



# **FACULTY OF JURIDICAL SCIENCES**

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# Lecture- 14



## LECTURE 14 New International Economic Order (NIEO): Objectives,

At the Sixth Special Session of the United Nations General Assembly in 1975, a declaration was made for the establishment of a New International Economic Order (NIEO). It is regarded as “a turning-point in the evolution of the international community.”

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NIEO is to be based on “equity, sovereign equality, common interest and co-operation among all States, irrespective of their social and economic systems, which shall correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and the developing countries and ensure steadily accelerating economic and social development and peace and justice for present and future generations.”

Though the declaration on the NIEO by the General Assembly (GA) is of recent origin, the idea is not altogether a new one. In fact, a similar resolution was adopted by the GA itself long back in 1952. Again, similar demands were raised from time to time by the UNCTAD since its inception in 1964. A.K. Das Gupta, however, says that what is spectacular about the NIEO Declaration is its timing.

The NIEO aims at a development of the global economy as a whole, with the set up of interrelated policies and performance targets of the international community at large.

### **Origin of NIEO:**

The movement for the establishment of the NIEO is caused by the existing deficiencies in the current international economic order and the gross failures of the GATT and the UNCTAD in fulfillment of their vowed objectives.

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The present international economic order is found to be asymmetrical in its working. It is biased. It is favouring the rich-advanced countries. There has been over dependence of the South on the North. Rich countries tend to have major control over vital decision making in the matter of international trade, terms of trade, international finance, aids, and technological flows.

As a matter of fact, the basis for the NIEO is constituted by the U.N. Resolution in 1971, in the seventh special session on “Development and International Economic Co-operation” with various reforms in the area of international monetary system transfer of technology and foreign investment, world agriculture and cooperation among the Third World Countries.

The Resolution categorically mentions that “Concessional financial resources to developing countries need to be increased substantially and their flow made predictable, continuous and increasingly assured so as to facilitate the implementation by developing countries of long-term programmes for economic and social development.” It

emphasises global interdependence. It seeks radical changes in allied social, economic, political and institutional aspects of international relations.

New developing sovereign countries of the South have insisted on the NIEO. It has been further supported by the non-aligned nations which vehemently criticised the politicalisation of development and trade issues by the developed nations. The developing nations are now asserting their right to participate in the decision making processes of the international institutions like the IMF, World Bank, GATT, UNCTAD, etc.

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The origin of North-South dialogue for a new economic order may be traced back to over 30 years ago, at the Afro-Asian Conference at Bandung held in 1955.

However, the formal idea of the NIEO was put forward in the Algiers Conference of non-aligned countries in 1973. In 1975, a declaration for the establishment of NIEO was adopted along with a programme of action in the Sixth Special Session of the UNCTAD.