to as G77+China). Backed by its resources and political clout, China is attempting to use this venue as a route to alter international economic order toward its benefit.

In broad terms, the Global South today is a group of developing nations that self-identify by this name for economic and political benefit. Most of its nations are in the Southern Hemisphere, hence its name. The nations are increasingly unwilling to become entangled in Great Power Competition and believe they will benefit from a multi-polar world order. The group is far from monolithic, rather, it is economically, politically, and culturally very diverse.

According to the UN Conference on Trade and Development (UNCTAD), the Global South includes nations in Africa, Latin America and the Caribbean, Asia, and Oceania (containing 66% of the world’s population) and excludes Australia, Canada, Japan, New Zealand, South Korea, Israel, the United States, and Europe. With China included, the Global South amounts to over 80% of the world’s population, and about 40% of global GDP.

The Global South has a growing group of “Middle Powers,” notably: Brazil, India, Indonesia, South Africa, and Turkey. As nations grow economically and politically stronger, this group yields more sway with not only the UN, but also with the Great Powers.

Key Points on the Global South:

- Global South nations favor a multi-polar world. The Great Powers seek to gain favor with these nations and the Global South nations exploit this, playing Great Powers off one another.
- The Global South nations do not approve of Russia’s invasion of Ukraine. Most voted to condemn Russia’s action, but few support the sanctions. In effect, they are trying to remain neutral to protect their fragile economies, to avoid entanglement in Great Power Competition, and frankly, they do not see it as their problem. In terms of Israel, most Global South nations are sympathetic to the Palestinian cause, yet, with the ongoing Israel-Hamas War, many condemned Hamas’ brutal attack on Israel, calling for peace.
- China’s Belt and Road Initiative initially seemed to be useful to the Global South. However, today it proves to be a tool China has used to exploit these nations internally. It has also become a means for China to garner geopolitical leverage over the Global South to externally improve its position in the Great Power Competition with the United States.
- Global South nations will continue to try and shape global norms. Some examples: Ukraine peace initiative proposed by African nations, Turkey’s efforts to restart the Grain Deal in the Black Sea, Saudi Arabia’s sponsorship of the gathering of nations to discuss peace in Ukraine, the expansion of BRICS, the growing diversification of nations’ reserve funds away from the U.S. Dollar, and UN Security Council Reforms.



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Implications:

The list of reasons the Global South nations mistrust the world's wealthy nations is long. Colonialism, the Cold War, the COVID Pandemic response, and the Climate Change response top the list.

Colonialism. Many nations of the Global South were colonies of today's wealthiest nations. The memories of those times unfortunately include economic exploitation, non-representative governance, a chaotic move from colonialism to independence, and, in some cases, enduring post-independence poverty and instability.

Cold War. During the Cold War the Global South nations (then called the Third World nations), chose sides. These nations were either pro-West (United States and Europe) or pro-Soviet Union. Many of these nations found themselves as the battleground in the competition between the two. Following the Cold War, the Global South nations suffered many of the same challenges they experienced after Colonialism: debt, poverty, poor governance, and instability.

COVID Pandemic. The global COVID Pandemic response generated mistrust between the wealthy nations of the world and the Global South. Wealthy nations said all the right things – such as vaccines, tests, and treatments should be distributed based on a nation's need, not on its wealth. Nations pledged millions to support this. However, these words did not materialize. Many wealthy nations were well into double digit vaccine rates while the Global South nations were under one percent.

A second problem related to the Pandemic emerged. As economies across the globe slowed, wealthy nations committed huge sums of money to stimulate their economies. The Global South nations borrowed huge sums of money just to provide essential services. According to the UN, half the world's people now live in countries that spend more on servicing foreign debt than they do on health care. This is a 25% increase since before the Pandemic.

Climate. A similar mistrust has emerged from the world's response to the climate crisis. The Global South is asked to participate in Climate Change mitigation, but the majority of the global Climate Change damage has been caused by wealthy industrialized nations, not the Global South.

At the 2015 United Nations Climate Conference in Paris, wealthy nations committed to \$100 billion a year to support climate change mitigation in the Global South. Donor countries, that are wealthy nations, missed this target by billions each year, yet recently, contributions edged up to about \$80 billion per year. Initially, loans made up 70% of funding, so Global South nations were effectively borrowing money to pay for climate damage caused by wealthy ones, although grants are increasing in lieu of loans in recent years.

Hedging and non-aligned. As stated above, during the Cold War the Global South nations chose sides. After the Cold War ended, many of these nations suffered from high debt, poverty, and instability.

In our post-Cold War world, the Global South nations are wiser for their mistakes of the past as they remain collectively nonaligned to the United States or Russia, advocating for a multi-polar (vs. uni-polar or bi-polar) world.

By remaining nonaligned, these nations are courted by the United States, China, and Russia. This leverage forces the Great Powers to acknowledge the smaller nations' national interests. Global South states do not feel compelled to let Great Power Competition constrain them and are growing proficient at playing the wealthy nations against each other.

Examples include:

- India has (partially) pivoted to the United States as a balance to China, yet it is a member of the China-led BRICs and trades heavily with China. India is also a member of the Quad (United States, Japan, and Australia). Despite improving relations with the United States, India has a very independent approach to relations with Russia. Finally, Prime Minister Modi made support for the Global South a central objective of India's G20 chairmanship.
- The nations in the South China Sea resist China's territorial claims, yet most trade heavily with China and resist becoming entangled in the Great Power competition between the United States and China.
- Brazil cooperates with the United States on climate change yet maintains relations with both China and Russia.
- Pakistan has a strong relationship with China, while maintaining a relationship (although transactional) with the United States.
- Turkey is a NATO ally. It supports Ukraine with weapons and trainers. And it was helpful by limiting the number of warships that it allowed to transit into the Black Sea, as well as with the Grain Deal negotiations. Yet, Turkey trades heavily with Russia and hundreds of new Russian companies have opened in Turkey since the war began. Many believe these companies exist to help Russia circumvent sanctions. Turkey and Russia are on opposite sides in Syria. The United States and Turkey have strained relations in large part because of the U.S. partnership with Kurds in Syria.
- Turkey, the United Arab Emirates, China, India, and many African nations have significantly increased legal trade with Russia since the war started. Therefore, a great deal of Russian exports is still legally traded, and the sanctions do not cover all Russian exports.

Russia-Ukraine War

Moscow's aggression against Ukraine has intensified the pressure on Global South nations to pick a side in today's Global Competition between the United States and Europe vs. Russia (supported by China, Democratic People's Republic of Korea, Belarus, and Iran).

The Global South nations have refused to pick. At the UN General Assembly in February 2022, approximately 140 nations voted to condemn Russia's invasion of Ukraine. In contrast, roughly 40 nations of the Global South abstained, and many Global South nations rejected the sanctions imposed on Russia. These votes were largely identical to those in the spring of 2023. This is not to say the Global South approves of Russia's invasion, they do not, but they prefer to maintain a neutral stance and to largely not pick sides.

Some Global South nations opted for neutrality out of economic interest as mentioned earlier. Some wanted to avoid becoming entangled in Great Power Competition between China-Russia and the United States-Europe. Simply, they see the war as bad, but consider it a European problem that they do not want to become embroiled in. Some nations of the Global South find the West's approach hypocritical. Some Global South nations also do not buy in to the U.S. framing of its competition with China-Russia as Democracy vs. Autocracy. Of the 50 countries that Freedom House counts as "dictatorships," 35 received military aid from the U.S. government in 2021.

Israel-Hamas War

Prior to this latest war, most Global South nations saw the U.S. support for Israel over that of the Palestinians, the U.S. support for Saudi Arabia in Yemen, and the U.S. invasion of Iraq all as a double standard with respect to honoring nations sovereignty and respecting human rights.

With the ongoing Israel-Hamas War, according to one Think Tank's survey of 11 "Middle Powers," all of them condemn Hamas' attacks on Israelis, some calling it an act of terror, some not, but with all calling for peace.

China

Some believe that China is positioning itself to be the leader of the Global South. China gains leverage with the Global South nations because it is many of the nations' largest creditor and a significant trading partner. This 'debt trap diplomacy' gains China political influence, access to key infrastructure and key industries, and preferred trade (primarily in energy) in the Global South.

China, through the 10 years of the Belt and Road Initiative (BRI), spent \$2 trillion worldwide, which includes \$1 trillion in loans to more than 100 countries, many from the Global South. BRI loans come from Chinese state-owned banks to state-owned enterprises in the borrowing countries, so the debt is "national debt."

China is the top trading partner to more than 120 nations, again, many are from the Global South. A noteworthy development is that when Global South nations find it challenging to meet their financial obligations to China, they are increasingly seeking assistance from Western institutions, such as the International Monetary Fund, to settle their debts with China.

Forecast:

Global South nations will continue to remain mostly neutral. Their national decisions will be aligned to their National Interests and not necessarily aligned with the Great Powers as they were in the Cold War. They will remain diverse, ebbing-and-flowing with their perspectives on global crises, conflicts, and challenges.

The Global South nations' influence and leverage will likely increase over time as nations become more stable and financially self-sufficient. Due to debt-to-GDP ratios that are high in many of these nations, this will take many years.

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