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Much has been written about the changing configuration of economic and political forces in the global economy in recent years. Some might wish to pinpoint certain events like the Global Financial Crisis of 2008-2009 as a turning point in the global distribution of economic and political power, after which China emerged as the second largest economy and a major global power. Yet to say that China de-coupled from what ensued in the aftermath of the crisis and pursued an individual path does not hold up to scrutiny.¹

When trying to quantify an entity such as the Global South, one runs into some quandaries. For example, is China still in the Global South? In 2021, China had a nominal GDP of USD 17.73 trillion compared to a US nominal GDP of USD 23.32 trillion. However, in purchasing power parity (PPP) terms, China surpassed the US in 2017 with a GDP in constant 2017 international dollars of USD 19.89 trillion compared to USD 19.48 trillion for the US. In 2021, China’s GDP in PPP terms was valued at USD 24.86 trillion, compared to USD 21.13 trillion for the US.³

On a per capita basis, China still had a GDP per capita, measured in constant 2017 international dollars, of USD 17,603 compared to USD 63,670 for the US in 2021.⁴ Based on this criterion, China had a lower GDP per capita than many other emerging economies such as Poland ($34,916), Türkiye, ($31,467), the Russian Federation ($27,960), Malaysia ($26,333), Chile ($25,449), and Mexico ($19,086).

Similarly, how should we view India within the context of the Global South? In 2021, India’s GDP was USD 3.173 trillion, surpassing the UK as the 5th largest economy in the world in 2022, after the US, China, Japan, and Germany.

¹ See Burdekin et al. (2011).
² By contrast, Jordaan (2021) argues that the BRICS form a heterogeneous coalition and are focused on advancing members’ individual, rather than collective, interest, using the benefit of being aligned with a potential economic powerhouse like China.
³ GDP, PPP (constant 2017 international $) - China, United States: GDP International Comparison Program, World Bank, World Development Indicators database, World Bank, Eurostat-OECD PPP Programme.
Likewise, the Indian economy is set to be a fifth larger than the UK economy by 2027, and yet even in PPP terms, India had a GDP per capita in constant 2017 international dollars of USD 6,592.

The Global South is clearly heterogeneous and comprised of countries with diverse historical and political trajectories. Malaysia, for example, is rich in natural resources and benefits from its close interaction with the fast-growing East Asian economies, while Poland benefits from being a member of the European Union. The Russian Federation is endowed with massive deposits of oil, gas, and other minerals, but has failed to sufficiently diversify and modernize its economy since its transition from socialism. Türkiye and Mexico share some similarities in terms of being connected to large economic blocs – such as the EU Customs Union and NAFTA respectively – but are also prone to political risk and financial crises. Africa and Latin America contain populous market economies such as South Africa, Nigeria and Brazil. These have the potential for high economic growth, but suffer from poorly developed institutions and volatile politics, partially inherited from a history of colonialism and past foreign dependency. In recent years, and despite differences in their levels of development, countries in the Global South have begun to display some common trajectories and to coalesce around certain issues. The Belt and Road Initiative (BRI) and the New Silk Road projects initiated by China in 2013 have benefited many countries in Africa and Asia through the infusion of funds for massive infrastructure projects. Following the trajectories of the earlier Silk Route, the BRI contains the overland Silk Road Economic Belt and the Maritime Silk Road, which envisage the construction of railways, highways and energy pipelines to facilitate trade, as well as to develop special economic zones to reinvigorate economic activity in vast swaths of the Asia and Africa. According to a report by the Council on Foreign Relations, the Asian Development Bank estimates that Asia alone faces a financing shortfall of USD 900 billion for its infrastructure needs. The Maritime Silk Route also intends to construct ports along the Indian Ocean, from Southeast Asia to Europe, reinvigorating trade routes that had been crossed by Arab, Indian, and Asian merchants prior to the advent of Europeans in these regions. The scope of the BRI is vast, encompassing 147 countries that account for two-thirds of the world's population and 40% of global GDP. Criticism has emerged that it contains the threat of debt dependency for many poor and developing economies, in addition to favoring Chinese firms and workers in the construction and implementation of many of the projects. Nevertheless, the BRI is a massive undertaking, projected to cost China around USD 8 trillion. In this sense, even some US policymakers indirectly support the BRI, with China paying for and building infrastructure in various regions that may be of US interest.

A second issue that unifies, but also divides, the Global South is climate change. As is well known, between 1751, when Europe’s industrial revolution took off, and 2022, a total of 1.7 trillion tons of CO₂ have been

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5 In this regard, Altug and Yilmaz (1998) provide a discussion about the financial crises experienced by these countries up to the 1990s, while Altug (2011) describes the nature of the cyclical fluctuations for these economies.


7 https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative
spewed into the atmosphere, one of the leading factors of global warming. The US and Europe account for nearly 1 trillion tons of this total. Together they continue to be the world’s largest polluters. The US alone emitted over 5.5 billion tons of CO₂ in 2021, while Germany and Russia emitted a combined 2.5 billion tons. Together, North America and Europe currently account for over 12 billion tons of carbon emissions every year. China has overtaken the US as the world’s single largest emitter, releasing 11 billion tons of CO₂ a year. In per capita terms, an American on average still emits twice as much CO₂ as a Chinese.

A different approach to understanding the impact of climate change is to focus on climate inequality and its interaction with income and wealth inequality. According to Chancel (2022), close to half of all emissions are released by one-tenth of the global population, and just one-hundredth of the world population (or 77 million) emits about 50% more than the entire bottom half of the population (3.8 billion). Global carbon inequality dynamics are governed by two forces: the evolution of average carbon emissions ‘between’ countries and the evolution of carbon inequality ‘within’ countries. While the top 10% of the global population is responsible for 48% of all emissions, the middle 40% emit 40.5% of the total and the bottom 50% emits 11.5% of it. In this study, personal carbon imprints include emissions from domestic consumption, public and private investment, as well imports and exports of carbon traded with the rest of the world. Since 1990, the bottom 50% of the world population has been responsible for only 16% of all emissions growth, whereas the top 1% has been responsible for 23% of such growth. While carbon inequalities are lower than income and wealth inequalities (the top 10% of global earners capture 52% of total income and the global top 10% of wealth owners owns three-quarters of total wealth), global carbon inequalities remain large and show no sign of abatement. The study also shows that there has been a shift in the share of global emissions due to within-country and between-country differences: in 1990, most carbon inequality (62%) was due to differences between countries while in 2019 within-country inequality accounts two-thirds of carbon inequality.

In addition to middle- and lower-middle income countries, the Global South also includes the Small Island Developing States (SIDS). SIDS comprise of an array of small island economies that are dependent on tourism revenues and remittances but are also highly vulnerable to natural disasters and climate change. Indeed, events such as rising sea levels and increasing ocean acidity not only threaten the livelihoods of these countries but their very existence. Consequently, these countries have been at the forefront of the fight for measures to mitigate and reverse the repercussions of climate change. According to a report by the International Institute for Sustainable Development (Mead, 2021), SIDS include least developed countries like Haiti and Tuvalu, but many others are classified as middle-income countries. They typically import most of their food needs and are heavily dependent on energy imports. Given their unique circumstances, the SIDS “created a coalition, the Alliance of Small

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Island States (AOSIS), in 1990 and successfully lobbied for recognition of the special needs of SIDS in the text of the 1992 UN Framework Convention on Climate Change (UNFCCC). AOSIS also mobilized support around the need to keep temperature rise below 1.5°C and was instrumental in getting the Intergovernmental Panel on Climate (IPCC) to produce a special report on the impacts of global warming of 1.5°C. In 2015, due to the lobbying efforts of a group of rich and poor countries that created the High Ambition Coalition (HAC), the 1.5°C temperature limit was successfully included in the Paris Agreement.

The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27) delivered an even more important win for the Global South, in agreeing to establish and operationalize a loss and damage fund. This fund would essentially be destined to the countries of the Global South, providing financial assistance to countries impacted by the effects of climate change. Hippolyte Fofack, Chief Economist and Director of Research at the African Export-Import Bank, has argued that the unbalanced relationship between advanced economies and resource-rich developing countries has led to both immiserizing growth as well as illusory growth. Illusory growth occurs when “an increase in aggregate output also results in environmental degradation, and specifically the depletion of natural capital, comprising assets such as land, forests, and subsoil resources.” Hence, what is needed is a transition to a model whereby the climate and natural resources are viewed as public goods by both developed and developing economies alike. The Global South has been devised as an acronym to describe a universe of developing countries that up until recently remained outside of the developed world, limited to the US and Europe. That there are vast differences among them does not cancel out the many similarities they share. The measures to mitigate and overcome the effects of climate change are clearly one set of issues that many, if not all, members of the Global South would agree to. Building and upgrading the stocks of infrastructure to meet the demands of a modern economy constitute another unifying theme for many in this large and heterogeneous group. Indeed, these disparate objectives might be viewed jointly in the context of the Green Economy and sustainable development. How members of the Global South will navigate the issues that confront them is an area of interest for students and practitioners of public policy.

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REFERENCES


