



FACULTY OF JURIDICAL SCIENCES

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Lecture- 17



LECTURE 17 Objectives of the NIEO

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In essence, the NIEO aims at social justice among the trading countries of the world. It seeks restructuring of existing institutions and forming new organisations to regulate the flow of trade, technology, capital funds in the common interest of the world's global economy and due benefits in favour of the LDCs. It has the spirit of a 'world without borders.'

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It suggests more equitable allocation of world's resources through increased flow of aid from the rich nations to the poor countries.

It seeks to overcome world mass misery and alarming disparities between the living conditions of the rich and poor in the world as large.

Its aim is to provide poor nations increased participation and have their say in the decision-making processes in international affairs.

Among to other objectives, the NIEO envisages the establishment of a new international currency the implementation of SDR aid linkage, the increased stabilisation of international floating exchange system and the use of IMF funds as interest subsidy on loans to the poorest developing countries.

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The crucial aim of the NIEO is to promote economic development among the poor countries through self- help and South-South co-operation.

The NIEO intends to deal with the major problems of the South, such as balance of payments disequilibrium, debt crisis, exchange scarcity etc.

Programme of Action for the NIEO:

In essence, the UNCTAD resolutions provide a source of programme of action for the international economic order.

The NIEO is not in favour of the existing system of free market orientation. It is biased in the less developed countries through interventionist approach.

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Its action programme narrates the need for a more rapid economic development of the poor countries and their increasing share in the world's trade at favourable terms of trade.

Its line of action is to adopt discriminatory approach in trade favouring the LDCs.

It also insists on de-politicalisation in the flow of official as well as private direct investment from the rich to the poor countries.

It contains that aid has to be of multi-lateral form with a view to facilitate structural adjustments in the less developed countries.

It also stresses the need for restructuring the international monetary system.

There has been always a great opposition from the rich countries. They have vested interests which do not allow for the healthy outcome and actions in various negotiations and their implementation. Again, the poor countries have weak bargaining power in negotiations. Further, there is very weak trade link between LDCs and the socialist blocs.

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So far, however, no result-oriented action programme has been undertaken. Nevertheless, the zeal for an NIEO should be continued in the interest of the global welfare.