INTRODUCTION

The main objective of this study is to analyse the nature and working of the Non-Aligned Movement with special emphasis on its role in emancipating the developing countries from their economic constraints caused by centuries of political domination and economic exploitation. The Movement encompasses a wide range of aspects such as political, economic, social and strategic. During the course of its evolution the Movement placed emphasis on different aspects in accordance with the changes in the international environment. But the problem of closing the gap between the developed and the developing countries remained the major concern of the Movement. It persistently demanded the creation of a better world order in which the developing countries would be considered on the same footing with the developed countries in the process of decision making relating to world economy. As the economic conditions of the world are fast deteriorating, the relevance of the Movement seems to be more vital and only through collective efforts and economic self-reliance, as envisaged by the Movement, and based on mutuality of interests, can the world overcome the dangers inherent in the division of the world into the rich and the poor. Many developing countries are now prepared to accept the non-aligned models, some of them having arrived at their decision by the
circuitous and hard rout of disillusionment from in-appropriate models.

With the threat of Cold War receding, international relations today have moved from the phase of confrontation to one of co-operation, from rigid aggressive posturing on ideological lines to sober considerations of the interdependence of nations, their inter-involvement in economic, political and cultural operations. Advance in science and technology have placed nations in conditions at once more inter-dependent, yet more unequal than ever before. No nation can afford to neglect this aspect, especially when bilateral or multilateral relations of nations have to do with crucial economic factors. The major task of the nation builders, therefore, has been the removal of economic inequalities among nations. Ever since the emergence of new nations during the 1950's and later in the 1970's, no international conference has left untouched the issue of economic inequalities between the rich and the poor countries, because following independence of new nations, each year has witnessed more complexities and unresolved issues in the international field than there had been in the past. For developing countries

the priority problems boil down to overcoming centuries old backwardness, building viable economies and accomplishing social and cultural transformations.

Although the problems facing the developing nations have long been under the serious consideration of the world community, the Non-Aligned Movement is undoubtedly the only international organisation which put forward concrete proposals to close the gap between the rich and the poor nations. The Movement itself emerged as a reaction to the western policies of exploitation with the express purpose of bringing together newly independent nations in Asia, Africa, and Latin America, to achieve certain common ends. It was expected to promote among developing countries a sense of co-operation and enhance their bargaining strength vis-a-vis the developed countries. They were held together by a common pattern of behaviour based on the general principles of inter-state relations. These principles were mainly political, pertaining to the resolution of conflicts between or among political entities. Hence, the Non-Aligned Movement (NAM), initially, addressed itself to political and security questions relating to the developing countries. Later a

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clear political and economic philosophy emerged dominated by political issues, because the non-aligned countries did not understand the complexities of the international-economic system, and the financial management at that time had been the work of the Bretton Woods twins, the International Monetary Fund (IMF) and the World Bank (IBRD). The founding fathers of the Movement, therefore, relegated for a while the economic issues and pre-occupied themselves with the more important political questions that required immediate attention.

Viewed from the economic point of view, the world has been more concerned about the issues of global economies than ever before. The problem of energy, with accelerating costs, had reached crisis point. Shortage of food, inflation, debt burden, unemployment and such other handicaps were continuously harassing both developed and developing countries. But the impact of these negative forces were more sharply felt in developing countries than in the developed world. The gap continued to widen between the levels of economic advancement of industrialised nations and those of developing countries.

Under the conditions that prevailed in global economies, any sectoral approach to developmental problems in backward countries is bound to produce economic imbalances unfavourable to
the weaker nations. Therefore, collective efforts, keeping in view the developmental needs of the poorer nations and without jeopardizing the interests of the developed world, are likely to produce favourable response from the world community. In this respect, the principles enunciated by the Non-Aligned Movement were found to be valid for all nations under all conditions.

The NAM has proved to be the best instrument for the newly independent nations to determine their domestic policy in their own way without being dictated to by the external powers and to consolidate political and economic independence in world affairs. But the huge task before the Movement was to consolidate its position against the onslaught of its adversaries like neo-colonialism, multinational corporations and international financial and monetary institutions. In short, the Movement was born into an international system in which the will of the super-powers prevailed, and where the aspirations and expectations of the newly independent nations obtained only scant attention. Therefore, the Movement called upon its members to demand the establishment of a New International Economic Order

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(NIEO) in which their legitimate interests would be adequately protected.

The Movement also realised the importance of maintaining cordial relations with the developed world because the improved methods of production and advanced technology have given them superiority over the developing countries. Development in the field of science and technology was really monopolised by the developed countries, leaving the developing countries with some kind of outdated technological know-how, and they felt the need for creating regular channels for the flow of advanced technology to the developing countries. To facilitate this North-South consultations were proposed. Consequently, several rounds of discussions between the North and the South have taken place over the years with the intention of effecting changes in the rules and conditions of international trade to enable the developing countries to earn more by their exports. Another topic of discussion was the actual transfer of capital resources along with know-how to put them to beneficial use so that the developing countries might produce more for themselves and for exports. But the problem that remained to be discussed was the ability of the developing countries to absorb the resources transferred to them from advanced countries. This was bound up
with yet another issue, the undue role of Multinational Corporations in the process of transferring technology. In practice, the Multinational Corporations increasingly minimised the advantage of resource transfers to the developing countries for their own profit and expansion of vested interests on a global scale.

At its’ summit meetings, NAM demanded structural changes in the international economic relations. But every effort for restructuring the world economic order met with stiff resistance from the rich countries, particularly the United States. Perhaps, their resistance would have accelerated the phase of more South-South co-operation or economic co-operation among the developing countries. Of course Economic Co-operation among Developing Countries (ECDC) greatly enhanced the scope of the use of human, material, technological, financial and other resources available in the developing countries and their rational distribution on mutuality of interests. The rational distribution became more essential under conditions of continued recession in the developed countries, huge indebtedness in the developing countries, slow progress in North-South dialogue and the failure of international economic agencies to suggest
workable solutions to the economic difficulties in the developing world.

The success of an organisation rests mainly on the cohesion of its members. The members of the Movement are drawn from ideological and cultural pluralities. The dissimilar and often conflicting interests of the NAM members many a time pulled the Movement in opposite directions. Therefore, a fundamental unity in the face of internal and external pulls and pressures had to be maintained. The Movement not only represented the have-not nations in the world, they were economically dependent on the developed countries. This indebtedness had virtually ruined the hope of attaining a self-reliant economy. Only through collective efforts could the developing nations achieve decent living conditions. The NAM, in fact, provided the opportunity for co-operation and mutual help. But the question is how far this opportunity could be effectively utilised by its member nations and to what extent the NAM members are prepared to restructure their domestic economy to absorb the techno-economic changes in a fast developing world.

The growing inequalities between the rich and the poor nations could be reduced by encouraging solidarity among its members and extending assistance to the least developed nations.
For this the NAM members should foster the ideals of individual and collective self-reliance. These governing principles are to be widely discussed and adopted by individual nations while formulating their economic policies. The economic hegemony of the developed world could be challenged only when the developing countries themselves find solutions to their economic problems by using indigenous resources and capabilities. At the same time the NAM should have a close watch on the events and movements in the international field. The specific question, thus, investigated in this study is concerned with the relevance of the NAM in the new international situation created by the superpower detente. The NAM originated under cold war conditions to act as a deterrent to the vertical division of the world and to give the newly emerging nations a forum based on the principles of sovereign equality and independence. In the wake of super-power detente, the political relevance of the Movement has been called in question. And no serious threat of colonialism and imperialism now exists. The new pattern of international relationship suggested new perceptions and approaches in dealing with major economic problems facing the developing countries. Should the NAM rise to the occasion and fulfil its commitments to the developing nations within the framework of the UN Character and promote regional economic groupings based on common interests
while providing a larger framework to harmonise various conflicting elements within the Movement.

The scheme of this Thesis is as follows. The work is divided into eight Chapters. Chapter I explores the forces and pressures in the international sphere that led to the founding of the Non-Aligned Movement. It analyses briefly the Indian perception of world order and examines the internal and external forces that contributed to the adoption of a non-aligned foreign policy for India. The Chapter also brings to light the perceptions of the super-powers and their divergent views on Non-alignment and finally points out the economic imperative of the Movement in the Indian context. Chapter II describes the lingering effects of colonial rule in the developing countries in the form of neo-colonialism. It traces different aspects of foreign aid as visualised by the aid givers and as understood by the aid receiving countries. The Chapter also examines the extent to which NAM proposals have been incorporated in the UN framework. Chapter III discusses NAM's role in the international field as a true representative of the interests of the developing countries in order to achieve their economic independence. It points out the various steps taken by the NAM through several meetings at the government and ministerial levels from time to
time and decisions which are incorporated in the declarations of the NAM summit meetings. Chapter IV deals with the concept of individual and collective self-reliance which is the basic objective of the Movement. The Chapter highlights various aspects of the North-South dialogue which are frequently referred to as a necessary means for the realisation of co-operative endeavour and the achievement of a New International Economic Order. Further, it examines the proposed New International Economic Order which the NAM envisaged as the only means of restructuring world economy along equitable lines. Chapter V is concerned with the challenges faced by the NAM during its move towards the realisation of the proposed objectives. It also considers the problem of resource transfer from developed to developing countries and explains the anarchic situation prevailing in the international economy. It again focuses attention on the improper management of South-South consultations and analyses the causes of its failure to produce desired results. Chapter VI examines the degree of success India achieved during the last few decades by following non-alignment as an important aspect of her foreign policy and explains the manner in which the country has managed to secure support from both the power blocs and international institutions, like IMF and
World Bank. Chapter VII deals with the factors responsible for the failure of some of the Movement's objectives and strategies. It contains an analysis of unhealthy aid operations and fallacy of North-South dialogue. It brings out the crucial role played by the oil producing countries whose frequent price hikes have cut deep into the meagre resources of the oil importing developing countries. It further examines the serious problem of debt burden, protectionism of the West, the unfavourable international situation created by multinationals and the severe depletion of human resources through brain-drain from the developing to the developed countries. Chapter VIII sets out the summary of the conclusions arrived at in this study.