



GLOBAL INEQUALITY CHALLENGE: AN ANALYSIS OF THE DISPARITIES IN WEALTH AND POWER

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ABSTRACT: *Global inequality is central to the explanation of the disparity between the global North and global South in terms of level of development. World systems theorists have pointed to colonial exploitation of the South by countries in the North as the cause of the disparities in wealth and power between regions. This paper examines global inequality challenges to identify the disparities in wealth and power between the North and the South. The study relied essentially on qualitative data predicated on secondary data. The paper adopted world systems theory as its framework of analysis. The paper showed that the unequal relationship between the global North and the global South was made possible by the colonial exploitation of the South by the North. By adopting the world system theory, the paper revealed how unequal division of labour, terms of trade imbalance, and Bretton Woods Institutions (IMF and World Bank) reinforced global inequality. The study recommended, amongst other things, that the South address internal conditions impeding their development; IMF and World Bank-assisted projects should not be attached with strict conditions.*

KEYWORDS: Global inequality; Imperialism; Colonialism; Power; Wealth; Center-Periphery; World System.



INTRODUCTION

According to Agbaenyi and Oddih (2012: 118), “the global environment is characterised by relations that cut across states, regions, and the North-South divisions. The gap in socio-economic, political, and military developments between the North and the South has attracted reactions and dialogues seeking to address the prevailing imbalances existing between them.” Global inequality is one of the major global challenges that has bedevilled the world and caused polarity. This inequality is evident in the gap between the Global South and the Global North which has given rise to unequal relationships. Whereas the developed countries are classified as the “core”, the poor nations or the underdeveloped countries are classified as the “periphery”. From the perspective of World System Theory, global inequalities, in essence, emerged from the colonial exploitation of many countries by a few others and this exploitation is apparent in global capitalism, imbalance in terms of trade/unequal exchange, unequal global division of labour, biased policies of the Bretton Woods Institutions, and the exploitative activities of MNCs. Over the years, the activities of the Bretton Woods Institutions such as The International Monetary Fund (IMF) and the International Bank for Reconstruction and Development — IBRD (World Bank) have reinforced the unequal relationship between the Global North and the Global South. Since inception, they have however served the interest of the Global North. Hence, becoming an instrument in the hands of the North for their exploitation and underdevelopment of the periphery. Chang (2008) posited that the general logic of colonisation was to integrate the global South into the Europe-centred world economy on unequal terms. Consequently, The South (the periphery) was turned into a source of cheap labour and raw materials for the North (the core), and as a captive market for Northern manufactured goods.

It is the fallouts from all the above that have made some parts of the world wealthier and more powerful than others. This is evident in the North/South dichotomy where the North or West is characterised by wealth and power as against the South. According to Therien (1999: 723) “For more than a generation, the North-South divide was central to the explanation of world inequality and poverty”. Hickel, Sullivan, and Zoomkawala (2021) taking history into account, posited that the wealth of high-income nations depends on the appropriation process from the rest of the world. Through exploitative means, the global South became integrated into the Europe-centred world economy on unequal terms leading the South to serve as a source of cheap labour and raw materials for the North (Chang, 2008). According to Arrighi and Drangel (1986: 11-12), “core activities are those that command a large share of the total surplus produced within a commodity chain and peripheral activities are those that command little or no such surplus.” Hickel, Dorninger, Wieland, and Suwandi (2022) posited that historically, Western Europe's rise depended largely on natural resources and labour forcibly appropriated from the global South during the colonial period. They went further to note that Spain extracted gold and silver from the Andes, Portugal extracted sugar from Brazil, France extracted fossil fuels, minerals, and agricultural products from West Africa, and Belgium extracted rubber from the Congo. In contrast, Britain extracted cotton, opium, grain, timber, tea, and other innumerable commodities from its colonies in the global south. On this premise, this paper set out to examine the challenge of global inequality, particularly as it concerns disparities in wealth and power between the global North and the global South.



THEORETICAL FRAMEWORK

This paper adopts world systems theory as its theoretical framework of analysis. Immanuel Wallerstein is the most prominent figure behind world system theory. The theory provides a model for understanding both change in the global system and the relationship between its parts (Sorinel, 2010). Christofis (2019) defined it as a multidisciplinary, macroscale approach to world history and social change, taking up a more inclusive unit of analysis, the “world system,” hence reflecting a particular understanding of history and a set of related questions people pose about it. According to world systems theory, the capitalist world economy benefits the core regions more. Wallerstein shows that the core regions are innovative and play an active role in international trade, and export capital, generate high incomes, and have high productivity and stability of the political system. The core is the site of the exchange of products between the monopolised and free-market zones and the flow of profits to the core. The periphery on their part, is less innovative and characterised by low incomes and productivity, capital import dependence, a minor role in international trade, as well as being politically unstable (Klimczuk & Klimczuk-Kochańska, 2019). Advocates of the world systems theory argue that developed countries promote a form of development that disadvantages the periphery countries in favour of the industrialised core (Schwartz, 2007). World systems theory is fitting for the explanation of global inequality in this paper because it focuses on the international division of labour which divides the world into core, semi-periphery, and periphery countries. In this international division can be found elements of inequality thereby representing the gap between the rich and the poor countries. Semi-periphery countries according to Anastasi (2023: 176) “are still being exploited by the core countries, yet not to the same extent as the periphery proper, and they are also exploiting the periphery countries, yet not to the same extent as the core countries.” The semi-periphery concept is important, and it improves the analysis of global inequality, and as Terlouw (2003: 71) put it, “an extra category does more justice to the complex spatial inequalities than a simple core-periphery dichotomy.” World systems theorists argue that wealthy nations sustain the global hierarchy of wealth and advantage by leveraging lasting structural advantages, alongside a system of uneven global regulations and practices that extend across geographical zones (Shannon, 2018). Using this theory the paper will reveal how the economies of the South (periphery) were from the beginning designed to produce mainly raw materials to service the industries in the North (core) that were structured to produce the more marketable finished goods thereby creating the disparities in wealth and power in the world. The poor countries (South) are already disadvantaged by this structure of inequality in terms of trade between low-value-added products (specifically raw materials) for high-value-added (industrialised) products from the core (North) within the capitalist world system (Pennaforde, 2023). The domination of the core is predicated on the way and manner the international system is structured in an unequal capacity whereby the core countries focus on high-skill, capital-intensive production, while the rest of the world focuses on low-skill, labour-intensive production, and extraction of raw materials (primary goods). In this argument, the North is at the core and the South is at the periphery, with the core structurally advantaged while the South is structurally disadvantaged. According to Wallerstein (1996), the activities of the more profitable nodes have tended to be geographically concentrated in a few, relatively small areas of the world economy, called the core zone while the less profitable nodes tend to have their units being in a much larger area, we may call the peripheral zone. World system theory identifies imperialism as the tool of domination and control of the periphery by the core (Christofis, 2019). Through the lens of



world systems theory, the core nations and the periphery nations are two groups of nations in an interconnected world economy where resources flow from the periphery to the core leading the core to appropriate surplus value, and the periphery being the site of exploitation and where surplus value is extracted (Wallerstein, 1979). Global inequality is, however, not static. Hence, it is still widening and deepening structural economic imbalance in the world. World systems theory looks at the implicit global structural components such as how capital and resources are accumulated and flow around the world giving rise to inequality.

The Semi-periphery within the World-System

The semi-periphery according to Wallerstein (1984) plays the role of a facilitator by creating a conducive environment for the oppressive relations of the centre and the periphery to happen, in addition, they act as economic and political agents of certain powers in times of expansion of world's economy. Furthermore, the semi-periphery performs buffer functions because of the need to steer clear of the possible conflicts that would emerge from the poor distribution of the rewards in an extremely polarised world structure, since the concentration of the military power in the hands of the dominant forces and the diffusion of the ideological commitment to the system would be insufficient to avoid insurgencies against the system's centre (Skocpol, 1977; Wallerstein, 1974a). To quote Wallerstein, "The semi-periphery is not an artefact of statistical points, nor a residual category. The semi-periphery is a necessary structural element in a world economy" (Wallerstein, 1974b: 350). According to Steiber (1977), the semi-periphery countries are midway between the top and the bottom and have a more diversified economy than the periphery, but without the economic power to assume a core position. In terms of primary and secondary products, the semi-periphery exports both, as the core does, but their trade in secondary products is of modest proportions. The semi-periphery occupies a middle position and as such, "shares some of the benefits accruing to core status by their exploitation of the periphery, but they are still exploited, in turn, by the core" (Steiber, 1977: 24). Wallerstein (1974) highlights three main theoretical considerations in the analysis of the semi-periphery noting firstly that extensive division of labour is inherent in the modern world system, exemplified by the uneven distribution of economic activity globally, creating conditions for some groups of countries to exploit the labour of others which results in them receiving a larger portion of any surplus value. Second, Wallerstein considers capitalism an economic system in which economic factors operate within an arena larger than any political entity can control. Third, the world system includes new peripheries to the outer ring to be exploited by the core states, consequently, these new economies become dependent on the needs of the world system because of the expansionist inner logic of capitalism. Wallerstein posits that the semi-periphery states act as intermediaries between the core and periphery (Wallerstein, 1974). Such countries are Brazil in South America, China in Eastern Asia, and India in Southern Asia, which are large non-core countries (Van Hamme & Pion, 2012). According to Terlouw (2003: 77) "the possibility to join the core also appeases the semi-periphery. The semi-periphery is the most dynamic part of the world-system. Its political economic power is clearly subordinate to the core, but unlike the periphery, it has some resources to resist exploitation." Furthermore, the social-economic regulation of the semi-periphery is not at the same level as the core. Still, it makes the best use of what it must engender development, notes (Terlouw, 2003).

Arrighi and Drangel (1986: 12) note that "the legitimacy and stability of this highly unequal and polarizing system are buttressed by the existence of semi-peripheral states defined as those



that enclose within their boundaries a more or less even mix of core-peripheral activities. Precisely because of the relatively even mix of core-peripheral activities that fall within their boundaries, semi-peripheral states are assumed to have the power to resist peripheralization, although not sufficient power to overcome it altogether and move into the core.”

Global Inequality: The Unequal Division of Labor, Terms of Trade Imbalance, and Bretton Woods Institutions Paradigms

As stated earlier, the world system theory perspective attributes the causes of global inequality that has created the gap and the unequal relationship between the Global North and the Global South to the unequal division of labour, unfavourable terms of trade, and the activities of the Bretton Woods Institutions such as the International Monetary Funds (IMF) and World Bank. As the widening global inequality continues, these unequal relationships are increasingly questioned. As Van Hamme and Pion (2012) noted, even with the changing dynamics of core-periphery relations, imbalances persist, characterised by the successive economic specializations enforced on the periphery by the core to facilitate its accumulation.

The Unequal Division of Labor Paradigm

Sorinel (2010) notes that the division of labour is the forces and relations of production of the world economy. The global capitalist economy operates on a division of labour among its core, semi-periphery, and periphery, resulting in an unequal exchange among these sectors, and facilitating international transfers of economic surplus. Colonialism and neo-colonialism disarticulated and monetized the global South's economies and integrated them into the global economy at a subjugated position. From the start, they were designed to engage in labour mainly targeted at servicing the global South. Also, as pertains to the regulation and exchange of raw materials from the South and the finished goods from the North, the North formulated and executed this regulation and exchange to their benefit. As Wallerstein (1984: 5) puts it, supply chains result in “‘core’ processes in ‘core’ areas – and more and more processes that require less skilled and more extensive manpower that is easiest to keep at a low-income level in other areas – ‘peripheral’ processes in ‘peripheral’ areas.” The core (north) always leverages the unequal relationship between the periphery (south) in the world economic system to determine the prices of both the finished products produced by them and raw materials produced by the south. The international division of labour involves the global North exchanging manufactured goods with the global South in return for agricultural products and raw materials (Dicken, 2003). Wallerstein (2004) notes that the capitalist world economy predominantly favours the core nations (global North). Consequently, these core nations leverage their advantageous position to exert dominance over the economic structure and actively strive to maintain it. World system theorists maintained that the general structure of the colonial economy still exists, thus industrial growth of the global North continued to rely on appropriation from the South well into the post-colonial period (Wallerstein, 1974).

Terms of Trade Imbalance Paradigm

When it comes to terms of trade between the global North and the global South, it always favours the North (core nations). Countries in the global North often take advantage of the unequal position of the global South to fix the prices of both primary goods and finished materials. What is often concealed by the global North in terms of fixing prices for products between the North and the South is what the world system theory of Immanuel Wallerstein



reveals. For instance, the core nations often claim the prices of goods are not fixed by them, but instead it is controlled by the invisible forces/hands of demand and supply. But over time, these invincible forces/hands have been found very visible. These are, therefore, one of the tools the core nations use to reinforce global inequality. In terms of geopolitics and commerce, the core nations dominate the global economy. Thus, they leverage their position to cheapen or reduce the prices of resources and labour in the global South. The fallout from this is that, for every unit of embodied resources and labour that the South imports from the North, they must export many more units to pay for it (Amin, 1978; Emmanuel, 1972). Similarly, Suwandi (2019) argued that the global North's exploitation of the South is not just on primary commodities from the South. Rather, it includes manufactured goods and high-technology products from the North such as smartphones, computer chips, and cars, amongst others. Suwandi went further to state that Northern firms deploy monopsony and monopoly power to depress Southern suppliers' prices at every node, from extraction to manufacture, while setting final prices as high as possible. The unequal exchange operates through a wide variety of arrangements or forms that continually reproduce the basic core-periphery division of labour. Core-state agencies regulate labour, production processes, intermediate and final markets for imports, and export activities of peripheral areas. Core nations thus benefit from the lowered prices of the global South commodities (Hopkins & Wallerstein, 2016). In terms of integration into the world economy, the periphery countries were integrated into the Northern-dominated world economy to export primary commodities and import finished goods. This arrangement favours the North just as Gonzalez (2015) highlighted, the South to boost national earnings, is conditioned to increase the production of primary products such as minerals, timber, and agricultural products and this generally creates a surplus of primary commodities in the global market leading to a reduction in prices of those commodities. Consequently, the Southern export earnings were reduced, its poverty worsened, and the North-South economic divide was reinforced. Similarly, Amin (1987) explained how disparities in wages between the core and periphery contribute to this unequal exchange. According to him, capitalist accumulation in Europe relied on the extraction of natural resources and repressed labour in places such as Africa, Asia, and Latin America. Mines and plantations provided vast wealth to Spain and Portugal albeit being financed by banks in Northern Europe, where most of the wealth flowed in the end. For this reason, the dominance of foreign capital in less developed countries of the South meant distorted export activity resulting in countries in the periphery incurring heavy debts to core nations, becoming dependent on them in addition to being inseparably linked with the world capitalist system in disadvantaged ways.

Bretton Woods Institutions Paradigm

Determined to avoid the mistakes of the interwar years that led to World War II, the economic planners who attended this financial conference in Bretton Woods, particularly the United States and the United Kingdom had gone to the conference to promote the idea of free trade and the prevention of another financial depression. The United States of America and British representatives therefore established the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank). While the major mission of the World Bank was to help the countries that fought the 2nd World War to rebuild their devastated economies, the IMF was designed to oversee the international monetary system, enforce a regime of fixed exchange rates, and lend money to states experiencing balance-of-payments difficulties (MacLean, Wood, & Turnbull, 2020). The Bretton Woods institutions were created to serve the interests of a small group of countries. Since then, the



IMF and World Bank have moved their functions and focus to mostly developing countries. Despite this shift in focus by the Bretton Woods Institutions, they have been unable to reproduce the same results they achieved with the European economies after WWII, instead, they have come to serve as an instrument that the core nations use to exploit and under-develop the periphery nations.

The core nations happen to be the major financiers and decision-makers of these institutions such as the World Bank and the International Monetary Fund (IMF). Hence, they have leveraged this to perpetrate and perpetuate the exploitation of the periphery nations (global South). Because they have the highest voting powers in the Bretton Woods institutions, they do not fail to use such powers to the detriment of the periphery region. For instance, the G-7 countries namely the United States, Canada, United Kingdom, France, Italy, Germany, and Japan are the top contributors to the institutions of the World Bank and International Monetary Fund, thus, they combine to control most of the votes. The role of international development assistance according to world systems theorists, is inseparably linked to an unequal global economic system that promotes dependency (Ciplet, Falzon, Uri, Robinson, Weikmans, & Roberts, 2022). However, it is not in doubt that the World Bank and IMF support development in the global South through loans and grants. This notwithstanding, world systems theorists are critical of this support because of the conditions that they normally attach to it that create conditions for exploitation and inequality. Most times, these institutions only grant this aid to countries that align their internal politics, foreign policy, debt-servicing record, and export policies, amongst others to suit the interest of the countries or institutions providing aid (Hayter, 1971).

In a similar vein, colonial relationships have been sustained over time to some extent through international development assistance relationships and requirements, which encourage peripheral states to conform to a global set of liberal or neoliberal economic norms, which strengthens further durable relationships of inequality in the world-system (Wood, 1986). It is, however, worth noting the lack of consideration of the internal development agendas of the periphery countries by the IMF and World Bank when making reforms. This lack of consideration is what Ake (1996) termed 'competing agendas' as he highlighted the rift between the Bretton Woods institutions and African governments over approaches to African development. An example is their decision to, through their 1986 Structural Adjustment Programme (SAP) reform and initiative that led to the devaluation of the Nigerian currency (naira). The devaluation of the naira had catastrophic consequences because they failed to consider the country's internal dynamics.

Igwe (2018) highlights the uneasy relationship between Bretton Wood institutions and the periphery. In decision-making, for example, the United States and the global North dominate the IMF and World Bank with the South having little or no say. This shows that decisions and resolutions are determined by the richest and most influential members, not by the total number of member states. It is worth noting that the World Bank since its inception till date has always had its presidents from the core, particularly the United States. Barring 2019 when a Bulgarian, Kristalina Georgieva acted briefly in an acting capacity, and from 1995 to 2005 when a naturalised American citizen of Australian descent took over as president, the rest have always been United States citizens (Worldbank, n.d.). The International Monetary Fund, in addition, shares similarities with the World Bank in terms of leadership as the IMF's Managing Directors since inception have also been from Europe.



Merits and Shortcomings of World Systems Theory

Through the lens of world systems theory, the often-concealed facts about the capitalist world economy are revealed. World systems theory's effective combination of economic and political factors provided a yardstick to reveal how the core countries that happen to be more powerful were able to determine market growth. The world systems theory is structured historically to trace the growth of capitalism and imperialism. For example, Wallerstein traces the rise of the capitalist world economy from the long sixteenth century, with this, we can identify historical facts that have underpinned global inequality and the endless accumulation of capital by the North. The world system perspective is a valuable starting point for a systematic re-examination of the historical development of societies (Chase-Dunn & Hall, 1993). According to Kilembe (2010: 38), "the world systems theory is reliable in connecting the inequality of the world market to the dependency of peripheral states on the core as well as the causal factors of dependency".

The shortcomings of the world systems theory are that there is much emphasis on the economy and not enough on culture. The theory has also been criticised for being selective when presenting historical facts. For instance, Stinchcombe (1982: 1390) contends that Wallerstein's mechanisms of capitalist growth "remain vague and ad hoc." Also, "nearly every kind of domestic and international condition is urged as a cause of concentration of property or business in a few hands" (Stinchcombe, 1982: 1392). The author laments the incoherent nature of Wallerstein's idea on what made capitalism develop, suggesting that Wallerstein concerns himself with historical facts which support the World System Theory view while ignoring many other facts which seem more problematic (Stinchcombe, 1982).

The theory is also too core-centric and too focused on the world market thereby neglecting the local class structures and class struggles in the periphery nations. By focusing its attention on the core nations, the world systems theory exonerated the periphery nations of any blame for the underdevelopment in the global South. While World Systems Theory acknowledges internal factors such as local class structures and class struggles, culture, corruption, and local exploitation by the elites in the peripheral countries, it contends that these are not 'local dynamics' internal to peripheral states. Instead, they stem from colonial legacies that established domestic institutions specifically for wealth extraction purposes. Hence, Tonkiss (2006) criticised it for tracing the spread of capitalism as a world system dominated by the core region. For example, corruption has over the years become endemic in the global South and the developmental conditions in the peripheral states would have improved and poverty and underdevelopment would have reduced significantly if the internal political climate of the peripheral states had not been marred by high spate of corruption. The perspective of world systems theory, for instance, is that global inequalities and underdevelopment of the South emerged from colonial exploitation of many countries by a few others. It, however, did not further this perspective to include the post-independence dynamics in the peripheral states. Take Africa for instance, since independence, the region has generated billions of dollars from the export of the same primary products, but these billions of dollars have either been embezzled or mismanaged by the ruling class buttressing the local impediments that world-systems theory deemphasised. Furthermore, the local class structures and struggles in the periphery create instability that does not create a conducive environment for development. The elites in the peripheral countries are so engulfed in the struggle for state power that



development is treated as insignificant. By overlooking these endogenous factors such as class struggle it overplays the external factors.

Furthermore, world systems theory tends to overgeneralise. Categorizing specific regions into one bloc and tagging it “centre”, implies that all developed nations share the same attributes, disregarding actual differences that exist among them. Also, grouping different nations into another bloc labelled ‘periphery’ is a generalization that all periphery nations have the same level of underdevelopment and exploitation. However, evidence abounds that shows that some of the periphery nations were colonised differently, achieved independence earlier than others, and consequently integrated into the global economy differently. For instance, Latin America, Asia, and African states were all colonised by the developed countries of the global North, but Africa witnessed more severe exploitation and imperialism compared to colonies in Latin America and Asia. This extreme exploitation of Africa disarticulated its economy and structured and integrated it into the world economy in such a way that it would be perpetually dependent and underdeveloped. Consequently, Africa’s post-independence trajectory differs markedly from other regions such as Latin America and Asia. Therefore, lumping these colonies together and tagging them ‘periphery’ is a major shortcoming of world systems theory.

Just as Christofis (2019) noted, world systems theory emphasises the concept of imperialism, as the means core states dominate and control the periphery. In recent times, the semi-periphery countries have joined in this exploitation of the South evidenced by their unequal relationship with countries in Africa and Asia. The semi-periphery nations are also in the business of importing cheap primary products from the periphery nations and exporting expensive finished goods to them as well. Another criticism of world systems theory is that of reductionism made by Theda Skocpol who believes the interstate system is far from being a simple superstructure of the capitalist world economy. The international state system as a transnational structure of military competition was not created by capitalism. Throughout modern world history, it represents an analytically autonomous level of transnational reality — interdependent in its structure and dynamics with world capitalism, but not reducible to it (Skocpol, 1979).

Lastly, when analysing global inequality between the core and periphery nations, it is not out of place to emphasise the roles colonialism, imperialism, and neo-colonialism played in creating this inequality, nor would the core nations deny this fact. At the same time, world systems theorists cannot ignore local conditions in the South that have equally impeded development in the periphery region.

CONCLUSION

There are indeed global wealth and power disparities between countries in the global North and the global South. However, these inequalities do not happen in isolation, as the paper has shown how so many conditions have combined to reinforce this global challenge of inequality. Hence, the paper examined the global inequality challenge that led to the disparities in wealth and power. Global inequality is characterised by unequal relationships between states whereby the development of some group of countries would automatically underdevelop the rest of the world. Evidence has shown that the advantaged position that the core nations have over the periphery nations is as a result years of unequal relationships made possible by years of colonial exploitation of the South by the North. By adopting the world system theory, the paper has



shown how unequal division of labour, terms of trade imbalance, and Bretton Woods Institutions such as the International Monetary Fund and World Bank have caused global inequality thereby creating the gap and unequal relationship between the global North and the global South. This paper argued that the South's economy was unfavourably integrated into the global economy as they (the South) did not have control over the prices of both raw materials and finished goods. World systems theory offers a useful lens to examine and understand the historical facts that have underpinned this global inequality. The Bretton Woods institutions have contributed immensely to the inequality between the core and periphery nations as data from the study showed that they have created conditions that over the years favoured the core nations. The economies of the South have been impacted negatively by the North's influenced policies and reforms of Bretton Woods institutions. Wallerstein and world systems theorists' description of the relationship between core and peripheral states illustrates the exploitative nature of the global economy. These, therefore created conditions for dependent relations and global inequality which is seen in the disparities in wealth and power between the North and the South.

RECOMMENDATIONS

The paper recommends that countries in the global South should not only focus on exogenous conditions of inequality and underdevelopment, rather, they should also adopt an endogenous approach. The periphery nations are often so focused on external conditions that they fail to pay attention to internal conditions when looking at their relationship with the North. The core nations are not solely to blame for the underdevelopment of the South as the high level of corruption, political instability, class struggles, and local exploitation by elites have also impeded development in the South. Again, the South should learn from the countries that have successfully moved out of the periphery group to know what they are doing right. Furthermore, there is a need for reforms in Bretton Woods institutions to create a more favourable environment for the South. Disparities exist regarding the level of success the IMF and World Bank have achieved in European countries and countries in the global South. Also, if the IMF and World Bank are development-oriented, the strict conditions they normally attach to their projects should be removed. The billions of dollars the IMF committed to the bailout of European countries during the Euro-zone Debt Crisis had few conditions attached to it.



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