Criteria of Nonalignment

The newly freed countries' attempts of the forties and fifties to find a common platform for understanding, protecting and pursuing their interests led to a better defined and coordinated movement which was initiated in 1961. This was the nonaligned movement launched by leaders like Nasser, Nehru, Nkrumah and Tito who called together a conference in Belgrade. It was proceeded by a preparatory meeting in Cairo in 1961. This meeting decided which country could be considered as nonaligned and subsequently invited for the conference. The criteria adopted then and accepted later to define the nonaligned status of a country, were as follows:

1. The country should have adopted an independent policy based on the co-existence of states with different political and social systems and on nonalignment or should be showing the trend in favour of such a policy.

2. The country concerned should be consistently supporting the Movement for National Independence.

3. The country should not be a member of a multilateral military alliance concluded in the context of Great Power conflicts.

4. If a country has bilateral military agreement with a Great Power, or is a member of a regional defence pact, the agreement or pact should not be one deliberately concluded in the context of Great Power conflicts.
5. If it has conceded military bases to a Foreign Power, the concession should not have been made in the context of Great Power conflicts.¹

From the discussions over the common difficulties faced by developing countries emerged suggestions for the agenda of the forthcoming conference. Most of them were discussed within the community of developing countries on various fora in the years preceding the formal launching of the NAM. Among many others the problems of unequal economic development, advancement of international economic and technical cooperation and concern over inadequacies of the role and structure of the United Nations Organization and unsatisfactory implementation of its resolutions from the very beginning found their due place.²

From the I Summit Conference in Belgrade
to the II in Cairo

The first summit conference of heads of state or government of nonaligned countries debated in Belgrade in September 1961. The political situation of the world in the early sixties, characterised by the escalation of the cold war threatening to transform into actual war, conflicts


2 Ibid., p. 2.
and tensions in Africa, Asia, Europe and Latin America, compelled the participants of the conference to deal primarily with political issues. In the concluding declaration, however, they assumed their attitude towards the main economic problems faced by the developing world by that time. From the very beginning these countries were stressing the need of their economic development, appealed for cooperation among themselves and pleaded for strengthening of the UNO. The declaration contained specified earlier departure points for most of the developmental concepts pursued by the NAM till today. The document stressed the necessity to eliminate from the relationships between states the domination of colonialism, imperialism and neocolonialism in all their forms and manifestations i.e. also in the form of neocolonial domination exercised by economic means. The participants realized the nature and dynamics of the transitional process, resulting in conflicts and tensions, from an old order based on domination to a new order based on cooperation between nations. They pointed out the tremendous progress of science, techniques and the means of economic development which were able to precipitate the necessary transition in international relations. They stressed further the right of all nations to determine their political status and pursue their economic, social and cultural development. In this context their sovereignty over their natural resources was particularly underlined, as well as their free decision as to how to use the various
forms of assistance they received and to design their own plans and priorities according to their needs.

The declaration called for efforts which would even up the economic imbalance and the ever-widening gap in the standards of living between the economically advanced countries and the less developed ones. In this context the immediate establishment and operation of a United Nations Capital Development Fund has been recommended. The participants further demanded just terms of trade for the developing countries, measures to check the excessive fluctuations in primary commodity trade and restrict the practices affecting adversely trade and revenues of developing countries. They requested that the benefits of the scientific and technological revolution be used to bring about international social justice. None of these demands were elaborated in detail.

The conference invited all developing countries for economic and commercial cooperation in order to cope with the policies of economic pressures in various forms. It considered the United Nations Organization as the central forum for dialogue and negotiations on issues relating to international developmental cooperation. Thus it pleaded for the modification of the UN Charter, for an adoption of the Security Council and of the Economic and Social Council according to their expanding membership, in order to harmonize the composition and work of these two most important organs of the General Assembly with the needs of
the UNO and the increasing number of its members as well as for a more appropriate structure for the UN Secretariat so that the Organization be transformed into a body more equitably serving the purposes of all its members - developed and developing.

The demands and pleas contained in the declaration implied a challenge - then perhaps an unintended - to the existing economic world order aiming at its transformation. They implied also an expectation that the industrialized countries would make concessions which their economic interests, as perceived by them, would not allow them to make.

In the same year, 1961, the UN launched the First Development Decade, which, as subsequent developments proved, did not bring about any improvement in the economic situation of the less developed countries. It did not give rise to the expected boost in the trade between the developed and developing worlds. The share of the developing countries in world trade was continuously decreasing as before and the development assistance in the form of financial transfers stagnated in real terms of percentage of the GNP of the Industrialized countries.

Conference on Problems of Economic Development

Few months later, in July 1961, a Conference on the Problems of Economic Development was held. It was not convened within the NAM framework, although it was sponsored by nonaligned countries: Ceylon, Ethiopia, Ghana, Guinea, India, Indonesia, Libya, Mali, Sudan, United Arab Republics and Yugoslavia. It was attended by 21 other full members and observers from five countries as well as from UN, FAO, IMF, IBRD, the League of Arab States and Organization of Afro-Asian Economic Cooperation.

The Conference published the Cairo Declaration of Developing Countries. It reviewed the international economic situation, stated the growing disparity in the standards of living prevailing in different parts of the world and international factors beyond the control of the LDCs tending to perpetuate past structures of international relations. The existence of "sound and solid economic foundations" was related to peace. The declaration analysed the economic situation within the developing world, specified the problems and suggested their solutions. It generally expressed the idea that the economic development of the LDCs was the responsibility of the international community emphasizing their dependence on assistance from developed countries, and implying a lesser importance to the need of efficient management of the economies in the developing countries internally.

This notwithstanding the participants saw that the
developing countries' joint effort could solve many of their problems and facilitate faster progress on a wider international basis. So they recommended the promotion of mutual, bilateral, and broader cooperation.

The conference stressed the necessity of a new international division of labour to accelerate the LDCs' industrialisation, of democratization of economic decision making, of access to the developed countries' markets on equitable basis for primary products and on preferential basis for manufactured goods and of an increase of capital transfer under improved terms. Without entering into the specifics, they welcomed the UN Development Decade, appealed for strengthening of the economic and social activities of the UN and pleaded for an international economic conference to be held within the UN framework to discuss all vital questions relating to international trade, primary commodity trade and economic relations. 4

The international economic conference, the NAM has pleaded for, debated in Geneva in 1964 as the UN Conference for Trade and Development. It was a result of joint endeavours of the developing community to create new international structures aiming at a transformation of the global economic system. The UNCTAD became one of the elements in this structure. The discussions previous to the UNCTAD I

offered the developing world an opportunity to coordinate its position and to act as a unified group during the conference. In the course of the proceedings of the conference emerged a new international body concerned with the economic development of the Third World - the Group of 77. The cooperation that began initially between 77 developing countries represented at the UNCTAD I established the pattern for subsequent international conferences. These countries have since been called the Group of 77 (G 77).

The next six years, however, brought deep disappointment for the developing countries as the implementation of the UNCTAD I resolutions was far below the expectations.

From the II Summit Conference in Cairo to the III in Lusaka

The second NAM summit conference was held in Cairo in 1964, few months after the debates of the UNCTAD I. The conference worked out the Programme for Peace and International Cooperation. It contained general statements, without going beyond the substance of the documents adopted by the previous meeting. The preamble and the part X of the Programme acknowledged the proposals from Belgrade in 1961 and Cairo 1962, which led to the UNCTAD I, as the first steps in the evolution of a new international developmental policy though there were still discrepancies in the relationships between the developed and developing worlds to be dealt with. The document, as the previous ones,
stressed the collective responsibility of the mankind to promote the well-being of peoples. The conference expressed the support for the Joint Declaration of the G 77 adopted at the conclusion of the UNCTAD.

The part I of the Programme, while discussing the modes of elimination of colonialism, neocolonialism and imperialism, stated that the colonialist forces exploited the difficult situation of the newly-freed countries to interfere in their internal affairs, mainly by economic pressures, and attempted to perpetuate uneven relations with them, particularly in the economic field.

The part IV of the Programme said that the UN should codify the principles of peaceful coexistence and include the promotion of international cooperation and speeding up of economic development as means to safeguard the peace. The document did not specify the cooperation within the Third World as one of the factors in this process. Among the proposed principles were some pertaining to the economic sphere of the relations among states:

1. right to determine freely and pursue the economic, social and cultural development,
2. right to the free exploitation of their natural resources,
3. noninterference into the affairs of other countries by political, economic and military pressure,
4. cooperation to accelerate economic development in the world, particularly in its developing part.
The forms of cooperation were not elaborated in detail.

Part X of the document dealt with problems of economic development and cooperation in general. The participants demanded the democratic procedures to be applied both in the political and in the economic spheres called for a new international division of labour to speed up the industrialization of the developing world. They voiced several expectations to be conformed to by the industrialized world:

1. to revise upwards the target of economic growth assigned for the UN Development Decade,
2. to extend the amount of the capital to be transferred without political commitments for the developing countries,
3. to develop a programme of action which would enable an increase of foreign exchange inflow for developing countries and give for their primary products access to the markets of the developed world,
4. to establish a specialized agency for industrial development.

The programme initiated the ideas of self-reliance and South-South cooperation by appealing to the developing countries to build closer economic relations among themselves. The document stressed equality, mutual benefit and mutual assistance as factors to base on the relations within the developing world. It also recommended that the developing countries keep consultations with the G 77 during the coming session of the UN General Assembly and consolidate
their efforts and policies in time for the next UNCTAD meeting. 5

The Programme expressed a rather general initial approach of the NAM members towards the problems of their development. The concrete contents of the document evolved later and were included in the future into the UN resolutions on the NEO. The Programme also set the rhetorical pattern of expression within the movement. This pattern was repeated in subsequent NAM documents.

In five years which followed the conference in Cairo the increasing global crisis compelled the industrialized countries to withdraw many concessions and aid programmes they had included within the I UN Development Decade. So it ended up as a failure. By the end of the decade, the economic situation of the less developed countries was worsened by the world economic crisis as well as by unchecked population growth.

The II UN Development Decade did not raise high expectations. Despite the promising start of the UNCTAD I, the next UNCTAD meetings in 1968 and 1972 did not make considerable progress. These failures in the efforts to bring about any changes and improve the situation of the LDCs increased their sense of frustration. The question arose, therefore, of whether increasingly worsening situation of

the developing countries and their inability to overcome it might not be, at least partially, a function of the international system and especially the mechanisms and structures linking the developing and developed worlds. These failures brought about the realization that economic emancipation may not be possible in the framework of the traditional development model and initiated the analysis of systemic and structural factors of underdevelopment.

**Introducing the Concept of Self-Reliance**

Expressed several times in earlier meetings the tendency towards closer cooperation among developing countries was influenced by the negative trends excluding them gradually from the mainstream of world economic life. This tendency evolved into a concept of individual and collective self-reliance within the Third World. The focus of attention was shifting from external impulses expected from the developed countries considered hitherto as an engine of development, towards internal impulses of growth operating in the developing community.

This idea had been introduced during the preparatory conference in Dar-es-Salaam and discussed at the III NAM summit conference in Lusaka in September 1970. It had evolved later in one of the basic concepts of the movement and became the main substantive contribution of the nonaligned countries to the international development debate. South-South cooperation as it has been called later, was expected
to alter the relationships between the industrialized and developing countries forming a new structure of international relations favourable to the LDCs making them eventually more independent from the countries of the North.

The comprehensive self-reliance should be understood here as a process of structural changes involving more than the mere balancing of foreign trade accounts. In this sense of self-reliance development has to promote social justice and has to enable all sections of the society a participation in the growth process.

The necessity of public participation in development is particularly relevant in the Indian context where vast masses of the population - so called weaker sections of society - have been marginalized. The developmental process should aim at reduction of the concentration of power, at both the domestic and the international levels. Changes of external structures are irrelevant without parallel internal changes and without discarding of ineffective internal set-ups unable to support the needs of development.

Today the concept of self-reliance is widely known though not fully understood as its domestic aspects seem to be still overlooked. Yet lip-service is being paid to them. The concept itself is one of the main contributions of the nonaligned movement towards the ideology of development and towards restructuring of the existing international order.

At the time when it was introduced many of the nonaligned countries opposed it fearing that it would offer the
developed world an additional argument to reduce its contribution towards the international economic cooperation and not to fulfill their obligations of assistance for the developing world. It is said\(^6\) that the goal of self-reliance was adopted after long and stormy discussions among the participants.

**From the III Summit Conference in Lusaka to the IV in Algiers**

The debates of the Lusaka conference held in September 1970 resulted in an unprecedented number of documents: two declarations and fourteen resolutions.

One of them was the Declaration on Non-Alignment and Economic Progress. Its preamble expressed the determination of the nonaligned countries to emancipate themselves economically, stated that the widening inequality between the rich and poor countries threaten the international peace and security, noted the decline in financial flows from developed to developing countries and increase of financial outflows from developing countries. It took up for the first time the problem of debts and called for appropriate measures to alleviate this burden.

The document noticed an emerging new dimension of colonialism, viz., the possible technological colonialism

manifested by the existing and widening gap in science and technology between the developing and developed worlds. This was subsequently followed by the increasing demands of the developing world for transfer of technologies.

As the outcome of the recommendations of the II UN Development Decade the nonaligned formulated their suggestions for structural changes in the world economic system. They lined them up on two levels:

1- of the framework of the cooperation among developing countries
2- and of the framework of the international machinery represented by the UN.

The developing countries committed themselves to organize their own socio-economic progress into a priority action programme and to promote the cooperation and integration among themselves at subregional and inter-regional levels. Thus they brought the idea of regionalism to the NAM forum. Their action programme was to incorporate the fields of planning and projection, trade, cooperation and development where the problems of landlocked countries figured prominently, further industrial, mineral, agricultural and marine production, development of infrastructures, application of science and technology, exchange of information, coordination and consultations.

Apart from the programme of action for the developing world, the conference also articulated the demands towards the whole international community addressing them to the UN.
It called to:

1- fulfil the objectives included in the UN Charter to promote social progress and better standards of life,

2- engage international mechanisms to restructure the world economic system so that economic domination be transformed into economic cooperation,

3- analyse the development process in global context and adopt a programme of international action for utilization of all world resources for equal benefit of developing and developed worlds.

The participants of the conference suggested further policies, measures and relevant international mechanisms to be appointed by the UN which would:

1- conclude commodity agreements maximising the consumption of primary commodities diversifying their utilization, securing fair and equitable returns for products and free access to consumer markets,

2- implement the scheme of non-discriminatory and non-reciprocal preferences in favour of products from developing countries,

3- adapt the production structures in the developed countries to increase the trade of developing countries,

4- distinguish between transfer of resources designed for development in the Third World and commercially motivated investments,
5- secure a new flow of financial transfers from developed to developing countries of a minimum of 1 percent of GNP of each developed country by 1972; these transfers should be untied and given on terms and conditions compatible with the efficiency of the progress of the development,

6- adopt relevant measures to ease the burden of debts on developing countries,

7- establish a link between special drawings rights and development finance upto 1972,

8- enable the developing countries to enlarge their merchant marines, to develop their shipbuilding industries, to construct and modernize their ports,

9- eliminate discriminatory and restrictive elements in the freight rates,

10- bridge the widening gap in the technological skills between developed and developing worlds,

11- facilitate diffusion of technology,

12- free the transfers of technology from unjustifiable restraints,

13- expand research and development on materials developing countries are endowed with and build up scientific capabilities in these countries,

14- improve the productive capacities and the infrastructure of the least-developed and landlocked countries.
All the demands should be considered as a step towards formulating of the resolutions on the NIEO adopted a years later. The nonaligned were resolved to follow up their task within the UN to ensure the implementation of international development policies and programmes. They were determined to support their efforts by teaming up with the G 77 at all levels, closely monitor the implementation of the programme of action in the course of mutual developmental cooperation and strengthen the capabilities of the UN system.\(^7\)

The participating countries themselves considered the Lusaka Declaration as a basis to evolve specific measures and as an important element in the progress of the international cooperation for development.\(^8\) The suggestions contained in the Lusaka Declaration reflected the continuously growing awareness of the nonaligned countries of the complexity of problems in the relations between them and the developed world and of their needs and rights and on how to satisfy them and solve their difficulties. The number of fields where the developing countries were demanding equality and non-discriminatory relations is an index of the magnitude of their needs. Their demands posed a challenge to the existing global structures from the very beginning.

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These demands have been brought on the forum of the 25th Session of the UN General Assembly and formulated into resolutions which together made a programme of action. The developing countries' majority and voting power ensured that these resolutions were adopted.

The summit Conference in Lusaka adopted also the resolution on the sea-bed, which, although not connected with the declaration on nonalignment and economic progress, had important economic contents and future implications. It appealed to the UN Committee on the Sea-bed to submit to the General Assembly a declaration which would put down the principles that:

1- the sea-bed, ocean floor and their endowments, beyond the limits of national jurisdiction, are the common property of the whole mankind,

2- no state shall exercise or claim sovereign right over any part of this area,

3- the sea-bed and ocean floor should be used exclusively for peaceful purposes,

4- this area and its resources should be exploited for the benefit of the whole mankind,

5- an appropriate international mechanism should be established to ensure rational development and management of the area and its equitable sharing by the international community.

The participants further suggested that a conference on the law of the sea be convened to deal with the problems of the
international regime of the seas. 9

Conference of Foreign Ministers of Non-Aligned Countries, Georgetown, 1972

As the follow-up of the Declaration on Non-Alignment and Economic Progress adopted in Lusaka the foreign ministers at their meeting in Georgetown two years later worked out the Action Programme for Economic Cooperation. This conference of foreign ministers was the first one preceded by the preparatory work of a special economic committee. 10

According to the decisions taken in Lusaka, the document formulated in Georgetown contained two programmes:

1- the Action Programme for Economic Cooperation among Non-Aligned Countries which was to establish new links and structures within the developing world,

2- the Programme for Non-Aligned Countries and International Cooperation for Economic Development of Developing Countries which aimed at transformation of the relations between the developing and industrialized worlds.

In the preamble of the Action Programme for Economic Cooperation among Non-Aligned Countries, while reviewing the world economic situation the ministers pointed new forms of aggression, like fostering poverty and perpetuating wars,


directed by the imperialistic forces against the countries wanting to maintain their economic sovereignty. The participants drew attention to practices of the multinational corporations as a new factor militating against the principles of non-intervention and self-determination.

The ministers evaluated the results of the UNCTAD III held in Santiago, which again proved the crisis of the international cooperation. In this context they recommended support to the proposals included in the Lima Declaration worked out by the G 77 and to encourage the strengthening of the G 77 itself.

The Programme reflects the understanding of the ministers for some of the imperatives of self-reliance who recommended that the nonaligned should pay more attention to their domestic situation. They emphasized that the major effort towards development must be made by the nonaligned countries themselves.

The meeting of foreign ministers in Georgetown began to shape the modus operandi of cooperation within the developing world. The Action Programme put down the general principles of economic relations among the nonaligned countries like:

1- the industrial raw materials and commodities should be imported from within the community of developing countries; particularly the LDCs should not enter into barter or exchange arrangements with developed countries which entail such imports,
2- exchange of information within the developing world about export products,
3- establishment of several forms of activities of the sub-regional and inter-regional cooperative associations,
4- grant of mutual preferences within the nonaligned community,
5- intra-developing world arrangements against competitive imports from developed countries,
6- trade agreements between more and less developed nonaligned countries should offer payment arrangements in favour of the latter,
7- strengthening of the various forms of the transport links,
8- cooperation in conducting of pre-investment surveys,
9- setting up of joint ventures at the sub-regional and regional levels to meet import needs within the developing world.

The ministers made also a few recommendations on financial and monetary cooperation; i.e:

1- to establish clearing arrangements to settle payments in the currencies of the nonaligned countries,
2- to set up correspondent banking relations between their national commercial banks,
3- to adopt measures towards closer cooperation and coordination of monetary and financial policies.
The importance of economic links in the form of private foreign investment was increasing among the developing countries in the seventies. The Action Programme recommended this form of economic cooperation as a national development objective for the LDCs. For this purpose they should evolve a common approach providing for:

1- decisive participation of the nonaligned in those strategic economic activities, particularly connected with the natural resources, which are controlled by foreign investors, especially transnational and multi-national corporations,

2- common foreign investment policies,

3- promotion of joint investment schemes at the sub-regional, regional and intra-regional levels,

4- exchanging informations among the nonaligned countries on the corporations,

5- benefits for the peoples of the member countries of the sub-regional groupings.

In the course of time private foreign investment became one of the main forms of the economic cooperation within the developing world. It created and strengthened the links between the business groups within the Third World.

Indian industrialists were said to have been particularly interested and have been playing a decisive role in bringing issues pertaining to private foreign investment on the agenda of the NAM discussions and getting them internationally approved.
The problems of scientifical and technological cooperation also found their place in the programme which suggested that it should include:

1- scholarships and students exchange agreements,
2- sharing of techniques among experts in specific fields,
3- exchange of information and documentation of research and scientific work in industry, consultancy services, management, industrial design, planning and market research,
4- cooperation in education and training of personnel specialized in industrial engineering, technology and production, planning and control in the use of engineering, architectural, financial and economic consultancy services,
5- joint institutes for scientific research and major industrial enterprises conducting research and training personnel specialized in the problems of the developing world,
6- creating technologies adequate to the production structures, economic and social conditions as well as to the natural resource endowments of the developing countries.

The programme further recommended to establish or strengthen the associations of the producers of primary commodities and to make joint marketing arrangements in commodities such as copper, bauxite, tea, jute, petroleum,
oil seeds, cocoa, bananas etc. It further suggested the rules of conduct for the nonaligned countries - members of the producers' associations which in general called for unity, solidarity and coordinated action among the producers within or outside the nonaligned community.

While talking of natural resources it is worth noting that the environmental problems entered the agenda of the nonaligned movement under the influence of the Stockholm Conference on Human Environment. Unfortunately, then the developing world was not able to comprehend the importance of the protection of the environment, the connection between unplanned extraction of many raw materials and deteriorating environment and its implications. Thus it passed an immature judgement in this respect saying that "this relatively new consideration in development growth is not a top priority for the developing countries" and called the developed ones to note instead the more immediate priorities of the developing world. 11

The Programme introduced some institutional decisions important to implement the Action Programme. It allocated to individual countries the responsibility for cooperation initially in four major areas, i.e.:

1- trade, industry and transport,
2- technology and technical assistance,

11 Conference of Foreign Ministers of Non-Aligned Countries, Georgetown, August 8-12, 1972, Action Programme for Economic Cooperation among Non-Aligned Countries, in Two Decades... , pp. 80-81.
3- financial and monetary cooperation,
4- mutual cooperation for economic development.

The Programme for Non-Aligned Countries and International Cooperation for Economic Development of Developing Countries reaffirms that the developed countries should fulfill their obligations towards developing world under the International Development Strategy. The document deals with the problems of relations between the developed and developing worlds and contains appeals aimed at their transformation. It calls for:

1- full utilizing of the results of UNCTAD III and for intensified action by the G 77 within UNCTAD and other UN agencies to implement the recommendations of the Charter of Algiers and the Lima Declaration,

2- reform of the international monetary and trade system as well as for effective participation of the developing community in this process,

3- attention to the interests of the developing countries during forthcoming trade negotiations in the GATT,

4- review and evaluation of the shortcomings in the implementation of the International Development Strategy and their factors, particularly related to the commitments of the developed countries,

5- effecting of the decisions of the UNCTAD III related to the needs/least developed countries as well
The texts of the NAM documents do not express much concern of the participants in the gatherings for the domestic cause of underdevelopment. While pointing out external reasons for their sluggish progress and while calling for vast structural changes in the world economic set-up, they did not analyse the internal roots of their problems. They seemed to ignore the fact that their difficulties originated from inside and that their problems had to be tackled not only externally but internally as well.

From the IV Summit Conference in Algiers to the V in Colombo

The fourth conference of the heads of state or government of the nonaligned countries debated in Algiers, in September 1973. The stress on the economic activities of the NAM gained momentum in this summit. It was held in the background of the failed UN Development Decade, the unpromising start of the Second, and unimplemented decisions of the UNCTAD. The economic gap between the developed and developing worlds was continuously widening. The economic recession in the developed countries exposed the vulnerability of the economies of the developing countries on the fluctuations of the world market. The increasing protectionist measures in the industrial countries raised question whether they were able to absorb the import from developing

world and challenged the motivation of a world-market orien-
ted, export-led strategy.

These phenomena led the NAM members to state in the
Algiers declaration that not only war but also poverty and
deteriorating economic conditions constituted an antithesis
of peace. They motivated them also to expand the programme
of the movement beyond the objective of self-reliance. It
evolved by broadening the basis of economic analysis, by
adding new specific issues, and by concretising the politi-
tical will of the countries for cooperation among themselves.
The conference worked out three declarations, among them the
economic declaration, action programme of economic coopera-
tion, and 13 resolutions.

The economic declaration was evolving in the course
of the NAM's proceedings through the years of its existence.
Thus the document elaborated in Algiers followed the pat-
tern and repeated many of the contents and ideas of the
economic declarations adopted in previous meetings. It in-
cluded, however, many new elements.

It reiterated that the developing countries were still
directly or indirectly subjected to imperialist exploita-
tion exercised by methods counteracting any progress. It
was concerned with chronic stagnation of the least developed
and landlocked countries and with the catastrophic food
crisis calling for special support and assistance for these
countries to be extended under the UN auspices. The failure
of the necessary international cooperation was attributed to
the lack of political motivation of the industrialized nations.

Trade and monetary problems figured prominently on the agenda of the conference. Factors of monetary nature, such as:

1- constantly diminishing share of the developing countries in the world economy with terms of trade increasingly taking shape to their disadvantage,
2- rise in the prices of some raw materials, including oil, which did not benefit the developing world as a whole,
3- decreasing flow of funds from developed countries,
4- the foreign debts of the developing countries quadrupled in the last decade,
5- lack of improvement in terms of financing development,
6- international monetary crisis

worsened economic situation of the developing world. This moved the nonaligned to seek increased share in the world trade, diversification of their exports, not only non-discriminatory but rather preferential treatment. They criticized the Bretton Wood monetary system, established before most of them gained independence, as having served only the interests of the industrialized countries leaving the developing ones with a growing burden of external debts and their servicing.
Thus they demanded a reform of the international monetary system. This indicated their inadequate understanding of this system, as its analysis pointed out that its mere reform would not be sufficient and its very structure needed to be changed.

Their other recommendations also indicated lack of full understanding of the growth process as they were based on the rather outdated concept of growth by trade, still considered by them as the core of the developmental process.

The considerations of individual and collective self-reliance implied a special attention to raw materials as main assets of the developing countries, and their sovereignty over their resources. The Algiers conference and the subsequent events brought the problems of raw materials into the centre of international attention.

The conference advocated the right of a developing country to nationalize foreign-controlled establishments of various types or to recall contracts, agreements and conventions to protect its natural resources. Any disputes were to be settled according to the national legislation of the particular country.

The summit condemned the practices of multinational companies intruding upon the sovereignty of the developing countries and called upon the LDCs for joint action against these practices. It recommended that they establish producers' associations to protect their interests, and set up information center on transnational companies which would
serve a free exchange of experience and information as well as offer professional training, research and developmental assistance.

The nonaligned discussed at the conference an option of using their raw materials as an instrument of pressure in their negotiations with the developed world. These considerations, however, have not been reflected in the text of any of the documents issued by the gathering.

Although the developing world was increasingly aware of the importance of its natural resources and wanted to protect them from the external intrusion it did not put them in the context of protection of human environment and manifested its ignorance as to how is its relevance in the developmental process. The developing countries understood it mainly in terms of additional financial expenses without considering the environmental protection as a necessity to maintain ecological balance or to reasonable use of renewable resources.

In the circumstances of the global economic crisis which worked also to the disadvantage of the industrialized countries they consolidated their economic communities in close mutual cooperation leaving out the interests of the developing world.

This persuaded the nonaligned to take an inside look and evolve a developmental strategy depending on their own actions, involving the internal structural changes and growth of all key sectors. They proclaimed a necessity of
social changes, solving their domestic problems such as unemployment, disparate income distribution, health care, nutrition, housing and education and the imperative of democratic participation of the popular masses in the process of development. This realization and formulation brought in a new dimension in the developmental thinking of the nonaligned countries.

The text of the Declaration reveals, 13 that the conference had for the first time articulated the idea of the new international economic order though the term itself had been mentioned only once in the context of the requirements of true global democracy.

The nonaligned were determined to move the international community to adopt a common global approach to implement the decisions contained in the Algiers Charter, the Lusaka Declaration, the Lima Declaration and the Georgetown Programme. They considered it necessary that the UN General Assembly should draw up a charter of economic rights and duties of states. This gave the base for the resolution on the establishment of the NIEO, adopted by the UN General Assembly in 1974.

In conformity with the Economic Declaration the Conference adopted also the Action Programme of Economic Cooperation which referred to:

1- a new type of international economic relations,

2- a new international monetary system which should consider the interests of the international community as a whole giving the developing countries a preferential treatment and ensuring their effective participation in the decision-making process,

3- new international legislation in the form of a code of conduct for the transfer of technology which should be put on a preferential basis, should stop monopolistic practices, reduce the cost of technology transfer and check the drain of experts from developing to advanced countries,

4- greater participation for the developing countries in the maritime freight and insurance, so as to increase the volume of profitability of their trade,

5- new international information order including exchange of all kinds of information among the developing countries.

The Algiers Action Programme, for the first and the last time expressed the wish of the nonaligned to cooperate with the socialist countries. They were asked to intensify trade on more favourable terms with the nonaligned as well as to cooperate with them in the scientific and technical fields.

The Programme also reviewed the work done by the coordinators consequent to the Georgetown Action Programme and on its basis recommended to:

1- adopt a practical action programme,
2- continue studies on formulating of final project of inter-regional cooperation,

3- seek a financial and technical support of the UN.

According to the Action Programme of Georgetown a committee of experts was to explore the implications of the foreign private investment among developing countries and formulate its guidelines. They recommended the following:

1- the foreign private investment, as well as reinvestments, should be approved by the government,

2- the investments should be in accordance with developmental plans of the investment country, use suitable technology, contribute to the advance of technology, offer employment, represent a clear saving in foreign exchange,

3- the investments should not be allowed in the strategic sectors of economy. 14

The summit conference in Algiers gathered the largest number 65 member countries, 12 observer countries, 12 other observers of representatives of developing countries. It authorized the establishment of an information center on transnational enterprises, the establishment in principle, of a Solidarity Fund for Economic and Social Development in Non-Aligned Countries, and the holding of a conference on raw materials and development. It also called for a Special Session of the UN General Assembly devoted to development.

14 Fourth Conference... Action Programme of Economic Cooperation, in Two Decades..., pp. 104-108.
The summit integrated into one programme the widest range of developmental objectives ever formulated. This gave the Algiers decisions their significance. With this summit the NAM had become an international group aware of its task of aiming at the restructuring of the international economic and political system.

Organizational Structure

This task, as well as the logic of the concept of self-reliance and the efficiency of the intensified NAM activities in general demanded the setting up of an appropriate organizational structure to implement the decisions, resolutions and directives adopted in the meetings and to ensure the continuity in the development of the movement itself.

The principal organ of the movement is the conference of heads of state and government. Before the summit in Lusaka, NAM was a kind of a loosely organized political club holding irregular summit conferences preceded by preparatory conferences of foreign ministers supported by occasional ad hoc gatherings at various levels, and by the work of Preparatory Committee. After the Lusaka conference this structure has been complemented by the presiding country and the President-in-Office and additional duties as resulting from particular situations for the Preparatory Committee. The summit conferences since 1970 are convened at three-years intervals. They are prepared and directly preceded by conferences of foreign ministers.
At Algiers in 1973 it was decided to create the Co-ordinating Bureau of Non-Aligned Countries at the ministerial level which, in the course of time, included all tasks necessary for the functioning of the movement. Subsequently part of its work has been taken over by the Co-ordinating Bureau at the level of Permanent Representatives which meets once a month at the UN Headquarters in New York. The Co-ordinating Bureau, on both its levels, with the presiding country in the chair became the NAM's executive organ. The Co-ordinating Bureau is responsible for the work of the Co-ordinator Countries for the Action Programme for Economic Co-operation Among Non-Aligned Countries, has to work out the common policy for the UN and international economic conferences. The work at the meetings of the Bureau on both levels has been co-ordinated with the sessions of the UN General Assembly. Subsequently, part of the work from the ministerial level had to be delegated to the ambassadorial level for implementation by the NAM Co-ordinating Bureau at the level of Permanent Representatives. The work related to political problems is prepared by Political Working Groups and Related Groups which form part of a set of consultations and coordination efforts of the NAM countries at all levels. These activities take place mainly within the UN.

Apart from these regular organizational layers also ad hoc meetings like technical symposia, seminars etc. are convened if necessary, from time to time. The attention on themes of particular concern to the developing countries
is being focussed by an organizational entity in the form of Specialized Ministerial Conferences.

The increasing contacts among NAM countries created lines of communication independent from the former metropolitan countries. The inherited communication structures of the colonial era directed towards the former metropolis did not connect the colonies with each other, not to speak of territories administered by different colonial powers. These inherited structures still remain a constrain of the coordination and cooperation between the developing countries. It is one of the factors which gave rise to the call for a new international communication order.

The discussions in the NAM forum helped the newly emerged countries in their different stages of development recognize their problems gain socio-political and economic awareness, boost their progress and become a movement with relative degree of solidarity. In this sense the NAM acted as a medium of development. In the course of time the NAM had become so much identified with the economic development of the Third World that the distinction between the non-aligned - keeping out of military alliances - countries and the developing countries of the South - as they began to be called - became somewhat blurred.

The modus operandi of cooperation among the nonaligned began to be shaped during the NAM foreign ministers' meeting in Georgetown, Guyana, 1972, which suggested to allocate the responsibility for cooperation and implementa-
The existing organizational structure of the movement, according to its present chairman, Robert Mugabe, is not adequate to effect its programmes. Thus he called for restructuring of the 101-member organization, as he felt, that there was a pressing need for an administrative structure which could be able to deal with the day to day work of the movement.  


16 The Times of India, June 8, 1988.
However, it is feared that preoccupation with questions of structure, organisation and procedures is likely to distort priorities and divert the attention of the nonaligned from more vital issues such as, among others, pursuing of the South-South Cooperation or greater concern in observance of human rights, underplayed by the movement till today.\textsuperscript{17}

Resolution on the New International Economic Order

One month after the Algiers NAM summit in 1973, in the context of the war between Israel and Arab States, petroleum prices were used to put pressure on the developed world. The Gulf states raised the posted price of benchmark crude oil from US $ 3.01 to US $ 5.12 per barrel and later, by the end of 1973, to US $ 11.65 per barrel.\textsuperscript{18}

The move of the OPEC countries achieved the expected result i.e. it brought the industrialized countries to the negotiating table. The major oil-consuming developed countries meet in Washington to work out a common approach to the problem. In reaction to this the NAM President-in-Office requested a special session of the UN General Assembly to study the problems of raw materials and development.

The UN sixth Special Session met in this context in May 1974. It adopted the Declaration and Programme of Action

\textsuperscript{17} M.S. Rajan, NAM: Proposed Distortion of Priorities,\textit{Mainstream}, Vol. 27, no. 33, May 13, 1979, pp. 11-12.

on the Establishment of a New International Economic Order in resolutions 3201/S-VI/ and 3202 /S-VI/. The intellectual foundations of these documents and their priorities had largely been derived from the economic programme of the 1973 Algiers summit conference. The similarities can be traced easily in the texts of the documents adopted at the NAM summit conference and the Sixth Special Session of the UN General Assembly.

The discussion on the global economic order has been brought formally on the international forum. In the same year in December the UN General Assembly at its 29th session adopted the Charter of Economic Rights and Duties of States in the Resolution 3281/XXIX/ which had been demanded by the NAM summit conference in Algiers.

These three documents were considered as the most important base for the establishment of the economic relations between nations assumed as satisfactory for both developing and developed worlds.

It has to be mentioned here, however, that the NIEO programme was considered by some authors as ambiguous and too general although sound. The ambiguity made it open to different interpretations. It aroused different expectations, many times contradicting each other, giving wide scope

for misunderstandings. This increased the difficulties in negotiations on the NIEO.

The more immediate dramatic consequences of the rising of the oil prices should, however, not be ignored. The oil-producing countries increased their income by about US $80 billion exposing the oil-importing developing countries to increased economic hardships. The rising oil prices consumed most if not all of the official aid extended to them. The high interest rates caused by the oil price increases made it impossible to repay the commercial debt that served as a supplement to official aid. It forced the oil importing developing countries to borrow more to meet their suddenly increased but unavoidable expenses. This subsequently led them into deep indebtedness and was one of the factors contributing to the most serious problem faced by the developing countries today which is the debt crisis. Thus although the rising of oil prices has compelled the developed countries to negotiate with the Third World and has induced the UN General Assembly to adopt basic documents on NIEO it has, however, put on developing countries such heavy a burden which proved to be even more serious than those faced by them earlier. The implications of indebtedness in the Third World are discussed subsequently in a greater detail.

It has to be noted here that the very action which brought about the NIEO resolutions demonstrated to the developing countries that the NIEO will not be possible in the existing economic system which has been organized to work to their disadvantage.
In the course of time the oil exporting countries became a major source of development finance. The financial flows of the OPEC donors in the 1970s constituted about 6 per cent of their combined GNP. This happened later and could not influence the developments at the time when the decisive steps were taken.

From the very beginning, it was quite obvious that the consensus reached at the UN General Assembly was only apparent, "the result of an emotional confrontation between poor and rich" and of the voting power of the developing world which commands the votes in the sessions of the General Assembly giving assurance of passing resolutions, but no executive authority that goes beyond rhetoric. It was the North's position in the World Bank or in the IMF which assured its control over key areas of money and finance. In this context the US ambassador John Scali could be quoted as having said after the resolution had been adopted that it "is a significant political document, but it does not represent unanimity of opinion. To label some of these highly controversial conclusions as agreed is not only idle, it is self-deceiving". Other developed countries, particularly the EEC members and Japan made similar reservations.


The difference between what the industrialized countries said and actually did is worth noting. Voting on the Charter of Economic Rights and Duties of States, six countries, among them Great Britain and the United States, voted against it, while most of the West European countries and Japan abstained. Though the hostility of the industrialized world towards proposals originating from the Third World is often open, the most common tactics they used to adopt was to accept in principle the recommendation of a reform of the international system and to support the ideas advanced by the developing countries without, however, offering any specific concessions.

The socialist countries did not involve themselves into these problems reaffirming that they did not share the responsibilities of the former colonial powers to compensate for the pillage done by capitalist imperialism.

These reservations of the industrialized powers followed from the traditional perception of the world economic order, which were:

1- the world economy, with institutions like the Bretton Woods and the GATT, has done reasonably well and did not need any further global management.

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23 Ibid., p. 39.
2- the most important influences on welfare of the North were those which are decided by North-South agreements; so also the growth in the North was determined by their own interactive policies, unaffected by Southern policies except the OPEC decisions,

3- the South is not a sufficiently important component of world economy to play any significant role in decisions making,

4- the South should be handled as a separate issue for independent bargaining over distribution. 24

Actually the countries of the South have never threatened the growth process of the North in their demands for higher or stable prices of commodities or otherwise. 25 They did not have enough power to enforce demands which did not conform to the interests of the international capital. They were also not able to act unanimously considering that many of them tended to seek individual economic advantages in their relations with the developed world. This divided them and caused competitive struggle among them. The other weakness was the fact that many of them are aligned with and subordinated to foreign interests. This often makes their cooperation impracticable.


25 Jan Pronk in the seminar on World Economic Order: Perspectives for 1990s, held by the Research and Information System for the Non-Aligned and other Developing Countries, on 18-8-1988 in New Delhi.
Implications of the Debt Burden

The debt problem is a systemic result of the existing financial and monetary set up. The implications of the debt burden, quadrupled in the seventies, became a developmental problem and bear heavily on the economic and political options of the developing countries.

Two options of solving the problem are being discussed: either the developing countries go for moratorium or rescheduling of their debt servicing and utilise the resources for their development, or service their debts and surviving at a subsistence level stop their development. However, the debt problem is in fact insoluble in the nearest future, since it is a symptom not a cause of a structural crisis, so neither of the two options presents a solution. The rescheduling would only delay the inevitable crisis. The second is happening today. It means losing markets for the transnationals which, perhaps could persuade them to look for some solutions.

What is more important is that the developing countries are losing each other markets being unable to buy from each other. Their imports from each other decreased so did their exports. In this context the traditional concept of basing the developmental process on trade has lost its logic.

Apart from these two options which do not solve anything the developed world from time to time considers to use

their accumulated debts as a political weapon in their bargains with the developed world, and default their debts, which, as H. Kissinger admits, could threaten the economies of the industrial nations. 27 This does not happen because the debtors continuously need new credits thus cannot afford to shatter their credit-worthiness.

Ironically, as H. Kissinger noticed, 28 although developed countries subsequently, ignored or evaded transfer of resources in the framework of the NIEO or otherwise, the transfer occurred unnoticeably in the form of credits and loans on a scale unthought of even by the most enthusiastic advocates of official aid.

There are some measures demanded by the developing world, which, if implemented, could reduce the present difficulties, before any structural changes could be introduced, though the mechanisms of the crisis still will be working. These measures are well known:

1. reduction of interest rates,
2. increased concessional loans,
3. increased prices of commodity exports of the developing countries,
4. access of developing countries to international markets and stability of these markets,
5. abandoning of the protectionist policies by the advanced countries.

27 Ibid., p. 18.
28 Ibid., pp. 19-20.
6. democratisation of the international monetary and financial institutions.

The impact of the debt burden is multidimensional, not only economic but also social and political. The foreign loans are carriers of many structural changes, not always desired for the developing societies. Many times they impose in one way or the other, import-intensive technologies in resource-scarce economies making them technologically dependent on the importers, often transnationals or multinationals. This creates also income inequalities by directing capital to sectors with above-average salaries, wages and profit rates. The structure of this type of earnings brings about social changes, creates groups with over-average incomes. Demands of these groups are import-oriented. They give up to the pressures of the international lending institutions, and vest their interests in supporting these institutions' economic policies.

It is obvious that advanced, capitalist technologies are necessarily carriers of capitalist relations of production which do not include vast masses of population in the developing countries. Those masses have paid and continue to pay an enormous price for the export-led industrialization - the objective envisaged by NIEO in 1974. The process of so understood development, which includes export-led industrialization, indebtedness, technological dependence etc. strengthens up a form of international class alliance and disturbs the class structure within the developing country's
society. This international class alliance is one of the factors underlying the objective of the NIEO for advanced technologies from the industrialized world and for new international technology structure. It does not allow to search for a really new international order.

Needless to say that the increasing credit dependence of the borrowing countries on the industrialized ones makes the borrowing ones politically vulnerable and forces them to compromise the sovereignty of their decisions.

The consequences of all the aspects of indebtedness on the developing countries show clearly the necessity to restructure the global economic mechanisms. However, since the developing community do not show enough determination in this direction doubts arise as to what role the Third World is ready to play in the process of changing the world structures.

**Discussion on the NIEO**

The NIEO is considered by many as the most convenient summary of the main problems in the political economy of the capitalist world system. The resolution on the NIEO opened discussions analysing its every aspect. If one remembers that the text of the NIEO resolution is the result of the intellectual effort made by the nonaligned on their forum one will look at the NAM as at both the initiator of the long-lasting debate and its object as well.

The question what was new, if at all, in the NIEO has
been posed several times.\textsuperscript{29} According to Andre Gunder Frank\textsuperscript{30} the NIEO is pure and simple capitalist containing nothing more than a set of demands from the Third World partners in the global capitalist exploitation directed to their counterparts abroad in the search for institutionalization of their cooperation links with the foreign capital. This point could be reinforced by the known fact that in the efforts for a new international order the pressures from the Indian and other sources of the Third World capital figured prominently.\textsuperscript{31}

The demand for the NIEO, similarly to earlier North-South negotiations manifested a political conflict between the ruling elites in the Third World countries and the political representatives of international capital in the world capitalist economy. The conflict is about the terms of the integration of the Third World capital into the international capital, which might result in an incorporation of the big business, state machineries, and political ruling groups of the Third World into a new class coalition at the level of the capitalist system with the core of the system. Thus NIEO was expected to be a vehicle towards


strengthening of the ties between the upper Third World classes and the industrialized world.

Between the rhetoric on improving the living standards of the people and the reality there is a wide credibility gap as the NIEO was not meant to allow for beneficial effects of the people but rather for marginalizing them and strengthening of the mechanisms to oppress and exploit them even more. This diminishes any immediate transitional potential which the NIEO may possess, as, according to A.G. Frank "there will and can be no new international economic order without a new political order within these (developing) states".

Thus, even if the NIEO, as it is presently proposed, were to be implemented it will not serve the interests of the peoples in the developing countries. It will only integrate the developing economies closer with the capitalist world system.

The critical appraisal of the NIEO is simultaneously a criticism of the NAM since it has revolved around the ideas propounded by the movement. It could be concluded that the urgent need of NAM, if it wanted to be progressive, was to become introspective and concentrate on transformation of domestic social structures and relations of production to facilitate economic development which would be an integral part of the social development reinforcing the emergence of a new international order.
Raw Materials

The history of efforts of the developing countries to regain their sovereignty over their raw materials is a long one and, although initiated in the NAM forum, and taking a very important place in it, goes far beyond the framework of the movement.

The exporting and importing countries are interdependent but not equals— which is manifested by the fact that many less developed countries have not been able to control the exploitation of their natural resources. Their earnings from commodity exports became unpredictable, their exports bought less, they were caught between declining commodity prices and inflation in the prices of manufactures. This asymmetric system pushed the developing countries more and more to the periphery and made them increasingly irrelevant to the international economy. Thus they tried to negotiate for themselves better conditions in the commodities trade but could not progress due to following reasons:

1- the inherent complexity of many primary commodity markets,

2- the nature of the existing intergovernmental machinery,

3- lack of the political will on the part of countries from where the concessions were expected.

The international attention has been focussed on following primary commodities:

1- grains: wheat, rice and maize,
2- tropical beverages: coffee, tea, cocoa,
3- sugar,
4- meat, particularly beef,
5- oilseeds, oils and fats and oilseed cake,
6- bananas and citrus fruit,
7- wine,
8- tobacco,
9- peper,
10- fibres: cotton, wool, jute, sisal, etc.,
11- forests products: wood, wood products and shellac,
12- natural rubber,
13- oil: petroleum crude,
14- minerals: bauxite, iron ore, manganese ore, mica, rock phosphate,
15- non-ferrous metals: aluminium, copper, lead, nickel, tin, tungsten and zinc. 32

and formal agreements as well as informal arrangements have been concluded for these commodities in the past.

Producers of some of these commodities attempted to synchronize in one way or the other their policies but failed because:

1- there are very few commodities for which it has been possible to conclude formal and universal agreements,

2- these take a long time to negotiate,

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32 L.N. Rangarajan, Commodity Conflict, the Political Economy of International Commodity Negotiations, London, 1978, p. 34.
3- once negotiated, they frequently break down while operating,
4- intermediate steps, like informal arrangements or producer cooperation have been attempted, but their success has not been full.

Associations of commodity producers like the Council of Copper Exporting Countries or the International Bauxite Association, a Southeast Asian group, the Association of Natural Rubber Producing Countries which covers over 90 per cent of world exports were not able to repeat the success of OPEC in putting effectful pressure on the developed world.

The OPEC's action effected into the expansion of old and setting up new producers associations. After 1973 OPEC, the Intergovernmental Council of Copper Exporting Countries, the Asian and Pacific Coconut Community, the Cocoa Producers' Alliance, the Association of Natural Rubber Producing Countries, and the Inter-African Coffee Organization gained new members. In 1974 the following producers associations have been established: the International Bauxite Association [IBA], the Association of South East Asian Timber Producing Countries, the International Association of Mercury Producing Countries, the Union of Banana Exporting Countries, and the Economic Group of Latin American and Caribbean Sugar Exporting Countries. The iron exporting ones, and the primary tungsten producing ones organized themselves one year later. They, however, could not play as important a role as OPEC.
Problems of raw materials have been discussed by the UN General Assembly on its 7th Special Session in 1975, which dealt exclusively with them as did the NAM conference on Raw Materials in Dakar in February 1975.

It adopted the Dakar Declaration which stressed that the fundamental problem remained the same: developing countries continuously depended on their commodity exports for 75 to 80 per cent of their foreign exchange earnings. Their development was still considered as depending largely upon external factors i.e., the demand from the developed world for their export commodities. Yet the producers of many raw materials could not benefit adequately while those who control the prices profit excessively from the value added, marketing, financing, freight and insurance which decide about the prices of finished goods. Seeing that the developing countries decided to transfer the processing and upgrading of the raw materials to their own economies to benefit from their wealth and improve their real terms of trade with the developed world.

The coordinated action of the oil-exporting countries was viewed as an initial success and an encouragement to continue along these lines to obtain fairer terms for all raw material-producing countries. The conference was convinced that only a global approach based on a common strategy can effectively enable them to carry through an international action for the promotion of raw materials and the improve-
ment of their terms of trade.

It was also considered that their natural resources could possibly be used as a powerful instrument of pressure to bring about favourable conditions for the NIEO. The importance of the raw materials for the developing world is manifested by the Action Programme which went with the Dakar declaration. It gives detailed suggestions for solutions of manifold issues connected with the problem of raw materials and other primary commodities. It set for the developing countries following cooperational objectives:

1- to strengthen the negotiating position of the developing countries in relation to the developed countries,

2- to secure for the developing countries control over their natural resources,

3- to expand markets for, and increase the returns from the exports of commodities produced by developing countries,

4- to maintain and strengthen the purchasing power of the developing countries through the establishment of an indexation mechanism for the price of the raw materials and agricultural produce which they export in relation to the price of the principal products and services which they import from the industrialized countries,

5- to promote the processing by developing countries of their raw materials to the highest degree possible in their national territory,
6- to promote direct trade in raw and processed commodities between developing countries, i.e. to put an end to the prevailing triangular system of trade under which a developed country serves as an intermediary in importing an unprocessed commodity from a developing country and re-exporting it in a semi-processed or processed form to another developing country, and ensure practical application of this principle,

7- to set up a consultation and cooperation council between the producers' associations.

There were suggestions for some arrangements to be carried out within the developing community which were to meet the requirements of its members, like:

1. developing countries importing foodstuffs and having surplus money should invest in the agricultural and stock raising programmes of other members of the community,

2. these countries should exploit and put to use the non-exhaustible energy resources of the developing countries,

3. create a permanent committee for technical aid to transfer technical know-how from the developing countries to the less developed ones,

4. convene an intergovernmental group of experts attached to the Bureau of nonaligned countries to implement a wider programme of action in favour of
the less advanced countries in preparation for the UN Special Session.

The document proposed to prepare before the UNCTAD IV a programme to tackle the commodity problems which would include:

1- the establishment of international stocking and market intervention arrangements to support prices at remunerative and just levels for a comprehensive range of commodities of export interest to developing countries,

2- the creation of an agency of fund for the financing of stocking and market intervention arrangements,

3- the substantial improvement of the facility for compensatory financing or export fluctuations so that the commodity export earnings of developing countries in real terms are stabilized, the period of repayments of loans extended, the ceiling on drawings eliminated and the terms on which loans are granted generally liberalized,

4- easier access to the markets in the developed world for the products from the developing countries.

The conference adopted also nine resolutions dealing in detail with particular points of the Action Programme. The resolution no. 4 recommended the establishment of a Special Fund to finance buffer stocks of raw materials and primary commodities exported by developing countries. The gathering set up following expert groups:
1. the Intergovernmental Group of Non-Aligned Countries on Raw Materials,
2. the Group of Experts on the Establishment of a Council of Associations of Developing Countries Producers - Exporters of Raw Materials,
3. the Expert Group on the Establishment of a Fund for the Financing of Buffer Stocks of Raw Materials and Primary Products Exported by Developing Countries, making the economic work of the movement more effective.

Soon the Fund for Financing Buffer Stocks of Raw Materials and Primary Producers exported by the developing countries and the Council of Associations of Developing Countries Producers - Exporters of Raw Materials were established.33

As a response the developed countries tried to unload the burden of the resulted difficulties on the vulnerable economies of the less developed countries disturbing international cooperation, used divisive methods, coercive measures, threats of use of force, intimidation, and other forms of blackmail as well as attempted to break solidarity and unity of the developing world.34

The nature and intensity of the reaction of the developed world to the needs of the developing ones, the unwillingness to accommodate them, indicated how difficult will be the way towards the NIEO or any other concession for that matter.

Lima Programme of Mutual Assistance and Solidarity

The foreign ministers of the NAM countries met in Lima in August 1975 and worked out a document called Lima Programme on Mutual Assistance and Solidarity. Its economic part assessed the international economic situation, stated that the burden of the external debt servicing became heavier for the economies of the borrowing countries, noted that the action oriented decisions proved to be right but progress towards economic liberation has been systematically opposed by the developed world.

The Programme suggested a common action within the Preparatory Committee of the Conference on Raw Materials and Development in Paris.

The conference outlined a plan of action for the developing countries which was to help them overcome constraints resulting from insufficient skills, technology, investment funds, small domestic markets and inadequate infrastructure in transport, commercial and financial links. They should create new links in trade, transport, money and finance in agricultural, technical and scientific cooperation, should coordinate their programmes of industrialization and pro-
gramme of diversification of commodity and generally their developmental policies.

An integrated modus operandi was advanced which has to tackle all aspects of the commodities problem i.e. which would include buffer stocking, market intervention through a common fund, mechanisms for compensatory finance, long-term multilateral commitments, processing of raw materials within the developing world. It has been decided also that the Inter-Governmental Groups on Raw Materials of the Non-aligned Countries should work out a common strategic position to be adopted at the forthcoming UNCTAD IV.

The conference in Lima made several other decisions designed to strengthen the internal and external structure of the nonaligned world. It adopted a resolution on establishment of a Solidarity Fund for Economic and Social Development in the Non-Aligned Countries, to locate the Information Center of the Non-Aligned Countries on Transnational Corporation in Havana.

The problems of science and technological research and development, the technology transfers were gaining importance among the nonaligned. Several recommendations in this respect have been made in Lima.

The conference set an objective to create an effective domestic base of appropriate technology on reasonable terms. This run along the lines of internal self-sufficiency policies followed by many Third World countries, among them also by India, who adopted several advanced technologies to the
needs of a developing economy and were ready to sell these intermediate technologies to other LDCs.

In this context the conference noted the need to establish a center for promoting scientific and technological cooperation among the non-aligned countries, to develop a common scientific and technological strategy of the nonaligned, and serve as a forum for coordination among member countries vis-a-vis the UNCTAD committee on the transfer of technology and other activities related to this question.

The feasibility of the setting up of a Research and Information System of the Non-Aligned and other Developing Countries was also examined. The conference made some general recommendations on cooperation among central banks and monetary reform, suggested measures of trade liberalization among developing countries through preferential arrangements covering primary commodities, manufactured goods and services such as banking, shipping and insurance facilities as well as establish regional and sub-regional payments and clearing unions.

Questions of agricultural production entered the co-operational scope of the NAM. The conference decided that the nonaligned cooperate through investment projects, development of agricultural institutions, training of personnel production of agricultural inputs and increasing of food production.

The nonaligned were further to cooperate in the fields of industrialization, health services and distribution of
medicines, cooperation with WHO, use of nuclear energy for peaceful purposes.\textsuperscript{35}

The programme worked out at Lima set down the foundation for the development of collective self-reliance and emphasized the necessity of unity and solidarity of the developing countries as necessary prerequisites for the establishment of the NIEO.

After the resolutions on the NIEO have been adopted at the UNO the developed countries debated on many conferences on the demands of the developing world. One of the major, the Paris Conference on International Economic Cooperation held in 1975-1976, was indicative of the position of the developed world towards the NIEO demand. The conference created a complex structure to study the problems and watch the dialog between both the worlds. There was no positive reaction from the industrialized countries to the LDCs' proposals, nor had they made any constructive suggestion of their own. The UNCTAD IV was also a failure.

\textit{From the V Summit Conference in Colombo to the VI in Havana}

The V summit conference of the NAM met in Colombo in August 1976. It adopted unprecedented number of documents; the Political Declaration, the Economic Declaration, the Action Programme for Economic Cooperation, a decision for

the Coordinating Bureau and 31 resolutions. The sheer number of the documents, their character and substance reflected the emerging tendency of the NAM to discuss increasing number of questions, sometimes less important. Many of the documents repeated the contents of the earlier ones or reproduced them in a changed form. By doing so the NAM members intended to create an impression of dynamism which was in decline at that time. Constant reiteration of old concepts and lack of new initiatives were rather signs of stagnation in the movement. But some of them dealt with problems that were long overdue.

Among many efforts of the developing world to create global structures that would better serve their interests, were the attempts to improve the efficiency of the United Nations Organization. This time the Political Declaration for the first time called for a radical amendment of the UN Charter to ensure the political equality of nations and strongly opposed the veto system.

The Economic Declaration assessed the international state of affairs saying that economic problems have emerged as the most acute ones in international relations of that time. Yet, although a number of resolutions reiterating the necessity of the NIEO had been adopted on various fora worldwide there was no move beyond that.

While reviewing several aspects of the economic situation within the Third World the Declaration referred to the programme of economic cooperation of the developing
countries encompassed in the Manila Declaration worked out by the Group of 77. The conference appreciated the constructive role of the G 77 in the negotiations for advancing the cause of the developing countries and in the establishment of the NIEO and the correlative influence between it and the NAM. It expressed the will to strengthen the solidarity with the G 77 which authority was gradually increasing.

The summit conference devised also a coordination scheme for the Action Programme and the Resolution for the Economic Cooperation among Developing Countries adopted by the Group of 77 in Manila. Although the scheme has been evaluated as uncoordinated it brought about a qualitative change in the organization of efforts of the nonaligned. The Group of 77 emerged from among the nonaligned community and most of the members of the Group were members of the NAM, too. Many targets of the Group and of the movement were the same, thus, for practical reasons, their merger was logical.

The Economic Declaration adopted by the summit conference in Colombo included also the Action Programme for Economic Cooperation. The preamble of the document reaffirmed the will of the nonaligned to implement the Georgetown


Action Programme approved together with the Action Programme for Economic Cooperation at the summit in Algiers, the Lima Programme on Solidarity and Mutual Assistance and the declaration adopted by the Ministerial Conference of the Group of 77 in Manila. The conference recommended several actions to be included in the Colombo Action Programme.

The Programme covered problems elaborated in detail in previous documents, offered new suggestions in some areas, put particular stress on some of them and identified a few on new ones. It encouraged multinational industrial cooperation policies, sub-regional, inter-regional and regional projects and setting up of multinational enterprises among nonaligned and other developing countries. These forms of cooperation would be grounded on the complementarity of natural resources, appropriate technologies, long-term finance and market sharing, taking into account the economies of scale and specialisation. It was also recommended that the developing countries who were already more industrialized and experienced in this respect share their experience with other developing countries as this knowledge may be of greater relevance than that which could be acquired from the developed world.

This was already India's practice. Her smaller firms and bigger companies invested and started their operations abroad. The NAM recommendations in this respect gave those activities a very important ideological and political support. It could be said that from now onwards the initiatives of
public and private enterprises abroad were an expression of India's deliberate export and expansion policy. The chapter on Indian joint ventures investments abroad elaborates this point in greater detail.

A new area taken up by the Programme was employment and human resources development. It indicated a rather preliminary stage of approach to the problem as it suggested to work out a joint course of action towards enforcement of the decisions taken by the World Employment Conference.

The problem was seen rather more in the context of increasing efforts for scientific and technological development as the programme advocated cooperation for the training of technical personnel at all levels, technical colleges and universities, expansion of the system of fellowships in various fields of development, as well as more exchange programmes of university teachers, researchers and other specialists.

The conference in Colombo paid attention to the hitherto neglected but vital question of agricultural production and adopted a Resolution on Food and Agricultural Production. It is a short document containing initial suggestions. It recognised that food deficiency can be resolved by expansion of food production, noted that this production in the developing countries was increasingly slower than demand, and adopted the Plan of Action for Food and Agricultural Production. It set a target to achieve in developing coun-
tries a rate of growth in food and agricultural production over the next 10 years and drafted a strategy to implement it. The programme was to be set within the framework of national development plans, and regional and inter-regional programmes of cooperation. It was to be supported by the cooperation among nonaligned countries. Questions of food also found their place on the international fora. The world Food Council in Manila adopted the Declaration on the eradication of hunger and malnutrition in the world and the International Fund for Agricultural Development (IFAD) began to operate.

The Programme specified shortly, without going into details, several other fields of cooperation, like: telecommunication, insurance, public enterprises, health, technical cooperation and consultancy services, role of women in development, tourism, transnational corporations, private foreign investment, nuclear energy and sports. The conference also adopted a number of resolutions elaborating in details some of these new fields of cooperation within the developing world.

Emerging of the Concepts of ECDC and TCDC

Between the 5th and the 6th summit conferences the developing countries started to propagate economic cooperation among developing countries (ECDC) and technical cooperation among developing countries (TCDC). They debated at the Ministerial Meetings of the Group of 77 at Manila in
1976 and Arusha in 1979, at the conference on ECDC in Mexico in 1976 and on the UNCTAD V in Manila in 1979 which adopted a resolution on the New Round of Global Negotiations. The foreign ministers had four meetings which dealt with economic situation of the developing world. These were three Ministerial Meetings of the Coordinating Bureau: in New Delhi, April 1977, in Havana, May 1978, in Colombo, June 1979 and one conference of ministers of foreign affairs in Belgrade, July, 1978. On all these meetings they reviewed the international economic situation noted no progress towards the NIEO, intensified import restrictions, other forms of protectionism and discrimination against developing countries, expanding debt servicing, sluggish transfer of Official Development Assistance, use of these resources to impose on the receiving countries priorities different from those established in their national developmental programmes.

The worsening international economic situation affected also most of the multilateral institutions viz. the UN Development Programme on International Agency which confronted resources crisis.

The ministers examined the proceedings of several international conferences on development debating at that time. Most of them were failures, as the Conference on International Economic Cooperation held in Paris, UN Conference on the International Code of Conduct for the Transfer of Technology in 1978, Conference on the Common Fund held
in Geneva in March and April 1977. The Fund was considered as the main source of finance within the framework of the Integrated Programme for Commodities and main instrument of achieving its objectives. The Integrated Programme for Commodities was viewed as a new institution expected to be a part of the NIEO. Later on, however, the agreement had been reached on the fundamental elements at the Negotiating Conference on the Common Fund under the Integrated Programme for Commodities.

The unsatisfactory outcome of the international economic negotiations indicated the necessity of the non-aligned to take some initiative. They decided to raise their industrial potential to meet the target of their 25 per cent share in the world industrial output by the year 2000. This target has been set by the II General Conference of UNIDO as the part of the III Development Decade.

The participants reviewed the implementation of the Action Programme and observed that, though economic cooperation among developing countries was growing, it was below the scope of possibilities for such cooperation and the progress was insufficient.38

Thus, apart from the strategy of the Development Decade, the ministers stressed the need to implement Action Programmes adopted by the nonaligned summits.

38 Ministerial Meeting of the Coordinating Bureau of Non-Aligned Countries, New Delhi, 1977, in Two Decades..., pp. 257-261; Ministerial Meeting of the Coordinating Bureau of Non-Aligned Countries, Havana, 1978, in Two Decades, pp. 283-287; Conference of Ministers of...
Arusha Programme for Collective Self-Reliance

The Arusha Programme for Collective Self-Reliance was adopted by the Group of 77 in February 1979. This document though not of the NAM, is relevant in the context of the intended by the NAM and the Group of 77 coordination of their efforts and their respective programmes of action.

The Arusha Programme was formulated on the foundation put down in the Manila resolution which was adopted in 1976. It emphasized that collective self-reliance should be considered as a component of a global economic system and that the Economic Cooperation among Developing Countries [ECDC] is an indispensable means towards self-reliance and subsequently an important instrument of restructuring of the existing world economic order.

From the VI Summit Conference in Havana to the VII in New Delhi

The 6th summit conference met at Havana in September 1979. As the previous conferences, it adopted the Political Declaration, the Economic Declaration with the Action Programme for Economic Cooperation, ten political and eleven economic resolutions.

The Economic Declaration reviewed the global economic

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situation noted that it was working against the basic interests of the developing world, stated lack of progress towards the NIEO and called for strengthening of the unity and joint negotiating capacity of the developing community.

The declaration dealt with the problems of the negotiations for the establishment of the NIEO, the problems of commodities, trade, industrialization, science and technology, law of the sea, transnational corporations and sovereignty over natural resources and economic activities, monetary and financial issues, agriculture and food, the New International Development Strategy, forthcoming Special Session of the General Assembly, least developed, land-locked and island developing countries, most seriously affected countries, countries suffering from drought and other disasters, assistance to newly-independent countries, assistance to the front-line states, the role of women in development, promotion of culture and cultural cooperation among non-aligned countries, transport and communication decade and economic and technical cooperation among the nonaligned and other developing countries. The text of the economic declaration elaborated these subjects in more details than the documents adopted by previous conferences. The agenda itself did not include any new idea.

The Declaration was followed by the Action Programme for Economic Cooperation. It contained detailed recommendations as to how to bring about the objectives of the developing world. It reviewed the implementation of the Action
Programme for Economic Cooperation adopted at Colombo and found its progress to be insufficient. This reflected the inadequacy of the declared political will to cooperate as well as indicated the discrepancy between the declarations made on the NAM forum and the behaviour of the members outside.

The political discussions on the summit conference in Havana were characterised by strident controversy over the appeal of Fidel Castro, the President-in-Office, in his opening speech. He stated that the NAM had approached a new revolutionary era and hence the USSR was its "natural ally". He stressed that the movement, instead of looking for cooperation with the developed countries to accomplish the NIEO, should rather assume an antagonistic attitude towards them and that negotiations with those countries should be replaced by struggle against them. Castro's idea has been opposed by the majority of participants as an attempt to ally the movement to one of the superpowers. The debate on this question was one of the main subjects of the conference, after which the NAM maintained its nonaligned character.

The political will of the developing countries to cooperate among themselves did not go far beyond declarations and they rather still looked towards cooperation with the developed world continuing their pursuit for global negotia-

tions. On the initiative of the Group of 77 the UN General Assembly adopted in 1979 two further resolutions calling for global negotiations on the issues outlined in Havana.

In the wake of the breakdown of the Paris talks the UN General Assembly appointed the Committee of the Whole to exchange the views on global economic problems and priorities and facilitate the global negotiations on them. The Committee held six sessions. It could not make any recommendation since it could not reach any agreement. It was wound up in 1980. Another response of the developed world came when the World Bank appointed in 1977 an Independent Commission on International Development Issues with Willy Brandt as its chairman. It found out that, though there was some concrete structural progress on a few less important items, there was no movement towards any major question of structural change which divide North and South. It suggested an emergency programme to meet the most urgent needs of the LDCs as well as other long term measures. It recommended a large scale transfer of resources from the developed to the developing countries as an international energy strategy, a global food programme and the launching of some significant reforms in the international economic system. The recommendations were discussed in the 11th Special Session of the UN General Assembly in 1980. The only decision taken was the call for more aid for the least developed countries. There was no decision about a new round of global negotiations. Few months later the 35th
regular session adopted the International Development Strategy which met many reservations of the USA, members of the EEC and other industrialized countries.

The outcome of major conferences and meetings on international economic cooperation held since the 6th summit conference was inconsequential as demonstrated by following cases:

1. UNIDO III early in 1980 had not taken any decision on issues of major concern to developing countries,
2. although the Common Fund was established in 1980, its ratification has been slow and related negotiations under the UNCTAD Integrated Programme of Commodities have not made any significant headway,
3. although the UN Conferences on New and Renewable Sources of Energy in July 1981 brought about the Nairobi Programme of Action (NPA), beyond the establishment at the 37th session of the UN General Assembly an institutional machinery for it, there was no other progress towards its implementation,
4. UN Conference on Least Developed Countries in September 1981 adopted the Substantial New Programme of Action; its implementation was also sluggish and inadequate. 40

40 Final Documents, Seventh Conference of Heads of State or Government of the Non-Aligned Countries, New Delhi, March 1983, New Delhi, Economic Declaration, p. 91.
The failure in the North-South discussions on the UN fora created a stalemate of global negotiations which had to be overcome. One of the efforts was a non-UN Summit Meeting on International Cooperation for Development. It was convened by one developed and one developing country, Austria and Mexico, in October 1981 in Cancun /Mexico/, gathering 22 participating countries — among them, for the first time, China which was neither a member of the Group of 77 nor the NAM.

The Cancun summit brought limited consensus on global negotiations, food and energy but no significant positive action by developed countries.

Conference of Foreign Ministers in New Delhi

The conference of foreign ministers of the nonaligned countries which met in New Delhi in 1981, in its New Delhi Declaration assessed critically the international economic situation and reviewed the results of the global negotiations on the NIEO as well as of the implementation of the Action Programme for Economic Cooperation. The negotiations showed little headway and the Action Programme has been carried out very slow. This meant that the own effort of the nonaligned to achieve the goals of the NIEO did not come up to their capabilities or expectations. The ministers recollected the existing resolutions, decisions and policy guidelines recommending how to effect the economic
cooperation within the developing world. Yet, the developing community carried on efforts to organise its cooperation. The Group of 77 convened a high level meeting of the developing world at Caracas in Venezuela in May 1981. It formulated a conceptual framework and set up appropriate institutions for implementation of ECDC programme. The concept of ECDC has been concretised in a programme of action called the Caracas Programme of Action. It proposed mechanisms for coordination, monitoring, follow up action and evolution.

The efforts of the Third World countries in the context of the global crisis provoked significant changes in the behaviour of the developed world. Foreign ministers of the NAM countries at the meeting of the Coordinating Bureau in Havana in 1982 observed in the international behaviour certain trends contradicting the objectives of multilateral economic cooperation put down in the 3rd UN Development Decade. One of the emerging features was bilateralism followed by developed countries in their relations with the developing ones. It was often based on selectivity and attributed to free international market forces. This procedures were going on not only at the expense of multilateral economic cooperation but they were also working against the unity of the developing world. In this context the ministers stressed the inter-dependent character of the

international economic relations and the futility of any attempt to search for solutions in isolation. 42

From the VII Summit Conference in New Delhi to the VIII in Harare

The seventh NAM summit conference debated in New Delhi in March 1983. It was expected that it would draw pragmatic and realistic conclusions about how to change the stagnant situation and give the international economic cooperation a stable basis. From among the documents issued by the summit two dealt with economic problems: the New Delhi Message and the Economic Declaration.

The Delhi Message brought up a new argument for the North-South Cooperation stressing that the acceleration of the growth process of the developing countries is a crucial requirement for the world's economic recovery.

Item no. 2 of this document while saying that peace and peaceful coexistence, independence, disarmament and development were the central issues of the time, stressed that peace must be based on justice and equality as the intolerable inequality and exploitation continued to be the most important causes of tension, conflict and violence in the world. 43 What is striking here is that the participants did

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now view the domestic structures in many of the developing countries as being similar to the international structure; that they did not consider the internal exploitation and lack of justice and equality as main sources of tensions, conflict and violence in their own countries and did not call for restructuring of their domestic set-ups.

This was noticed by Ashis Nandy, who wrote that "the Third World societies usually maintain within their borders exactly the same violent, exploitative, ethnocidal systems which they confront in the larger world", what he explained further in terms of norms of the individual behaviour saying that "the world does to us what we do to ourselves".44

The Economic Declaration adopted in New Delhi contains:

- Declaration on Collective Action for Global Prosperity,
- Declaration on Collective Self-Reliance among Non-Aligned and Other Developing Countries,
- Action Programme for Economic Cooperation,
- Recommendation on the Harmonization and Coordination of the Non-Aligned Action Programme and Caracas Programme of Action.

The document analysed in details the situation of the developing countries in the background of the global economic crisis.

The Economic Declaration assessed the main international efforts aiming at restructuring of the world economic order such as activities of the UNCTAD VI, international development strategy and the charter of economic rights and duties of states, and found their implementation or utilization inadequate. Numerous international conferences examined practically every dimension of the global economic system. The results of the negotiations conducted in these conferences were negligible. However, there was a change in the attitudes of the major developed countries who at their summit conference in Versailles in 1982 agreed that the beginning of global negotiations was a major political objective.

The New Delhi Summit planned the strategy of the non-aligned as to how to conduct these negotiations. They adopted a step-by-step approach. A conference which was to be held within the UN framework by 1984 was to take up in the first phase only those issues "on the formulation and allocation of which agreement would have been reached" and make parallel efforts to prepare the issues for the next phase.

The step-by-step approach was also evident in selecting of most urgent problems confronting the developing community and adopting a programme of immediate measures in areas

45 Final Documents, Seventh Conference of Heads of State or Government of Non-Aligned Countries, New Delhi March 1983: Declaration on Collective Action on Global Prosperity, p. 64.
of critical importance for the LDCs. The programme called for:

1. exchange of information between the developing countries on their negotiations on their external debt and on development of a multilateral framework for the restructuring of the developing countries' debt burden,

2. official development assistance amounting to 0.7 per cent of the GNP of the developed countries; the assistance should be untied and extended in the form of grants,

3. increase of IMF quotas,

4. substantial expansion of the current lending programme of IBRD,

5. enlargement of World Bank programme lending,

6. better conditions for exports from developing countries on the markets in the developed world, including withdrawal of restrictive and protectionist measures,

7. speedy conclusion of agreements on commodities listed in the UNCTAD resolution 93 LV,

8. early ratification of the Common Fund Agreement,

9. research and funds for development of the energy resources,

10. expansion and enlargement of the Food Financing Facility of IMF to include other essential food items,
11. establishment of a food security system.

This programme was supported by the Declaration on Collective Action for Global Prosperity.46

Monetary and financial problems were the most urgent ones facing the developing world. Thus the Declaration put forward that an international conference be convened to deal with these problems. The acting chairman of the movement was advised to form a representative group from among the leaders of the nonaligned countries for talks with the heads of governments of major developed countries to adopt this programme.

Anticipating deepening of the debt crisis the conference called for the establishment of a comprehensive, equitable, multilateral framework to neutralize the debt burden of the developing countries. It also suggested to set up an international debt-restructuring facility to support refinancing of the existing debts of the LDCs for a long-term period.

It was even considered, though not included into the Declaration, due to lack of unity, whether the indebted developing countries should use their debt as a leverage and act unanimously with the implicit threat of declaring moratorium on payments to bring the countries of the North to negotiations. The main condition, however, which could make this method work, i.e. unity, could not be achieved, as the countries concerned are indebted to differing degrees

46 Ibid., pp. 150-152.
and their gains and losses would differ. Yet, since the debt "definitely is a card in the hands of the Third World countries"47 it is to be expected that, along the deepening of the debt crisis, the issue would come up again in the near future in other fora.

While the above issues included in the Economic Declaration referred mainly to the economic relationships between the developing and developed worlds, the document also dealt with the problems of economic cooperation within the developing community. It recommended to set up:

1- the Centre for Information on Transnational Corporations in Havana,
2- the Centre for Science and Technology in New Delhi,
3- the Non-Aligned Solidarity Fund for economic and Social Development,
4- a Project Development Facility,
5- the Council of Producers Associations.

It also contained an augmented Action Programme for Economic Cooperation - guidelines for future action. They envisaged, among others, an active involvement of all segments of the populaces of the developing countries into the cooperational process. As another future direction subregional, regional and interregional cooperation was recommended.48 This was reiterated by the Declaration on Collective

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Self-Reliance among Non-Aligned and Other Developing Countries, also adopted by the conference. This were the initial years of the SAARC.

The problems of agriculture and particularly the deteriorating situation of food in the developing world became a matter of concern of the nonaligned. The neglect of this field of economy reflected in the falling grain production and in escalating imports draining off scarce foreign exchange in the developing economies. The same applied to food imports of the LDCs which have doubled in volume and quadrupled in value. Thus the conference called for early establishment of a food security system for the developing world and for productive use of current food surpluses harvested there.

It has to be pointed out here, that many developing countries were showing inadequate understanding of the role of science and technology oriented, broadbased, efficient administrative structure in promoting rural development. Many of the developing countries seem to mistakenly believe that rural development can be achieved cheaply, without too much of capital and administrative inputs, without realising the vast developmental potential of agriculture and rural industrialization.

Among other issues discussed by the conference the environmental problems found some attention of the parti-

49 Ibid., Declaration on Collective Self-Reliance among Non-Aligned and other Developing Countries, pp. 153-155.
participants, even if it was only in the form of lip-service. They were concerned about a marked deterioration in the quality of the environment on the earth and cautioned against a distinct possibility of its further worsening and irreversible destruction. They called for ecologically balanced development planning, the pooling of information on resource-conserving technologies, action to maintain critical biological diversity, creating full awareness of the vital importance of ecological and environmental problems.

Following the discussions in previous NAM gatherings the conference decided to harmonize and coordinate the Non-Aligned Action Programme and the Caracas Programme of Action of the Group of 77 which concentrated on the implementation of the ECDC programmes, comprised in the Manila Follow-up Action. It was decided, that the Coordinating Bureau of the NAM will effect this decision in such a way as to take full advantage of the operational instruments available to both parties and avoiding duplication.50

Activities of the nonaligned and the Group of 77 should be viewed as an indivisible whole since the nonaligned movement has a catalyst role in the Group of 77 and the nonaligned

countries represent the majority of the Group and are its main driving force.

Similarly like the previous summit conferences, this one also adopted the Action Programme for Economic Cooperation. Initially, it was the programme adopted in Cairo. Subsequently, it was developed at the conferences in Lusaka, Algiers, Colombo and Havana. In the course of time it has been widened to encompass the activities of the nonaligned and other developing countries in 23 diverse spheres. At the time of New Delhi summit conference the programme included the following problems:

1- raw materials,
2- trade, transport and industry,
3- monetary and financial cooperation,
4- insurance,
5- scientific and technological development,
6- technical cooperation and consultancy services,
7- food and agriculture,
8- fisheries,
9- health,
10- employment and human resources development,
11- tourism,
12- transnational corporations,
13- sports,
14- research and information system,
15- role of women in development,
16- peaceful uses of nuclear energy,
17- telecommunications,
18- public enterprises,
19- solidarity fund of the nonaligned countries for economic and social development,
20- international cooperation for development,
21- housing,
22- education and culture,
23- standardisation, measurement and quality control.

Activities in all of these domains were coordinated by a separate group of countries. Their working methods as a whole were assessed as inadequate, though they put forward many good proposals and recommendations, they were not able to offer sufficient background evaluations of the possibilities to implement them. Thus their activities were reduced to holding meetings and preparing documents.

The coordinating role of the nonaligned countries was changed after the conference in Caracas and coordination of the programmes of Action of the NAM and of the Group of 77 to make them complementary and mutually supportive. As a result, the coordinators were expected to play a role of political motivators and catalysts.

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RIS Report on the World Economy in the Mid-Eighties

The RIS - Research and Information System for the Non-Aligned and Other Developing Countries has been set up in New Delhi in 1983 as implementation of the Item no. 14 of the NAM Action Programme for Economic Cooperation among Developing Countries (ECDC). Its report on the world economy in the mid-eighties was prepared as a background document for the discussions of the eighth NAM summit conference and is a result of conscious, institutionalized and organized Indian approach towards ECDC.

In the context of collapsing international monetary and financial system the paper reviewed the debt crisis. It stressed that, despite of the systemic nature of the problem the measures introduced instead of being systemic too, were of ad hoc nature. Negotiations backed by the Paris Club on the debt problems revealed more inconsistencies and showed little understanding of the problems confronted the debtor countries. Thus the report stressed a need for new initiatives to solve problems of debt, growth and development.

The rationale to promote the South - South Cooperation (SSC) became more challenging in view of the global crisis yet the financial constraints, particularly the mounting debt service payments, have seriously affected the South-South trade, technology, transfers, joint ventures etc. which had just begun to surface and threaten many aspects of the cooperation among the countries of the South.

The RIS report studied also the issues and policy
options in trade services in which recently an interest has been shown. The analysis suggests that a trade liberalisation in services would increase the dependence of the developing countries on the developed world by introducing a built-in destabiliser into their economies. The report indicates potentially immense destructive forces likely to result from it.

The greatest social cost to developing countries from an immediate liberalisation of trade services is displacement of labour from their labour-intensive service sectors. Transborder data flows can lead to a situation of dependency, that can undermine even national sovereignty.53

The disadvantageous external factors necessitate the countries of the South to strengthen much of their initiatives that were already under way and formulate new ones.

The RIS report suggested some. The recently launched negotiations on Global System on Trade Preferences (GSTP) among developing countries have to be speeded up to become operational as soon as possible. The developing countries should channelise part of their international trade through the state-trading organisations (STO) to gradually reduce the role of transnational trading cooperations based in the industrialised world.

The report suggested cooperation among the private enterprises as a potentially rewarding area and recommended to establish a federation of Third World chambers of commerce and industry to increase the contacts between the businessmen from developing countries and keep them informed on their needs and capabilities. This expressed the policy of the Indian government to expand this form of economic interaction.

In the context of stalemated negotiations on UN codes of conduct on the transnational corporations and UNCTAD's code on transfer of technology the developing countries should evolve voluntary norms for the conduct and rights of the mutual joint ventures to reduce the scope of restrictive business practices.

The proposed establishment of the South Bank for providing financial support to the SSC, notwithstanding a proposal to set up a Third World Bank, should be taken up as well as a clearing union should be evolved to facilitate transactions among LDCs in local currencies.

In the face of the slow progress towards establishment of the Commodity Fund, not only the efforts to operationalize it should be continued but also the developing countries should consider setting up of a central selling organisations for export of their major primary commodities for getting better prices. If implemented, the RIS's suggestions would benefit the process of integration of the South influencing the transformation of North-South relations.

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54 Ibid., pp. 72-74.
The Summit Conference in Harare

The eighth NAM summit conference was convened in Harare in March 1986. Among documents published by the conference, three were concerned with economic matters:

1- Harare Declaration on the Strengthening of Collective Action,
2- Economic Declaration,
3- Action Programme for Economic Cooperation.

Harare Declaration on the strengthening of Collective Action reiterated the commitment of the NAM members for intensifying their capacity for collective action and empowered the Coordinating Bureau to strengthen the measures for coordination and cooperation including unified action in the UN and other international fora.

The Economic Declaration recommended several concrete and better elaborated solutions which indicated an improved professional level of preparations for the discussions, improved awareness and a new political culture of the movement.

As previously the agenda of the conference included the issue of reopening of the international economic negotiations. The proposals put forward by the 7th summit conference in the Programme of Immediate Measures including an international conference on money and finance for development, were widely welcomed as constructive, even by some of the developed countries. However, lack of response from the major industrialized countries did not allow any substantial
progress towards their implementation.

The stalemate in global economic negotiations emphasized the importance of collective self-reliance through the economic cooperation among developing countries (ECDC).

The Third World countries have yet to fully operationalize the generally agreed principle of mutual cooperation. This objective is likely to be furthered by the Non-Governmental Independent Commission of the South, viz., South-South Commission, which was recently established by some of the developing countries, to supplement their developmental activities. The Commission became later known as the South Commission with Julius Nyerere as its chairman. Professor Manmohan Singh of India has joined the Commission as a full-time Chief Executive. The members of the Commission have to be persons of high standing and expertise. They are expected to give independent opinions and recommendations of concrete measures and strategies on important economic issues significant to the developing countries.

The gathering overviewed the progress made towards the ECDC since the Declaration on Collective Self-Reliance among Non-Aligned Countries had been adopted at the 7th Summit conference. It welcomed the establishment of the South Asian Association for Regional Cooperation (SAARC) as a move of seven South Asian countries towards cooperation.

The conference noted progress in the implementation of the Action Programme in several spheres of cooperation and recommended to put into effect some other sectors.
It stated that the targets of the Third UN Development Decade, one of the main measures towards effecting the NIEO, had largely not been fulfilled. Transfer of development resources, multilateral flows, lendings and credits were also decreasing.

There was no progress towards a reform and restructuring of the international monetary and financial system, thus the summit reiterated the call to convene an international conference to deal with these problems. It put forward suggestions as to how to tackle the financial problems of the developing countries. It called for:

1- the establishment of a stable and responsive international monetary system to ensure exchange rate stability, non-inflationary growth and appropriate levels of liquidity,

2- coordinated action for the supply of adequate international liquidity on an assured continuous and predictable basis according to the growth requirements of the world economy and needs of the developing countries,

3- substantial changes in the conditionality criteria in the IMF, which should become more flexible, as well as the access limits to the Fund's resources should be reduced.

The external debt crisis was continuously on the agenda of several international fora like the Expert Consultative Meeting in Lima, NAM, Group of 77 and UN General Assembly.
It was also in the centre of attention of the conference in Harare. It pointed out that the debtor countries accepted their international financial obligations, yet for some of them this burden became beyond the capacities of their economies so they needed some urgent, just and durable solutions. Some measures were suggested, such as:

1. acceptance of shared responsibilities between debtors, creditors, international financial and banking institutions,
2. lower real interest rates not relying on the market mechanism and stretching out payments, grace and consolidation periods,
3. limiting debt service payments to a percentage of export earnings which would be consistent with the developmental, economic and social needs of the country concerned,
4. increasing the access to the markets in the developed countries for the exports from developing countries.

The Declaration emphasized the continuing relevance of the General Assembly's resolutions on the Declaration and Programme of Action on the Establishment of the NIEO and the Charter of Economic Rights and Duties of States. No doubt, new international order was imperative, but rather not in the form expressed by the text of the resolution on the NIEO. As soon as the resolution was adopted the international discussion on it started pointing out its several shortcomings
and contradictions. Yet, the nonaligned did not revise it and were pursuing what was strongly criticized in its merit.

The results, as the declaration noted, to enforce these resolutions were below expectations and the efforts met resistance of the developed countries expressed by discriminatory economic policies, adopted also partly by the international monetary and financial institutions.

The questions related to food and agriculture were gradually getting more attention of the nonaligned. The Declaration considered it imperative to keep these questions at the centre of global attention as the state of affairs here was seriously deteriorating and the flows of external resources to the agricultural sector stagnated. Agencies like International Fund for Agricultural Development (IFAD) were in a difficult financial position. It was necessary to ensure a firm financial basis for the Fund and to reverse the flow of financial resources from developing countries to the developed ones. The conference proposed to adopt a special international programme of food aid and financial assistance to relieve the situation in countries suffering from a chronic food deficit. Knowing that the delivered food was sometimes inadequately utilised the conference recommended that the recipient countries be assisted in developing and strengthening of their logistical and administrative capacities as well as their internal distribution system. It called also for strengthening of the global information and early warning system in food and agriculture of the FAO and
for establishment and improvement of national and regional warning systems. It reiterated the call made at the 7th summit conference for setting up of a food security system for the developing world.

The conference also discussed other topics, such as energy, science and technology, industrialization, telecommunications, sovereignty over natural resources, law of the sea, qualitative aspects of development, situation of refugees and displaced people in Africa, living conditions of the Palestinian people in the occupied Palestinian territories, critical economic situation in Africa, transport and communications decade in Africa, Asia and Pacific, least developed countries, most seriously affected countries, abuse and illicit trafficking of drugs.\(^5^5\)

The Economic Declaration was followed by the Action Programme for Economic Cooperation. It covered and presented guidelines for future action in 24 following spheres: raw materials, trade, transport and industry, monetary and financial cooperation and consultancy services, food and agriculture, fisheries, health, employment and human resources development, tourism, transnational corporation and private foreign investment, physical education and sport, research and information system, role of women in development, peaceful use of nuclear energy, telecommunications, housing,

education and culture, standardization, measurement and quality control, international cooperation for development, environment.

The need to improve the implementation, coordination and monitoring of the Action Programme motivated the conference to re-group its 24 spheres into the following sectors:

1. raw materials, industry and trade,
2. standardization, weights and measures and quality control,
3. transport and telecommunications,
4. monetary and financial cooperation and insurance,
5. scientific and technological development and technical cooperation and consultancy services,
6. food and agriculture and fisheries,
7. health,
8. employment and human resources development,
9. research and information system and transnational corporations and foreign private investment,
10. role of women in development,
11. nuclear energy for peaceful purposes,
12. housing and co-operation in the preservation of the environment,
13. education and culture, sports and tourism.

This was to enhance the complementarities between the Action Programme for Economic Cooperation of Non-Aligned Countries (APEC) and the Caracas Programme of Action (CPA)
as well as facilitate their coordination.  

Foreign Ministers Conference in Nicosia

The foreign ministers of the nonaligned countries met at Nicosia in September 1988. In the final declaration they stated that the NAM is determined to face challenges of the changing world and adopt necessary reforms to meet the demands of peace, security, disarmament and development and initiate result-oriented methods.

The need for transformation of the NAM was generally felt; the president of Cyprus and ministers of several member countries urged changes in the structure, organisational methods and procedures. He criticised the increasing volume of documents published by subsequent gatherings and warned that the general public would lose interest in an organisation authoring long and verbose documentation.

The declaration pointed out that the improved climate between the two superpowers not only vindicated the policy of nonalignment but underlined the necessity to assess the evolving situation and formulate a strategy. The delegates warned that the role of the nonaligned could not be marginalized. The declaration stressed that the responsibility for the future of mankind cannot be left to some countries, however powerful, and that the movement was ready to participate in the efforts of solving regional and global problems.  

56 Ibid. Action Programme for Economic Cooperation, pp. 240-263.

Concluding Remarks

The nonaligned movement established itself not only as a principal political coalition of the developing countries but also as the main pressure group for the restructuring of the international economic systems. From the 25 members at the first summit conference in Belgrade in 1961 its membership increased to 101 at the summit conference in Havana. The movement mobilized most of the Third World countries. This influenced even the US perceptions. The US monofficial Centre for Strategic and International Studies is quoted as having remarked in its significant issues series, 1988 "that the United States face a greater threat from the nonaligned world than from Soviet expansionism" in the coming decade.58

The movement has worked out concepts such as self-reliance, which was adopted in its Action Programme for Economic Cooperation among Nonaligned Countries, Economic and Technical Cooperation among Developing Countries known as ECDC & TCDC, and South-South cooperation. It advocated regionalism and has influenced the establishment of the UNCTAD, United Nations Conference on Trade and Development and several other UN and non-UN agencies. Its contribution to the contents of the text of the NIEO resolution can be easily traced while comparing the texts of the NAM Action Programme adopted at Algiers Summit conference in 1973 and the Programme of Action on the Establishment of the New International Economic Order adopted in 1974 by the Sixth Special Session of the UN

58 Indian Express, 16 August, 1988.
General Assembly. Thanks to their efforts a striking number of actions programmes has been adopted on various international fora. All these can further the progress of the developing world.

Yet, after 25 years of the movement and 16 years after its first Programme of Action for Mutual Economic Cooperation was adopted developing countries were still more familiar with the cooperation possibilities offered by the developed countries, notably with former metropoles, than the possibilities existing within the Third World itself. Their waiting for action from outside, inflows from outside, etc. is evident in the NAM documents. Many of these countries are unable or unwilling to get rid of their neo-colonialist economic constraints, which have compromised their nonalignment. In fact they are more interested in cooperation and maintaining other forms of contacts with the developed countries. Moreover, many of the LDCs declared themselves for cooperation among themselves at the gatherings of the nonaligned but continued their activities in another direction, neglecting their commitments and agreements, paying them only lip-service. In short, there is no political will within the ruling elites of the developing world to go ahead in any meaningful way with the South-South cooperation.

The South-South trade and economic relations though

59 Charan Wadhwa in a discussion on 30.5.1989.
representing a vast potential for developing countries and the world as a whole, are still the weakest link in the network of international economic relations. Thus it was suggested that

1. mutual economic cooperation must become a priority task and an orientation of national economies of the developing countries,

2. mutual economic cooperation must be integrated into plans and programmes of development of each developing country,

3. the government and their institutions are greatly responsible for this process and governments must stimulate it while creating necessary conditions, like special facilities and advantages,

4. projects can be successful only if the most directly concerned production, trade, financial, scientific etc. institutions initiate and elaborate them; if the governmental organs keep the mutual economic cooperation in their control there is not much chance for any radical turn-about. 61

This are, however, purely technical or operational suggestions which do not touch the core of the problem.

Economic cooperation is expected to be an instrument for development which should be viewed as a multi dimensional process of structural change able to overcome the contradictions existing within and between the peripheral countries

61 Ibid., pp. 167-168.
of the global economy. These contradictions cannot be resol­
ved without basic structural transformation within the both
national and international political economies and one of
the dimensions has to be social. The need for change was
argued in the discussion on the NIEO. The change demands
an intense mobilisation of domestic resources and an adequate
institutional system enabling their constructive use.

So the internal changes are necessary to cope with
the developmental imperatives and they have to be introduced
by the developing countries themselves. This has been
stressed by Alister McIntyre, Deputy Secretary -General,
Officer-in-Charge of UNCTAD, who said that "the basic care
for ECDC rests on the possibilities for, and on the need to
promote long-term growth and development in developing coun­
tries through greater utilization of their immense human and
natural endowments and physical capacity". He observed fur­
ther that "South-South cooperation schemes and projects must
be more "bottom-up" than "top-down". 62 This suggests the
participation of whole populations of the countries concer­
ned in the economic activities and stresses the importance
of the social aspect of development. The discussion on NIEO
argued that there can be no NIEO between states without a new
political order within the states. Yet, only some of the
states realize that but not the vast majority. 63

63 According to an official in the External Affairs
Ministry, interview, New Delhi, 28 April, 1987.