

## **Background Text on Key Concepts of the Method**

The method "The World Game" is about bringing participants closer to global justice. This requires an explanation of key concepts such as Global South and Global North, unequal trade, and development aid. The following texts critically engage with the issues of socio-economic inequalities and colonialism.

### **Global South and Global North**

The Global North and Global South are not really geographical categorizations. The Global South refers to a disadvantaged social, political, and economic position in the global system, while the Global North refers to a privileged one. This categorization is based on different experiences of colonization and exploitation. The Global North mainly benefits, while the Global South is primarily exploited. Power dynamics draw the line between the Global North and Global South.

Therefore, the categories are not geographical locations but describe different individuals' positions concerning power, economy, and politics.

The terms Global North and Global South thus distinguish between old colonial powers and colonies, highlighting current dynamics between them. They offer a more critical perspective compared to outdated terms such as "developing countries" and "developed countries" or "First, Second, and Third World." These older terms are problematic because they imply a value judgment: they suggest that all countries should follow the same development path and that "developed" is inherently better. Terms like "First, Second, Third World" also reinforce a clear hierarchy, ignoring the causes of global inequality and overlooking colonial history while focusing on a unified development path set by old colonial powers.

The use of the terms Global North and Global South should also be viewed critically, as they form another dichotomy that could perpetuate the idea of the Global South as "less developed" and the Global North as "advanced" This may lead to misunderstandings and misjudgments regarding the capacities of institutions in the Global South. Additionally, the dichotomy is a generalization that does not consider other axes of power distribution, such as class or gender. It must be emphasized that every country has rich and powerful elites as well as oppressed marginalized groups, and not all power distributions can be described using the terms Global North or Global South.



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Nevertheless, the terms Global North and Global South are relevant as they highlight historical inequalities and marginalization within international hierarchies. They should be explained and used carefully to avoid unnecessary generalizations but should also be explained to foster critical perspectives on global relations and dynamics, countering the more problematic terms such as "developing countries" or the "Third World."

### Unequal Exchange

The explanation of unequal exchange in this paragraph is mainly based on Jason Hickel's research around the topic (Hickel et al., 2022; Hickel; Hanbury-Lemos & Barbour, 2024). The economic prosperity of the Global North has long been tied to the extraction of labor, natural resources, and goods from the Global South. This extraction occurs predominantly through what is referred to as unequal exchange in global trade. Research in this area demonstrates how Northern nations exploit their economic and political leverage to drive down wages, suppress prices, and minimize profits in the Global South. These dynamics operate both at the level of national economies and within global supply chains, which dominate a substantial portion of international trade. As a result, prices in the Global South are kept systematically lower than in the North, forcing Southern producers to export an increasing amount of labor and resources each year to maintain their level of imports. This skewed exchange allows Northern economies to appropriate value, benefiting both capital owners and consumers in the Global North.

These inequalities worsened during the 1980s and 1990s with the introduction of structural adjustment programs (SAPs) across many countries in the Global South. These programs led to devaluation of Southern currencies, cuts to public services, and weakened protections for workers and the environment, which further depressed wages and prices. In addition, Southern governments were forced to prioritize export-led production, often in highly competitive sectors, while their ability to pursue industrial policy and invest in technological advancements was curtailed. At the same time, many leading corporations from Northern countries moved production to the South to capitalize on lower labor and production costs. Through their control over global value chains, these firms have further squeezed the wages and profits of Southern producers. As a consequence, the North's purchasing power over Southern labor and goods has continued to strengthen.



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## Development Aid

Development aid is often seen as a benevolent tool for promoting global justice. However, this view is more myth than reality. Development aid is frequently tied to conditions that serve the political and economic interests of donor countries, often in the Global North, rather than those of recipient countries, typically in the Global South. Moreover, the scale of aid is tiny compared to the wealth that is extracted from recipient countries through trade imbalances, debt repayments, and capital flight.

To illustrate this point let's take a brief look at Jason Hickel's "The Development Delusion: Foreign Aid and Inequality", which we summarized for you:

In January 1949, U.S. President Harry Truman gave a televised speech in which he pointed out that more than half of humanity lived in poverty and that their countries were economically backward and stagnant. He suggested that the U.S., as a wealthy and technologically advanced nation, should help so that others could benefit too. He called this idea "development," and it became a widespread story of hope. In this narrative, the U.S. and Europe, with their advanced technologies and economies, are ahead of the rest of the world. Implicitly, it assumes that people in the U.S. and Europe are smarter, work harder, and have more civilized, better-organized, and less corrupt governments.

This story persists today, particularly in discussions of development aid. As in Truman's original story, the idea of aid takes precedence over acknowledging that Western powers may have contributed to the suffering of the Global South. Aid is seen as undeniable proof of the West's benevolence. After all, rich countries give about \$128 billion annually in development aid to poor countries. This is a significant amount—more than the combined profits of all banks in the United States. However, upon closer inspection, it becomes clear that this sum is far outweighed by the financial flows in the opposite direction. In reality, it is not the rich countries developing the poor ones; rather, the poor countries are developing the rich ones. The discourse on aid obscures this uncomfortable truth by presenting recipients as givers, telling a comforting, affirming story that people are all too eager to believe.

## Quellenangaben

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