CHAPTER FIVE

NON-ALIGNED MOVEMENT: ECONOMIC COOPERATION AMONG THIRD WORLD COUNTRIES
The emergence of the Third World has been an epoch-making event in the post-World War II international politics. The Third World comprises three quarters of the world population whose countries are rich in natural resources.¹ For a long time the Third World countries made a tremendous contribution to the progress of the international community and they now play a major role in contemporary world affairs. However, their efforts have not been compensated and, what is even worse, their economic situation is still critical. The people in these countries live under difficult conditions and occupy an unfavourable position in international economic relations.

The existing international economic order is known as the Bretton-Woods system, which protects the interests of the developed countries and thereby broadens the rich-poor gap and exploitation, was laid down in the aftermath of

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World War II and coincided with the process of decolonisation in Asia, Africa and Latin America. The institutional mechanism for the concretisation of the hegemony of the developed market economies through the IMF, IBRD and GATT, which aimed at further economic exploitation of the formally independent states of the Third World, or in other words, acted as a strong institutional set up of neo-colonialism. During 1952-72, the per capita real income of the developed market economies increased from approximately 2000 dollars to 4000 dollars, and the per capita real income of the developing economies from 175 dollars to a mere 300 dollars.\(^1\) In this era of unprecedented prosperity of the former, the developing countries (most of them are ex-colonies) as a group did not improve their relative position; for many it deteriorated.

The world economic crisis assumed unparalleled dimensions since late 1960's, as demonstrated by the substantial acceleration in world economic activity and growth, the sharp deterioration in the terms of trade of many Non-Aligned and other developing countries, the high levels of unemployment, underemployment, inflation, poverty, starvation, food shortage the growing burdens of the external indebtedness of Non-Aligned and other developing countries and their insecurity and insufficiency of

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supplies.¹ In the light of this grave situation and its underlying causes, the response of the developed countries was most disappointing, particularly with regard to the provision of official development assistance and the grossly inadequate current levels of transfer of real resources to Non-Aligned and other developing countries, the serious hindrances placed on the free access to the requisite technology, and growing protectionism. These factors, inter alia, resulted in new constraints in the exports earning capacity of the Non-Aligned and other developing countries and severely injured their capacity to meet their essential import requirements of food, energy and industrial products for development.

Moreover, the future of the developed countries to check the negative consequences that their domestic economic policies and problems had on the economies of the Non-Aligned and other developing countries further aggravated these negative trends in the world economy. All this had a profoundly asymmetrical impact on the economies of Non-Aligned and other developing countries which are the principal victims, because of their vulnerability and lack of capacity to make the requisite adjustments.

In the course of its rapid development as an international movement, Non-Alignment has changed its

character and content in economic front. From a primarily political strategy individually and collectively followed by the new states, it has transformed itself fundamentally into a collective movement of the Third World countries, entered into the North-South economic confrontation, spearheaded the demand and the struggle for a New International Economic Order based on equality and justice.

The Non-Aligned and other developing countries thought it proper to establish a new type of economic relations with the developed countries and among themselves. They came closer to achieve self-reliance and followed two main methods - first, to achieve self-reliance through direct action, and second, through bargaining. The first method is based on unilateral measures adopted by the developing countries, while the second method based on negotiations between the developed and the developing countries. Though the two methods were different from each other, the main aim was to accelerate the developing process and to obtain a more equitable share of the benefits of international activities. This required a change in the structure of unequal international relations. The Non-Aligned Movement discussed economic cooperation among the Non-Aligned and other developing countries, in general, from the Belgrade Summit Conference onwards and emphasised economic self-reliance through direct action, in particular, from the Lusaka Summit Conference onwards.
The First Summit Conference held at Belgrade in 1961, discussed mainly the issues of peace, security and struggle for the elimination of colonial system. The participants did lament the economic imbalances between the rich and the poor nations, called for efforts to remove the economic imbalances inherited from colonialism and imperialism. But the major remedy suggested for this imbalance was the accelerated economic development of the new states, rather than an economic confrontation with the industrialised states. The structural aspects of the international economic organisation were barely noticed. They recommended the establishment of a United Nations Capital Development Fund. They further agreed to demand just terms of trade for the economically less-developed countries and, in particular, constructive efforts to eliminate the excessive fluctuations in primary commodity trade and the restrictive measures and practices which adversely affect the trade and revenues of the newly-developing countries. In general to demand that the fruits of the scientific and technological revolution be applied in all fields of economic development to hasten the achievement of international social justice.¹

The international economic and social justice was sought to be achieved on the basis of the economic assistance the Non-Aligned countries wished to receive from

the developed countries under multilateral aid schemes. It was also insisted that the recipient countries must be free to determine the use of the economic and technical assistance which they received and to draw up their own plans and assign priorities in accordance with their needs.

As aid from the developed countries creates economic pressures on the recipients, the Belgrade Conference invited all the countries in the course of development to cooperate effectively in the economic and commercial fields so as to face the policies of pressures in the economic spheres as well as the harmful results which may be created by the economic blocs of the industrialized countries.\(^1\) The Conference invited all the countries concerned to consider the convening of an international conference as soon as possible to discuss their common problems and to reach an agreement on the ways and means of repelling the damage which may hinder their development, and to discuss and agree upon the most effective measures to ensure the realization of their economic and social development.

A Conference on the Problems of Economic Development was held in Cairo during July 9-18, 1962, to discuss the common economic problems faced by the developing countries. The discussions revolved around three questions: The effects of regional economic groupings of the industrialised

countries on the foreign trade and economies of the developing countries; the declining prices of raw materials on which most of the developing countries depended and the problem of economic aid. The Conference on 18 July, 1962, unanimously adopted a resolution which inter alia called for an international economic conference under the auspices of the United Nations.\(^1\)

At the initiative of the developing countries in the continents of Asia, Africa and Latin America, the UN General Assembly decided on December 8, 1962, to convene the United Nations Conference on Trade and Development (UNCTAD), being convinced of the fact that an acceleration of economic development of the developing countries required a substantial increase in their share in international trade and that evolution of a new and more appropriate pattern of international trade necessitated the adoption of the institutional framework for international cooperation in the field of trade.\(^2\)

As a result, the UNCTAD-I was held at Geneva from March 23–June 16, 1964, attended by seventy-seven nations and subsequently known as the "Group of 77",\(^3\) and the world


\(^2\) Indian Institute of Foreign Trade: UNCTAD-II, A Step Forward, p.16.

\(^3\) UNCTAD: Basic Documents on its Establishment and Activities, United Nations Publications, July 1966.
witnessed the largest and one of the most important inter-
governmental Conferences ever assembled, made a common cause
about the problems of trade and presented a unified front in
calling attention to the seriousness of their problems and
the ways in which they were aggravated by the developed
countries. From 1964 onwards, till today, the Non-Aligned
countries have worked in and through "Group of 77" to
bargain for their economic demands.

A Joint Declaration by the "Group of 77" was included
as an annexure to the Final Act of the UNCTAD-I. In their
Declaration, the developing countries asserted that the
Conference "marks the beginning of a new era in the
evolution of international cooperation in the field of trade
and development.... Such cooperation must serve as a
decisive instrument for ending the division of the world
into areas of affluence and intolerable poverty - This task
is outstanding". 1

The UNCTAD-I noted the difficulties of the developing
countries because of deteriorating terms of trade. It
emphasised the issue of international commodity
arrangements, with the basic objective of stimulating a
dynamic and steady growth and ensuring reasonable
predictability in the export earnings of the developed

1. Banerjee, Malibaka, The Non-Aligned Movement, Firma KLM
countries so as to provide them with expanding resources for their economic and social development. It argued that the developed countries have to eliminate barriers and discrimination against trade and consumption. On 30 December, 1964, the UN General Assembly, acting on the basis of the recommendations of the Conference, established the UNCTAD as an organ of the United Nations.

The Cairo Summit of the Non-Aligned group of nations was held just after UNCTAD-I. The Cairo Summit Conference (1964) devoted more attention to economic problems than the previous Belgrade Summit Conference. The Conference emphasized the desire of all participating countries to contribute to the speedy establishment of a new and equitable order and demanded the establishment of a new international division of labour. Acceleration of economic growth was seen as indispensable to the achievement of economic independence. The Conference called for expanding and deepening economic relations within the Third World, for the benefit of national development.

The Conference emphasised the imperative need to amplify and intensify international cooperation based on equality and consistent with the needs of accelerated economic development. It noted that as a result of the

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proposals adopted at Belgrade in 1961 and elaborated in Cairo in 1962, the UNCTAD met in Geneva in 1964. The Geneva Conference marked the first step in the evolution of a new international economic policy for development and offers a sound basis for progress in the future. The results achieved were neither adequate for, nor commensurate with, the essential requirements of the developing countries. The participants supported the joint declaration of the seventy seven developing countries made at the conclusion of the Geneva Conference, and pledged the cooperation of the participating states to the strengthening of their solidarity.\(^1\) It urged all states to implement on an urgent basis the recommendations contained in the Final Act of the UNCTAD and in particular to cooperate in bringing into existence as early as possible the new international institutions proposed therein, so that the problems of trade and economic development may be more effectively and speedily resolved.

The Conference called upon the participating countries to adopt concerted measures to bring about closer economic relations among the developing countries on the basis of equality, mutual benefit and mutual assistance, bearing in mind the obligations of all the developing countries to accord favourable consideration to the expansion of their

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1. The Documents of the "Second Conference of Heads of State or Government of Non-Aligned Countries, Cairo, October 5-10, 1964", Published as DGNC 1961-1979, New Delhi, pp.27-28.
reciprocal trade, to unite against all forms of economic exploitation and to strengthen mutual consultation. It was also decided that the members of the seventy seven developing countries, who worked closely together at the UNCTAD of 1964 in Geneva, should hold consultations during the next session of the General Assembly of United Nations in order to consolidate their efforts and harmonise their policies in time for the subsequent Conference on trade and development to be held in 1966.¹

The UNCTAD-II was held from February 1-March 29, 1968 at New Delhi. The UN General Assembly laid down the guidelines regarding the scope of work and the objectives of the UNCTAD-II. The developing countries under the auspices of the Group of 77, came forward with a "proposal of concrete programme of action, against the background of very limited success attained in the implementation of the recommendations of UNCTAD-I", and at the First Ministerial Level Meeting of the Group of 77 held at Algiers from 10-24 October, 1967. This detailed programme of action was known as the "Charter of Algiers" or "Algiers Charter of the Economic Rights of the Third World".² The Algiers Charter made a thorough survey of the existing economic growth of the developing world and made a note of the anomalies

¹. Ibid.
existing therein. The Charter called for guaranteed market shares for primary products which competed with those grown in the developed countries. A significant move was made in demanding that the level of assistance should be raised to the target of one per cent of the Gross National Product (GNP) of the developed countries by the end of 1970.

The theme of the UNCTAD-II was mutual cooperation among the developing countries. Inaugurating the Conference, Mrs. Indira Gandhi, Prime Minister of India, observed that the responsibility for development must primarily be shouldered by the developing nations themselves and emphasised the need for a global strategy of development and an integrated programme of international cooperation, outlining the convergent measures for attaining this objective.¹

At UNCTAD-II, the developed countries were urged to strengthen their aid to developing countries, to increase food production and modernize the agricultural sector and, for that purpose, to lay more emphasis on increasing the assistance by providing agricultural requisites, especially fertilizers, improved seeds and agricultural machinery implements² and to improve the situation regarding the


transfer of technology to the developing countries; and measures in favour of the least developed countries and land-locked countries. The Group of 77 was very actively pursuing a new approach relating to practical action and concrete measures in the short run to objectives that could be fully attained in the long run. The Conference recommended that each economically advanced country should endeavour to effect annually to the developing countries financial resources transfer of a minimum net amount of one per cent of its GNP.

The year 1970 constituted a significant landmark which started off a series of subsequent moves manifesting the strength of the Third World countries, in general, and the Non-Aligned countries, in particular. The Second United Nations Development Decade was launched in 1970. At its twenty-fifth anniversary session, the General Assembly adopted an International Development Strategy and the Third Summit Conference of the Non-Aligned countries was held in September, 1970, at Lusaka.

The Lusaka Summit Conference of the Non-Aligned states (1970), marked an important stage in the evolution of the context of the Non-Alignment, insofar as international economic questions relating to the basic structure of the international economic system which assumed major significance at this Conference. After the "Declaration on Non-Alignment and Economic Progress" was adopted by the
Lusaka Summit, the concept of self-reliance became the main plank of the economic programme of the Non-Aligned Movement and the Movement's principal contribution to the international development discussions.\(^1\) The Lusaka Summit Declaration was significant not only for its introduction of self reliance as a major objective of the Non-Aligned Movement but also because it represented for the first time that the Heads of State or Government recognised that economic questions were matters deserving intensive discussion at the highest level. Political issues, as already pointed out, remained important items on the agenda of the Non-Aligned countries, but economic issues swiftly gained equal importance.

The Conference observed that the rapidly widening gulf between the developing and the developed states constituted a threat to international peace and security. It noted the decline in the share of the developing states of world export trade from one-third in 1950 to one-sixth in 1969, the decrease in financial flows from the developed to the developing countries in terms of percentage of GNP and the increase in the financial flows from the developing countries by way of payment of debts, dividends, royalties, and financial commercial services. The Conference declared that the poverty of the developing nations and their economic dependence on those in affluent circumstances.

\(^1\) Singer, H.W., Neelambar, Hatti, Tandon, Rameshwar (Eds), Challenges of South-South Cooperation (Part I), Ashish Publishing House, New Delhi, 1988, p.63.
constitute a structural weakness in the present world economic order and stressed the urgent need for preventing technological colonialism. The Summit demanded that the net financial transfers from the developed states should constitute at least 1 per cent of the GNP of each developed state, and that 75 per cent of these funds should come from official sources. A demand was also made for restraining the alarming increase in freight rates and for eliminating discriminatory and restrictive elements from such rates.

The Non-Aligned countries at the Lusaka Summit Conference stressed the importance of self-reliance and pledged themselves:

1. to cultivate the spirit of self-reliance and to achieve this end to adopt a firm policy of organising their own socio-economic progress and to raise it to the level of a priority action programme;

2. to exercise their rights fully and fulfil their duties so as to secure optimal utilization of the natural resources on their territories and in adjacent seas for the development of their peoples;

3. to develop their technology and scientific capability to maximize production and improve productivity;

4. to promote social changes to provide increasing opportunity to each individual for developing his worth, maintaining his dignity, making his contribution to the process of growth and for sharing fully in its fruits;

5. to promote social justice and efficiency of production, to raise the level of employment and to expand and improve facilities for education, health, nutrition, housing and social welfare;

6. to ensure that external components of the developmental process further national objectives and conform to national needs, and in particular to adopt so far as practicable a common approach to problems and possibilities of investment of private capital in developing countries; and

7. to broaden and diversify economic relationships with other nations so as to promote true interdependence.

To achieve these aims they decided -

1. to foster mutual cooperation among developing countries so as to impart strength to their national endeavour to fortify their independence;

2. to contribute to each other's economic and social progress by an effective utilisation of their complementaries: between their respective resources and requirements; and
3. to intensify and broaden to the maximum extent practicable, the movement for cooperation and integration among developing countries at sub-regional, and inter-regional levels for accelerating their economic growth and social development, taking into account the measures required to guarantee that the peoples of the developing countries concerned received the benefit of the integration and not the foreign companies operating within the integrated area.

The United Nations Organisation was urged to fulfil the objectives enshrined in the Charter "to promote social progress and better standards of life in larger freedom".

To achieve their goals the participants declared their determination:

(a) to undertake sustained and continuous endeavours within the United Nations system to secure faithful implementation of international development policies and programmes;

(b) to further the unity and solidarity of the Group of 77 at all levels including the convening of a ministerial meeting to prepare for the UNCTAD III;

(c) to review and appraise periodically the progress of mutual cooperation in the field of development in pursuance of the programme of action; and
(d) to seek ways and means for strengthening the capabilities of the United Nations system, to fulfil its commitments to social and economic progress.¹

An Action Programme was adopted at the Lusaka Summit Conference, which for the first time in the Movement detailed the areas of South-South Cooperation. This programme was discussed and improved upon at the subsequent meetings of the Movement. The Lusaka Conference concluded by urging the nations to further the unity of the Group of 77 and calling for a special ministerial meeting of the Group to prepare for the UNCTAD-III.

In November 1971 as a follow-up to the decision taken at Lusaka the year before, the Second Ministerial Meeting of the Group of 77 was held from October 28–November 8 at Lima. This was required to enable the developing countries to improve their bargaining position at the UNCTAD-III. The "Lima Declaration"² appealed to the international community to take urgent measures to help the developing nations expand their economies and allow their peoples a high standard of living and called upon the rich nations to make one per cent of their GNP available for the economic development of the Third World.

1. Ibid., pp.48-51.
The UNCTAD-III, held from April 13-May 31, 1972 at Santiago, adopted three important resolutions.1 One of the resolutions contained 13 principles aimed at establishing world trade relations and policies which favour economic development. The central part of the resolution called for world distribution of labour which would diversify the economies of the developing countries and give free access to markets for their products. It also stressed the sovereign rights of all countries to dispose of their natural resources freely and the need for a preferential treatment for the Third World countries. Another resolution called for policies linking trade, development and environment. The third resolution called for the creation of a working group (it was constituted with the government representatives of Thirty-one member states) under the auspices of the United Nations to draw up a Charter of Economic Rights and Duties.

A development of major importance at the UNCTAD-III was a decision of the Group of 77 to "adopt special measures to help world's twenty-five poorest countries to bridge the economic gap that has separated them from the rest of the developing countries".2 The report on the Group of 25 Least Developed Countries (LDCs) adopted at the Conference set out detailed means of aid, including a programme of preferential

2. Ibid., p.208.
financial assistance, priority in access to markets, special
consideration for commodity agreements, lower shipping rates,
greater technical assistance and efforts by international
organisations to assist these nations in diversifying their
economies. Finally, the Conference had taken another reso-
lution on the transfer of technology: the developed
countries were asked to devote 0.05 per cent, per annum, of
their developing GNP to the technological problems of the
developing countries, and allocate at least 10 per cent of
their research and development expenditure to programmes
designed to solve the problems of developing economies.¹

The Georgetown Conference of the Foreign Ministers of
the Non-Aligned countries held during August 8-12, 1972, was
a turning point in the history of the Non-Aligned Movement.
After the Lusaka Summit conference, the Non-Aligned
countries paid greater attention to economic matters and the
objective of self-reliance in the economic field. This
issue was taken up at the Georgetown Conference of the Non-
Aligned Foreign Ministers in 1972 and ultimately given a
final shape at the Algiers Summit in 1973. In fact, the
Georgetown Conference elaborated the concept of self-
reliance. In the framework of an "Action Programme for
Economic Cooperation Among Developing Countries", it
identified four fields of activities -

1) trade, industry and transport among the Non-Aligned countries and other developing countries; 2) technology knowhow and technical assistance, 3) financial and monetary cooperation; and 4) international cooperation for the economic development of the developing countries. The Foreign Ministers in this meeting decided to designate the co-ordinator countries to ensure the proper follow-up of the Action Programme. The Conference called in particular for increased cooperation between the developed and the developing countries with a view to achieving the aims of the Second Development Decade.

As a follow up of the previous Conferences and meetings, the participants of the Algiers Summit Conference (1973) took note of the changes in the economic and social situation of the developing countries in the international context since the Lusaka Conference, with special reference to the United Nations international development strategy, the third UNCTAD, the United Nations Conference on the Human Environment, preparations for multilateral trade negotiations, reform of the monetary system, and the important Conference of the Foreign Ministers of the Non-Aligned countries in Georgetown (Guyana).

1. The Documents of the Conference of Foreign Ministers of Non-Aligned Countries, Georgetown, August 8-12, 1972, Published by DGNC 1961-1979, New Delhi, 1981, pp. 77-79.
The growing economic gap between the two worlds was noted with statistical data and it was unanimously stated that the international strategy of development had failed. The Conference requested the United Nations to adopt "a Charter of the Economic Rights and Duties of States" at the 28th session of the General Assembly on a priority basis. It pleaded for greater co-operation between the developing and the developed states in the economic and technological spheres, but declared the sovereign rights of the developing countries over all their natural resources."\(^1\)

The Algiers Summit Conference reaffirmed their conviction that the responsibility for ensuring the rapid development of their countries primarily rests with themselves. They stated that they were determined to rely totally on themselves, individually and collectively, to achieve their goals of development. To this end, they agreed that unremitting and coordinated efforts would be made at the national level to reduce unemployment, the poverty of the masses, inequality in income distribution and economic dependence on advanced countries, as well as to mobilize all national resources for an integrated and balanced development of all sectors of the economy.

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The Conference also decided that cooperation among the developing countries should be expanded and should strive for the specific goals which are enumerated below:

1. In order to promote trade among the developing countries, each one of them should seek to double the rate of imports from the other developing countries;

2. no developing country should offer more favourable terms for imports from the advanced countries than those they give to imports from the developing countries;

3. within the framework of the multilateral trade negotiations of the General Agreement on Tariffs and Trade (GATT), the developing countries should undertake a series of mutual negotiations in order to promote trade among themselves;

4. in order to facilitate inter-regional trade, careful study should be made of the possibility of concluding agreements on clearing payments to the developing countries;

5. the developing countries should try and get the maximum benefit from the funds given as "no strings attached" assistance for the use of the developing countries themselves;

6. close cooperation should be established and consultation organised between the central banks of the developing
countries in order to strengthen their monetary and financial co-operation and to investigate possibilities for a common financial institution to be established with this aim;

7. advantages should be taken of the possibilities for making institutional agreements permitting the developing countries to use the surplus credits they might have to finance projects specifically intended to promote exports. The advanced countries and international financial institutions should give support to such arrangements;

8. the greatest possible backing should be given to carrying out projects in the developing countries which require foreign technical know-how, sharing and exchanging the technical know-how possessed by the developing countries themselves;

9. effective cooperation should be ensured between the various existing international organisations, including those which are part of the United Nations, at the sub-regional, regional, and inter-regional levels, for the future strengthening of their relations in all domains;

10. monetary cooperation should be established through the creation or adoption at a regional or sub-regional level, of organs for cooperation in this sphere;
11. the developing countries should mutually grant credit terms on a preferential basis;

12. the developing countries should set up and strengthen the associations of producers of the principal products which are important for the world economy, in order to halt the deterioration in their terms of trade, eliminate unhealthy competition, prevent the harmful multinational companies and strengthen their negotiational positions;

13. the developing countries should get together in the domain of mass communications in order to adopt joint measures and promote the mutual exchange of ideas; and

14. the Non-Aligned countries should exchange and disseminate information on mutual achievements in all domains, through newspapers, journals, radio, television and other information media in their countries.¹

The participants resolved to increase economic cooperation among themselves and coordinate their policies against the multinational countries. An "Action Programme of Economic Cooperation" was adopted at the Conference with this end in view.² The cooperative action programme included such items as 1) the establishment of communication channels, 2) relations between the advanced and the developing countries, 3) international monetary and fiscal

¹ Ibid.
² Ibid.
systems, 4) transfer of technology, 5) primary products, 6) environment and 7) cooperation with the socialist countries. The last item, introduced for the first time at a Non-Aligned Summit Conference, envisaged wide-ranging cooperation between the Non-Aligned and the Socialist countries including the setting up of joint committees for mutual economic cooperation and development.

The Algiers Summit Conference marked a turning point with regard to the mutual cooperation among the Non-Aligned and the other developing countries inasmuch as its decisions and recommendations served as the basis for intensive international negotiations aimed at the establishment of the New International Economic Order. The Non-Aligned countries opined that "the establishment of a New International Economic Order has become a global issue of the broadest international significance not only as a question pertinent to the development of the developing nations and to their relation to the developed countries, but as an issue with far-reaching international political and social implications for the majority of the countries."

The Sixth Special Session of the United Nations was held in 1974 only a year after the Non-Aligned Conference held at Algiers had adopted the declaration on the

1. Review of International Affairs, October 5, 1982, p.15.
establishment of the New International Economic Order.¹ The universal character of this new concept of economic relations in the world, formulated by the Non-Aligned countries, has thus been endorsed as a way to overcome the world-wide economic crisis. The new economic order embodies the spirit, the goods and the principles of the United Nations Charter.

The urge for economic emancipation and democratization of international economic relations also lies at the heart of the demand for the establishment of a New International Economic Order. The call for a New International Economic Order was not just a call for an "income redistribution from the rich to the poor".² It was according to the United Nations Resolution on the subject (May 1, 1974), a call for the restructuring of international economic relations.

The United Nations now "solemnly pledge, for the purpose of promoting the economic development and social progress of all nations, to work urgently on the establish-
ment of a New International Economic Order, founded on equality, sovereignty, independence, common interest and cooperation of all states regardless of their economic and social systems, an order that will rectify inequality and


redress the existing injustice, enable the elimination of the widening gap between the developed and the developing countries and ensure the continual acceleration of economic and social development in peace and justice, both for the present and for the future generations.¹

The declaration of the United Nations adopted by consensus, and the Charter of Economic Rights and Duties of States, which the United Nations adopted in 1974 laid down the rights and obligations of all member countries of the world organisation. The manner in which these obligations should be met was elaborated by the fifth Conference of the Non-Aligned Countries held in 1976 at Colombo.

On the basis of the proposals of the Algiers Summit, a Conference on raw materials was held at Dakar in 1975. Also as a follow-up to the Algiers Summit, the Foreign Ministers met at Lima from August 25-30, 1975. The Conference on International Economic Cooperation (North-South Dialogue) was held, too, in the same year. Then came the Manila Declaration of the Group of 77. These were major steps in the evolution of a programme and strategy for economic cooperation among the developing countries. The Lima Programme related the unity and solidarity of the Non-Aligned countries and the establishment of a New International Economic Order (NIEO). It discussed in detail and

in practical terms the total universe of collective self-reliance and they are as follows:

1. Strengthening associations of raw material-producing developing countries, better systems of market information and setting up financing buffer stocks;

2. establishment of a solidarity fund for the economic and social development of the Non-Aligned countries; (for which a draft convention was adopted);

3. establishment of an information centre on transnational corporations;

4. scientific and technological research and development;

5. research and information system;

6. cooperation among central banks;

7. monetary reform;

8. international centre for public enterprises (already established in Yugoslavia);

9. mutual trade

10. regional and inter-regional financial arrangements;

11. technology transfer centre and consultancy organisations

12. cooperation in agricultural production, industrialisation, health, services, training and peaceful application of nuclear energy;

13. establishment of an international trade organisation; and
14. establishment of an assistance fund for food production.¹

The Lima programme established the foundations of the development of collective self-reliance. The Colombo Summit not only endorsed it but also adopted a resolution on the establishment of a bank of developing countries, and another on a new international monetary order, to provide for a countervailing currency backed by the economic potential of the developing countries.

The decade of 1970's brought to the fore a clear divide between the rich North and the poor South respectively the advanced industrialized countries and the developing countries. The emergence of the North-South Dialogue towards mid-1970's was the culmination of a process that had begun during mid-1960's. The system of global economic management set up by the Bretton-Woods systems in the 1940's had proved inadequate to cope up with the strains in the system of money, finance and trade or to meet the needs and requirements of the South. The South conceived the New International Economic Order which marked the first systematic basis for conceptualising a comprehensive platform for dialogue and negotiation with the North.

The 'oil strength' of the Third World in the 1970's provided a basis for the Non-Aligned countries to solicit a comprehensive round of Global Economic Negotiations with an agenda covering raw materials, energy, trade, development, money and finance. At the heart of the Global Negotiations lay the possibility of a trade-off between a stable supply of energy at regulated prices and an enhanced voice for developing countries in the decision-making processes of international monetary and financial institutions. A coordinated, integrated and comprehensive approach to all key issues, so as to enable structural reforms in the world economy towards the establishment of the New International Economic Order (NIEO), was the overall objective. The United Nations General Assembly spent several years in negotiating the framework, agenda and procedures for global negotiations but the unwillingness of the major industrialized countries to share power in international financial institutions proved a virtual graveyard of the exercise.

An attempt to negotiate simultaneously all major North-South issues was made for the first time at the Conference on International Economic Cooperation (CIEC) held at Paris from December 17, 1975 to June 3, 1977 at the initiative of the French President Giscard D'Estaing.

These global negotiations which were the first to acquire the very popular nomenclature of "North-South Dialogue" and led to the formation of two core committees called the Group of Eight Industrialized countries and the Group of Nineteen Oil Producing and other Developing Countries with certain basic elements of the NIEO, ended without producing any tangible results.

The Paris Conference of the North-South Dialogue set up four Commissions to examine the entire range of issues between the two sides viz., 1) Commission on Development; 2) Commission on Raw Materials, 3) Commission on Energy and 4) Commission on Financial Affairs. The developing countries suggested that subjects in each Commission be sufficiently specific without being unduly inflexible, so as to enable the participants to raise problems which they considered urgent and important. They also suggested that the work of Commissions should proceed simultaneously and in a mutually reinforcing manner so that just and equitable results were achieved expeditiously.

The Group of Nineteen at the Paris Conference, representing the developing countries issued a statement twice, during April and June 1976, to express dissatisfaction with the slow results of the Paris Conference as well as

"disappointment with the limited success of the UNCTAD negotiations". The Group maintained throughout the Paris Conference that while they had offered "coherent, sound and realistic" proposals for negotiations, the Group of Eight, representing the industrialized, countries had "no binding papers and made few counter-proposals". At their meeting during July 8-10, 1976, "to take stock of the dialogue's progress and give guidance to its further work", the senior officials of the participating countries concluded that "the progress was very slow and suggested that the ministerial meeting proposed for December 1976 be postponed". Amongst their further suggestions it was said that the "second phase of the Conference should be action-oriented".

The participants from the developing countries in CIEC, while recognising that progress has been made in CIEC to meet certain proposals of the developing countries, noted with regret that most of the proposals for structural changes in the international economic system and certain of the proposals for urgent actions on pressing problems have not been agreed upon. Therefore, the Group of 19 felt that the conclusions of the CIEC had fallen short of the objectives envisaged for a comprehensive and equitable programme of action designed to establish the NIEO.

1. UNI Backgrounder, No.43, Vol.VI, p.20.
2. Ibid., p.21.
The Paris Conference concluded on June 3, 1977, and a hastily-drafted and vague report was prepared and presented to the delegates. The Report "approved by the unenthusiastic delegates, made a reference to its stark preamble to the Conference's earlier resolve to create an equitable and comprehensive programme for international economic cooperation".\(^1\) The final communique was issued in Paris on June 3, 1977, one day behind the scheduled Ministerial meeting. The developing countries hoped that "even at this late stage, the developed countries will show willingness to accept specific and meaningful commitments - attainment by 1980 of the target of 0.7 per cent of GNP for official development assistance, for instance - which would accelerate the rate of progress in the developing countries and enable them to look to the future with confidence instead of growing doubts and uncertainty".\(^2\)

The developing countries pinned such high hopes on the Paris meet that they look an extreme position: "We are convinced that the failure of this Conference could be a serious setback to the whole process of seeking solutions to North-South problems through friendly negotiations".\(^3\) The participants from the developed countries in CIEC welcomed the spirit of cooperation on the whole Conference took place

1. Ibid., p.17.
2. Ibid., p.18.
3. Ibid., p.20.
and expressed their determination to maintain that spirit as the dialogue between the developing and the developed countries in other places. They regretted that it had not proved possible to reach agreement on some important areas of the dialogue such as certain aspects of the energy cooperation.

The participants in the Conference thought that it has contributed to a broader understanding of international economic situation and that its intensive discussions had been useful to all participants. They agreed that CIEC was only one phase in the ongoing dialogue between the developed and developing countries which should continue to be pursued actively in the UN system and other existing, appropriate bodies. The participants in the Conference pledged themselves to carry out in a timely and effective manner the measures for international cooperation agreed herein. They invited the countries which did not participate in the Conference to join this cooperative effort.

The major stumbling block in the stalemated North-South Dialogue continues to be an absence of political will on the part of the key industrialized countries to restore the concerns of the South to the heart of the global agenda, and to find solutions in an integrated and coherent perspective to the inter-related issues of money, finance, debt, trade, technology and development.
While the North-South Dialogue at Paris was in progress the UNCTAD-IV was held at Nairobi from May 5-31, 1976. The "Group of 77" met at Manila in early February 2-7, 1976 and worked out their joint stand. The Conference issued a Manila Declaration and a programme of Action for UNCTAD-IV. The Manila Declaration contained 17 objectives for international cooperation, the "Group of 77" expressed "their firm conviction to make full use of the bargaining power of the developing countries through joint and united action".\textsuperscript{1}

The "Group of 77" emphasised the close solidarity of all the developing countries which had made it possible for them to evolve a unified position as well as the importance of harmonizing positions which helped enhance the irreversible process they had created in international economic relations and to consolidate and strengthen their unity and solidarity through joint concerned action, thus laying the foundation for the NIEO and for the adoption of the Charter of Economic Rights and Duties of States.\textsuperscript{2}

The UNCTAD-IV which met at Nairobi gave in the agenda nine major items from the 17 items that were given by the "Group of 77", the most important one being action on an

\textsuperscript{1} Keesing's Contemporary Archives, July 16, 1976, p.27829.

integrated programme of commodities; measures to settle the
debt problems of the developing countries; and a set up an
expert group to draft a code of conduct on the transfer of
technology.¹ A 38-member contact group was set up by the
UNCTAD-IV to decide on the two key issues of commodity and
debt relief under the chairmanship of President Mr. Munga of
Kenya.

In keeping with various resolutions taken by the
Non-Aligned Summits, the Nairobi Conference recommended that
action should be taken at regional, national and
international levels to achieve a re-orientation in the
activities of transnational corporations towards more
complete manufacture in the developing countries and towards
further processing of raw materials. They demanded a more
favourable treatment of the developing nations in
multilateral trade negotiations and recommended that the
socialist countries of the Eastern Europe increase economic
assistance to the developing nations and reduce tariff
barriers.

Amidst the impending failure of the Paris Dialogue
between the developed and developing countries, the fifth
Non-Aligned Summit Conference was held at Colombo in 1976.
The most significant feature of the Colombo Conference was
the developing trend of the pre-occupation of Non-Aligned

states with international economic issues. The Conference drew up a comprehensive programme for mutual co-operation for collective self-reliance.

The Economic Declaration of the Fifth Conference formulated the main objective of the economic strategy of the Non-Aligned Movement, stressing that the struggle for political and economic independence, for full sovereignty over natural resources and domestic activities and greater participation of developing countries in the production and distribution of goods and of services, and for basic changes in the international division of labour assumed the highest priority. Breaking up of resistance to the struggle for a new order represents the primary task of the Non-Aligned and other developing countries.¹

The participants believed that only a confident spirit of collective self-reliance by the developing countries could guarantee the emergence of the NIEO. The Declaration considered that collective self-reliance within the NIEO is an important and necessary step in the wider process aiming at the establishment of international cooperation which would be a concrete and genuine expression of interdependence within the global economy. International Cooperation is now-a-days an imperative necessity. It requires the

effective participation of all in decision-making and demands that these processes and relationships which lead to increasing inequality and greater imbalance are put to an end.¹ In their strategy of international economic cooperation, concurrently with the intensification of the relations between themselves, it was desirable that the Non-Aligned countries diversified their economic relations with the other countries, developed capitalist as well as socialist, on the basis of the principles of respect for national sovereignty, of equality and of mutual benefit.

The Summit expressed that the participants believed that nothing short of a complete restructure of the international economic order would place developing countries in a position to achieve an acceptable level of development. The NIEO should provide an enduring solution to the world economic problems.² The inadequacy and the recurring failure of the prevailing economic order have been demonstrated in the recent series of crises in the developed market economy including inter alia, the collapse of Post-World War-II monetary system, emergency of restrictive and protectionist policies in world market trade, spiralling inflation, recession, mounting unemployment and steadily deteriorating levels of real income from the exports of

¹. Ibid., pp. 209-212.
primary produce of the developing countries and the food crisis.

These crises have also dramatised the basically dependent character of the constituent elements of the world economy and provided the necessary impetus for the world community to conceive of the NIEO based on equality, sovereign equality, interdependence, common interest and cooperation among all states. The fundamental objective of the NIEO is to bring about in the international economic relations an equilibrium based on justice through cooperation and human dignity.

Events (UNCTAD-IV, the then ongoing North-South Dialogue in Paris etc) have guaranteed new complementaries and opened up the tremendous opportunities for cooperation among the countries of the developing world. The idea that the developing world constitutes only parallel economies is no longer valid, since the developing world reflects a wide variety of resource endowments and stages of development. The participants believed that the need of the hour was to develop a common will and evolve suitable mechanisms to fully utilize the complementaries, resources and capabilities within the developing world for mutual benefit and for collective advancement.¹

The Summit Conference adopted an "Action Programme for Economic Cooperation" which was more exhaustive than that of its predecessor Summit at Algiers in 1973. Divided into three major sections such as 1) Economic Cooperation Among the Non-Aligned and the other Developing Countries. 2) International Cooperation for Development and 3) Coordination of Action Programme.

On International Cooperation for Development, the Colombo Summit could not go beyond telling the then-in-session Paris Conference (North-South Dialogue) that "agreement must be reached by the CIEC on solutions to the overwhelming debt problems of the developing countries through such as conversion of existing loans into grants, moratoria and rescheduling, as well as to the problem of the protection of the purchasing power of export earning of developing countries" and warning that "should the CIEC fail to reach a satisfactory conclusion on these subjects the Non-Aligned countries will convene a conference with other interested developing countries at the ministerial level in the first half of 1977 to decide on the appropriate and united action to be pursued".  

The Conference passed a resolution on food and agriculture production and drew the attention of the members of

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the "Plan of Action"\textsuperscript{1} of the resolution. It also proposed to convene a symposium on Non-Aligned and other developing countries for exchanging experiences in developing independent natural industry and agriculture, strengthening the independence of their national economies and realising more economic cooperation among them.

The Fifth Session of the UNCTAD was held at Manila from May 7-June 1, 1979. The groundwork for the UNCTAD-V was prepared by the Fourth Ministerial Meeting of the Group of 77 held at Arusha during February 12-16, 1979, by adopting a comprehensive programme of Economic Cooperation among Developing Countries (ECDC) known as the "Arusha Programme of Collective Self-Reliance"\textsuperscript{2} related to cooperation in the fields of trade, industrialization, food and agriculture, money and finance, raw materials, transport, insurance and communications. The three priority areas identified in the Programme were a) Global system of Trade Preferences, b) Cooperation among State Trade Organisations and c) Establishment of Multinational Marketing Enterprises.

The Participants expressed deep disappointment and grave concern that negotiations undertaken since the UNCTAD-IV in Nairobi had hardly yielded results and that no significant progress had been achieved in the implementation of

\textsuperscript{1} Ibid., p. 242.

\textsuperscript{2} Keesing's Contemporary Archives, October 19, 1979, p. 29887.
the programme of action on the establishment of NIEO, owing to the lack of political will on the part of the most developed countries. They expressed alarm at the disruptive impact which disorder in the international monetary system, global inflation and the high degree of instability in the exchange rate of major currencies had on the developing world. The group was of the opinion that decisions relating to trade, money and global economic policies in these spheres should be taken in a coordinated manner. A plan envisaged by the Group demanded, among other things, massive flow of funds to the developing countries through the proposed North-South global fund to enable the Third World to achieve the Lima target of 25 per cent share for the developing countries in the world industrial output by the year 2,000 A.D.¹

The UNCTAD-V ended its four-week session on June 2, with unresolved North-South differences on hard-core issues like global economic restructuring, protection, trade, monetary reform and resource flows. The Conference, however, took a few steps forward. It adopted a programme of economic cooperation among the developing countries aimed at collective self-reliance. At Manila, the Group of 77 presented a list of demands to the developed countries to ensure that by 2000 AD, they will have a 30 per cent share

of the world's trade in manufactured and semi-manufactured goods. The Conference reaffirmed the intention of all countries to resist protectionist pressures and urged the developed countries "to move towards the reduction and elimination of qualitative restrictions and measures having similar effect". and they agreed that the international community should facilitate structural adjustment to ensure optimum overall growth, including diversification of the economies of the developing countries and an effective of international division of labour involving both inter-industry and intra-industry specialization. This would enable the developing countries to secure an increase in their share in world trade in processed goods and in manufacturing.

The Sixth Summit Conference of Havana (1979) reiterated the Lusaka-Algiers-Colombo strategies, the Economic Declaration at the Havana asserted that any permanent solution to the problems of developing countries necessitated a radical restructuring of international economic relations through the establishment of the NIEO. The participants analysed the world economic situation and reiterated its grave concern over the negligible progress that had been made in the negotiations for implementation of the Declaration and Programme of Action on the establishment of the

NIEO adopted at the Sixth Special Session of the UN General Assembly owing to the lack of political will on the part of most of the developed countries and specifically condemned the dilatory, diversionary and divisive tactics adopted at by these countries aimed at retaining their privileges in their relations with the developing countries.

The Conference noted that "this attitude was evidenced in the recent failure to achieve results at the Fifth UNCTAD" and warned that in order to achieve concrete results in the negotiations these developed countries must demonstrate their political will to adopt policies of real and effective co-operation with the developing countries in order to pave the way for the emergence of relations based on justice and equity.1

Realizing the evolving role of the UNCTAD, the Non-Aligned countries reaffirmed their clear recognition of UNCTAD as the principal instrument of the General Assembly for international economic negotiations on international trade and related problems of economic development, particularly in the context of the negotiations on the establishment of the NIEO and its role as one of the major instruments of review and follow-up of international economic development. The participants reiterated that the "strengthening of the UNCTAD should be seen as one of key elements in

the ongoing process of the restructuring of the social and economic sectors of the United Nations" and urged "all countries to provide full support to the implementation of the resolutions adopted at the fifth UNCTAD on institutional issues with respect to the work of UNCTAD". The Conference emphasized the close inter-relationship between problems and issues in the areas of trade, development, money and finance and stressed the need to set up within the framework of UNCTAD, a global consultative mechanism which would ensure that policies of the developed countries in these areas are mutually consistent and supportive of the development process in the developing countries and also that their short term policies promote and do not obstruct or distort the restructuring of the international economy, conducive to the establishment of the NIEO. They urged the developed countries to reconsider their attitude in the matters submitted to the forthcoming session of the Trade and Development Board and thus facilitate international agreement on these critical issues.

The Conference called on the Non-Aligned and the other developing countries to learn from the repeated failure of the past negotiations and to adopt "new, more efficient measures and strong responses to the dilatory tactics and manoeuvres used to divide them". Specific issues to which

1. Ibid.
the declaration referred included the Integrated Commodity Programme and, in view of the forthcoming session of the negotiating Conference on the Common Fund, the declaration stressed the need for the announcement of voluntary contributions by member countries as well as for progress in negotiations on individual commodity agreements. The declaration also called inter alia for expansion of the Generalized system of preferences (GSP) and its extension beyond 1981, for the immediate implementation of the action programme in favour of the least developed countries as decided at UNCTAD-V, and for progress in the formulation of a new international development strategy for adoption in 1980 by the UN General Assembly Special Session on the Third International Development Decade.

The Conference noted with satisfaction the adoption of the Arusha Programme for Collective Self-Reliance and Framework for Negotiations by the Ministerial Meeting of the Group of 77, held in February 1979, as a valuable contribution to the promotion of economic cooperation among the developing countries.

Resolutions on economic issues included "Policy Guidelines for Reinforcing Collective Self-Reliance between Developing Countries", in which the Conference resolved that the Non-Aligned countries should 1) grant one another priority of supply for exportable primary products, 2) participate in joint production and processing projects and
3) organise collective research and development, especially in priority areas such as renewable energy sources and food production. This was a highly significant step, as, for the first time, Non-Aligned countries agreed to accord priority to each other of supplies and essential raw materials at official prices. Agreement was also reached in principle to work out arrangements regarding a global system of trade preferences and preferential treatment in regard to the flow of technology among developing countries.

The Summit adopted resolution on economic negotiations approved a proposal passed on by the co-ordinating Bureau calling for a round of sustained global negotiations on international economic co-operation to be launched within the UN framework with full participation by all states, providing an integrated approach to the major issues of raw materials, energy, trade, development, money and finance.

After the failure of the CIEC talks in Paris, and UNCTAD-V at Manila, once again the fresh efforts towards the restoration of the North-South Dialogue began with the Publication of Brandt Commission Report on February 1, 1980. The Report suggested "an emergency programme designed to meet the immediate needs of the developing countries in the next five years and long-term measures". The major aspects

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of this programme included a large scale transfer of resources to the developing countries from the developed countries as an international energy strategy; a global food programme and a start on some major reforms in the international economic system. The result was that a new round of global negotiations was to be launched beginning with a Conference of the Heads of State or Government of the leading countries of the World at Cancun, Mexico in 1981.

Twenty-two developed and developing countries assembled on October 22-23, 1981 at Cancun, to exchange views on ways to better the lot of the poorer Third World Countries. Mrs. Indira Gandhi participated in that Summit Conference as a leader of the Third World to impress upon the leaders of the developed nations the necessity of chalking out the following programmes:

1. To obtain a stable functioning of international markets of basic products supplying growing real revenue for exporting nations;

2. to organise the complete progress of a world economy based on the use of the most rapidly depletable sources of energy to another based in a progressive manner on new and renewable sources of energetics;

3. to promote a more balanced international pattern of industrial activities;
4. to regulate, in order to ensure their positive contribution to development, the growing diversified and complicated activities of the transnational corporation;

5. procedures to use in order to transfer technologies, truly fostering the industrialisation process of developing nations;

6. to rationalise international monetary transactions, overcoming disorder, uncertainty and adjustment processes necessitating sacrifice of development itself;

7. to transform international institutions constituted in the post-world war II period to bring them abreast of the economic realities of the past two decades.¹

In the light of the above-mentioned desired ends, the Cancun Summit was called into fill up the existing economic gap between the developed and the developing countries, Mrs. Gandhi emphasized the problems of the developing countries and said that it could be solved by cooperation rather than confrontation. To quote Mrs. Gandhi, "we all stand to benefit from the prosperity of our trading partners".² She stressed the need for a global negotiation in this regard and warned the Conference that it cannot be delayed any longer. In her words, "global negotiations do

¹ Dr. Roy, Gandhiji, The Non-Aligned Diplomacy of Mrs. Indira Gandhi, Janaki Prakashan, Delhi, 1983, pp.180-181

² The Times of India, October 25, 1981.
have urgency. We are not wedded to certain phases. We are more interested in the results and the substance." In this regard, the urgent problems of food, energy, and financial flows must be tackled immediately.

The Cancun Summit could not arrive at any concrete solution and came to the conclusion that global negotiations should be resumed at the United Nations forum. The developed countries, however, opposed the suggestion that for this purpose a new institution, an energy affiliate of the World Bank, be established. Thus, while there was consensus on the need for allocating additional resources for the Third World energy needs, no agreement could be reached on the form in which these resources should be channelled. The developed countries of the North have shown no willingness to increase their official assistance during the eighties to bring it closer to the target of one percent of the GNP which they had accepted decades ago. They were prices of commodities and raw materials which in most cases are their only sources of export earnings.

Before the Cancun Summit, the Havana Summit in 1979 adopted a resolution on 'Policy Guidelines for Reinforcing Collective Self-Reliance among Developing Countries'. It was followed by a meeting of the adhoc inter-governmental

1. Ibid.

group in Vienna in June 1980 at which a series of recommendations were made for Economic Cooperation among Developing Countries (ECDC) in the fields of trade, technology, food, energy, finance, industrialisation and raw materials.

The Group of 77 foreign ministers meeting in New York in September 1980 endorsed the recommendations of the intergovernmental group and agreed to convene a high-level meeting of the developing countries the following year: The high-level meeting of the Group of 77 held from May 13-19, 1981, at Caracas (Venezuela) adopted a comprehensive document known as "Caracas Programme of Action" (CPA) for designed to ensure integrated progress in the principal areas for economic cooperation.¹ For the first time the ECDC Programme of action also covered mechanisms for implementation, coordination and review.

The Caracas meeting was preceded by a meeting of the Foreign Ministers of Non-Aligned countries held in February 1981 in New Delhi. It decided that the Caracas high-level meeting should result in "Positive, action-oriented modalities, arrangements, programmes and projects of cooperation".² The meeting decided to set up five technical groups of experts in the fields of trade, energy, raw materials, finance, technology, industrialization and food

² The Hindu, February 15, 1981.
and agriculture. The groups met in Geneva, Vienna and Rome in March 1981 and submitted reports which were considered at a meeting of senior officials held in Vienna in April 1981. At this meeting while there was agreement on certain aspects of the ECDC like cooperation in trade, raw materials, industry, food and agriculture, there were some wide differences in the fields of energy and finance.

In a major initiative to break the deadlock over the global round of negotiations and to foster collective self-reliance among the countries in the South, Prime Minister Mrs. Indira Gandhi convened a three-day Conference in New Delhi on February 22-24, 1982 which was attended by 44 developing countries. The New Delhi Consultations emphasized the importance of South-South Cooperation, while the New Delhi Consultations with countries from Asia, Africa, Latin America and Yugoslavia in the Eastern Europe concentrated on global issues. These consultations were an important landmark in the evolution of South-South Cooperation.

The New Delhi Consultations inaugurated by Mrs. Gandhi, pointed out the main factors leading to the grave deterioration in the global economy such as mounting unemployment, high inflation and interest-rates increasing protectionism, worsening in terms of trade of many developing countries and of the climate of developmental aid
as well as debt burden of the developing countries.¹

The New Delhi Consultations covered issues including food, financial flows, trade and energy. The participants recommended the forthcoming UNCTAD-VI and the GATT Ministerial Meeting should be utilised optimally to secure agreements designed to promote an equitable pattern of trade relations, keeping in view the relevant targets and objectives set by the international community in this sphere, and the goals and objectives of the NIEO.

On opportunities and perspectives for South-South Cooperation, the participants felt that the success and adequacy of the efforts of the developing countries at forging links of Cooperation among themselves could be measured only by concrete implementation of the agreed programmes and decisions. While some progress has been made in this regard, a vast amount remained to be done.

The New Delhi Consultations ended on February 24 without reaching a consensus on a precise strategy on global negotiations. At the end of the three-day consultations, differences persisted on a common approach on the three controversial facets of the US position which virtually blocked the global negotiations. The participants also failed to reach an agreement on India's modest concrete

proposal for setting up a multilateral financing facility. They decided to remit the proposal to the "Group of 77" which would also review the search for common strategy on global negotiations.

However, no proposal for a summit or a higher political level meeting for evolving a common strategy on global negotiations was discussed at the Conference. The New Delhi Consultations called for "fresh vigour and new efforts to reach an agreement on the early launching of global negotiations". The final document expressed the hope that the exchange of views would "now enable the Group of 77 to discuss and negotiate effectively with the industrialized countries on the procedure agenda and time frame of global negotiations". The New Delhi Consultations were regarded as a positive and constructive contribution to the endeavours of the developing countries to bring about the NIEO and to the realisation of the ideal of one world.

A year later the New Delhi Summit Conference (1983) gave paramount importance to economic issues. The Non-Aligned countries expressed grave concern at the world economic crisis and its particularly adverse consequences for the developing countries. The Conference has decided on starting global negotiations on immediate measures. Though

1. Ibid., p.260.

disappointed by the response of the North (developed), the New Delhi Summit evolved positive and constructive formulations. In a two phased strategy on global negotiations it suggested that talks could be held on the issues in which no procedural difficulties were involved.

They expressed their firm conviction that global negotiations remained the most important and comprehensive endeavour of the international community for the restructuring of international economic relations, the accelerated development of the economies of the developing countries and for strengthening multilateral economic cooperation on the basis of mutual benefit. In their final declaration the Summit assessed the developments at the thirty-seventh UN General Assembly, particularly the extensive consultations carried out in the General Assembly. The responsibility for the failure to launch the global negotiations is due to the refusal of a few developed countries, in particular one major industrial country, to respond positively to the constructive suggestions made by the Group of 77 in July 1982.1

The participants reaffirmed their commitment to the early launching of the global negotiations and reiterated

their belief in the basic approach of the negotiations, namely a simultaneous, coherent and integrated treatment of the major issues confronting the global economy. They continued to be of the view that the successful conclusions of global negotiations would greatly assist in the realisation of the goals and objectives of the International Development Strategy for the Third United Nations Development Decade and made a significant stride towards the establishment of the NIEO. The Summit was of the view that the current global economic crisis has made it imperative and urgent for the major issues of the world economy to be considered in an integrated manner within the framework of global negotiations. It again appealed to the developed countries to respond positively and constructively to the efforts for the early launching of global negotiations.

The participants at the New Delhi Summit stressed the need for an effort towards greater South-South Cooperation. President Dr. Kenneth D. Kaunda of Zambia said that the developing countries were destined to play an increasingly decisive role. But this would only be so "if we continue to strengthen economic cooperation among ourselves". He further said "economic cooperation between us and the developed world was essential to our development. But economic cooperation among ourselves was a matter of life
and death.\textsuperscript{1}

The awareness was reflected in the economic declaration too as it said: "Economic cooperation among the developing countries is an important means for building up their collective self-reliance and for increasing their countervailing power in negotiations with the developed countries. The development of their own economic and political stability is a key element in the establishment of the NIEO".\textsuperscript{2} After a comprehensive review of the prevailing situation, the Conference noted that "the developed countries are not displaying adequate political will for undertaking an effective and meaningful programme of international economic cooperation".\textsuperscript{3} It therefore came to the conclusion that "the need to accelerate the pace of ECDC is even greater today. This would reduce the vulnerability of the Non-Aligned and other developing countries to economic and other pressures from developed countries".\textsuperscript{4}

The Summit laid down an action programme and rightly pointed out that the institutional infrastructure is of the utmost importance. It, therefore, recommended:

\textsuperscript{1} Mathur, Pradeep and Shrivastava, K.M., Non-Aligned Movement New Delhi and Beyond, Sterling Publishers Pvt. Ltd., New Delhi, 1984, pp.93-94.


\textsuperscript{3} Ibid.

\textsuperscript{4} Ibid.
a) Setting up of the Centre for Information and Transnational Corporations in Havana;

b) setting up of the Centre for Science and Technology in New Delhi;

c) putting into operation the Non-Aligned Solidarity Fund for economic and social development;

d) establishment of Project Development Facility; and

e) constitution of the Council of Producers' Associations.

The declaration emphasised the importance of the sub-regional, regional and inter-regional cooperation among the developing countries and called upon them to further promote and intensify it.

Further progress in ECDC would be promoted by undertaking the technical preparation and execution of joint projects and by providing requisite financing arrangements for the implementation of multilateral ECDC projects. The Conference considered that:

1. the Non-Aligned and other developing countries should expedite the consideration of the proposal on the "Project Development Mechanism for Techno-Economic Cooperation" with a view to its finalization by the Group of 77; and
2. the particular interest of the fact that the Group of 77 had undertaken a study on the feasibility of a bank for the developing countries and stressed the importance of financial cooperation among the Non-Aligned and other developing countries and the need to strengthen the existing financial institutions of the Non-Aligned and other developing countries.¹

The New Delhi Summit welcomed the efforts made by the Chairman of the Non-Aligned Movement and the Group of 77 to consider the ways and means of harmonising and coordinating the Non-Aligned Action Programme and the Caracas Programme of Action (CPA). It was reiterated that they should be harmonized and coordinated so that they reinforce each other. The Conference also took note of the recommendations of the Chairman of the Group of 77 and the Non-Aligned Movement, with regard to harmonisation and coordination of the two Action Programmes.

The most significant statement of the Seventh Summit was the one pertaining to the future direction which it gave to ECDC. "The Heads of State", the declaration affirmed, "were of the view that cooperation among the developing countries should be seen as the expression of the political will of these countries to achieve economic liberation and

¹. Ibid., pp.144-146.
to promote self-reliance. This implies an active involvement of all segments of the population in the Non-Aligned and other developing countries".¹ It is indeed this concept of self-reliance, involving as it does economic liberation from the forces of imperialism and neo-colonialism that holds key to the progress of the developing countries.

The Fifth Ministerial Meeting of the Group of 77 took place in Buenos Aires (Argentina) from March 28-April 9, 1983 in order to negotiate a common position in preparation for UNCTAD-VI. The meeting adopted 26 resolutions covering the agenda of UNCTAD-VI, and issued a special statement entitled the "Buenos Aires Message for Dialogue and Consensus" stressing the urgency of launching a concerted and sustained programme aimed at the reactivation of the world economy.

The message laid emphasis on the need to accelerate the development of the developing countries and stressed the dangerous implications of the current economic crisis of the international security. It declared the readiness of the Group of 77 "to go to Belgrade in a spirit of understanding and cooperation and to urge their colleagues responsible for foreign affairs and international economic relations from

advanced countries to bring the same attitude to bear on their participation in the Conference".1

The Sixth session of the UNCTAD that took place in Belgrade from June 6-July 3, 1983 was considered a historic opportunity to provide productive initiatives to subserve world economic recovery and development.

UNCTAD-VI stressed the importance of an early completion of the International Code of Conduct on the Transfer of Technology and strongly urged that the Advisory Section on the Transfer of Technology be provided with sufficient resources to enable it to perform its functions effectively, and expressed its firm condition that the technological transformation of the developing countries should be accelerated. On external debt and international monetary issues, the Conference invited the developed countries "to consider measures... to alleviate the debt service of the developing countries resulting from official and officially guaranteed loans"2, and called upon the developed countries to respond in a positive manner to requests from LDCs for an alleviation of their debt burden resulting from ODA loans. But unfortunately the conference thoroughly failed to achieve the aims of the developing countries, because of lack of cooperation from the developed

2. Ibid., p.33067.
countries. The Conference had spanned only some modest results in the key areas of trade, money, finance and commodities.

The Harare Summit Conference (1986) analysed the crisis of the world economic system not merely as a cyclical phenomenon but as a manifestation of deep structural disparities. The Conference expressed regret that there had been no significant progress towards the creation of NIEO. The leaders of the Non-Aligned countries reaffirmed that the Global Negotiations proposed by the Sixth Summit Conference and embodied in the framework of the UN General Assembly resolution 34/138 remained a comprehensive endeavour of the international community for the restructuring of international economic relations. The Summit emphasized that the UN General Assembly Resolution 3281 (XXIX) of December 1974, was an essential element in the achievement of the NIEO. The UN Resolution 40/185 was also supported and the Summit urged Non-Aligned and other developing countries, which had been subjected to coercion to furnish the Secretary-General of the UN with information needed for the preparation of the comprehensive study referred to in that UN resolution. The Summit supported the Annexure to the General Assembly resolution 35/86 on the International Development Strategy for the Third United Nations Development Decade of December
1980, as the strategy was helpful for the realisation of the objectives of NIEO.¹

The Conference recalled many important initiatives taken by the Non-Aligned Movement over the last quarter of a century for the restructuring of the world economic order. In this context, they noted with particular regret the lack of progress in the implementation of the constructive, practical and well balanced proposals put forward during the Seventh Summit for the relaunching of a genuine, effective and positive dialogue between the developed and the developing countries in the areas vital of the durable development in the international economy, especially in the economies of the developing countries.

One of the most important economic decisions of the Harare Summit was the establishment of a "Standing Ministerial Committee of Twenty-five Non-Aligned and developing countries for economic cooperation."² The Committee should review and adjust the policies and programmes of the Non-Aligned and developing countries and deal with crucial interdependent issues of money, finance, debts, trade and development. The second important decision was to invite the developed countries, in cooperation with


the Non-Aligned and developing countries and set up corresponding mechanisms which would assist negotiations and the advancement of North-South Cooperation with a view to promoting the development of the world economy and especially the economy of the developing countries always bearing in mind the obvious interdependence between those economies.

The context of North-South Cooperation includes preparations for the UNCTAD-VII in 1987, which should become and principal UN forum for economic negotiations among the Non-Aligned and other developing countries. All these moves are intended to revive multilateral cooperation which has more recently been virtually at a standstill due to the pressure and lack of understanding on the part of certain developed countries, for without such multilateral cooperation one cannot hope to resolve the current problems of the developing countries, nor can one expect their economies to develop on a long-term and objective basis.

As regards the proposed new GATT multilateral trade negotiations\(^1\) (the Uruguay Round, launched at a special GATT session in Punta del Este from September 15-20, 1986), the participants demanded full liberalization of trade in agricultural products, a halt to unfair competition arising from subsidized exports by developed countries, and an end to the developed countries' use of food products as

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instruments for putting political pressure on developing states. The declaration also contained a call for the early finalization of a code of conduct to regulate the activities of transnational corporations.

The Summit stressed the need for South-South Cooperation and welcomed the establishment of the "Independent Commission of the South on Development Issues"¹ under the chairmanship of the former Tanzania President Dr. Julius Nyerere. Also designated the "South-South Commission", the new body which would consist of twenty internationally known politicians and intellectuals acting independently from government as a "think tank" to identify the underlying causes of underdevelopment and to produce common strategies so that developing countries could combat poverty, hunger, illiteracy and economic stagnation.

The Harare Summit did not consider South-South Cooperation an alternative to North-South Cooperation, but a supplement to the unified process of cooperation and the functioning of an interdependent world economy in which the south cannot do without the North just as the North cannot do without the South.

The extraordinary Ministerial Conference of Non-Aligned countries on South-South Cooperation was held at Pyongyang, Democratic People's Republic of Korea, from 9-13 June, 1987.² The Conference considered appropriate measures to

speed up the implementation of the existing action programmes of the Non-Aligned and other developing countries and the future approaches and policies aimed at increasing cooperation. The Ministers reaffirmed their full and unwavering commitment to economic cooperation among the developing countries and the principle of collective self-reliance and stressed that the present world economic crisis hampers the development process of the developing countries, thus their possibilities for effectively strengthening South-South Cooperation.

They expressed the view that South-South Cooperation had attained a marked importance for the Non-Aligned and other developing countries insofar as it constitutes an endeavour for the achievement of collective self-reliance. They underlined the need for the restructuring of the present international monetary and financial system and for the early establishment of a system fully responsible to the diverse and constantly changing requirements of the world economy, especially to the needs of the developing countries.

The Conference, adopted a document known as "Pyongyang Declaration". The Declaration consisted of thirty-eight articles and a 'Plan of Action' which had two parts the

last part having twenty-eight articles. The Conference examined and evaluated the South-South Cooperation and the Ministers recognised the need to give new impetus to cooperation among the Non-Aligned and other developing countries and to adopt a new approach in order to make this cooperation more dynamic.

As a follow-up, the Seventh Session of the UNCTAD was held at Geneva from July 9-August 3, 1987. The groundwork for the UNCTAD-VII was prepared at the Sixth Ministerial Meeting of the Group of 77 held at Havana on April 20-26, 1987. The meeting agreed that the external debt of the Third World was unpayable and constituted an "obstacle for the forces of development" in the poorer countries as well as a "serious threat to democracy, social stability, peace and international security".¹

The UNCTAD-VII adopted a package of proposals to solve the crippling debt problem of the developing nations, halt protectionism in international trade and improve the economic and social conditions in the least developed countries. The broad consensus reached by the Conference participants on all major issues represented a victory for UNCTAD and a reaffirmation of the world community's faith in multilateralism at a time when there was a growing tendency to move towards bilateralism as remarked by an African delegate.

¹. Keeling's Record of World Events, June 1987, p.35230.
One of the most tangible achievements of the UNCTAD-VII was the agreement among the developed and developing nations on the integrated commodities programme which had never taken off after its launching in 1976. The document on commodities said that the setting up of the Integrated Commodity Programme at the UNCTAD-V in Nairobi had added a new dimension and scope to the work of international commodity agreement.¹

On the crucial issue of debt, the Conference maintained that an equitable, durable and mutually agreed solution would be reached only by an approach based on development within the framework of an integrated, cooperative, growth-oriented strategy that look into account the particular circumstances of each country. Perhaps for the first time in any Conference, its resolution on debt contained a definition of the multilateral debt strategy, and the industrial countries accepted that there is a shared responsibility. The participants from several Third World countries expressed satisfaction over the outcome of the UNCTAD-VII, saying that it was the best result they could achieve in the adverse climate that prevailed for North-South Cooperation.

The Belgrade Summit Conference (1989) was held during the unprecedented changes in the international political

¹. Keesing's Record of World Events, November 1987, p.35549
environment especially the new detente between USA and USSR and concentrated its attention on economic and environmental issues. The second detente was limited to only political issues. The Ninth Summit Declaration indicated that "A detente devoid of economic content is unlikely to endure". Natwar Singh, India's Minister of State for External Affairs, rightly remarked that "the spirit of detente does not yet extend to the economic areas, and has yet to be reflected in any moment towards a more equitable and broad based management of the global economy".\(^1\) The Summit Conference dealt with the usual economic problems - such as debt, development, finance and monetary issues, international trade and commodities, science and technology, food and agriculture and economic cooperation among the developing countries.

The Summit focussed on collective effort of the North and the South based on a mutuality of interests. The economic declaration elucidated that regular North-South consultations at the Summit level on international economic issues are essential for ensuring equitable and collective management of global interdependence. In this context, the resolution on world economy and international economic relations "welcomed the initiative on regular consultations

between the leaders of the North and the South on global economic and environmental issues, taken by the Presidents of Egypt, Senegal and Venezuela and the Prime Minister of India, in Paris in July 1989":\(^1\)

A significant achievement of the Belgrade Summit Conference in the context of the Uruguay Round of negotiations has been the adoption of a common position by the Non-Aligned countries in relation to the crucial issues such as the trade related intellectual property rights. The declaration of a joint approach to these negotiations is a major advance in the context of the Uruguay Round of negotiations. Calling upon the Non-Aligned states to "strengthen their mutual understanding and solidarity in the negotiating process of the Uruguay Round". The Summit urged the Non-Aligned and other developing countries to "coordinate constantly, to the greatest possible extent their positions on issues of common concern in order to protect their interests in world trade more effectively".\(^2\)

One of the major initiatives in the Belgrade Summit was the formation of a 15-member forum Non-Aligned and other

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developing countries,\(^1\) (on the proposal of the President of Peru, Alan, Garcia) to take measures to enhance South-South Cooperation and to open a dialogue with the developed countries of the North. This group would serve two purposes: as a forum for consultations among the developing countries so as to make the South take unified action against the North in multilateral negotiations like the GATT and as an instrument for formulating specific programmes of cooperation among the developing states, monitoring their implementation.

Environmental problems came into sharp focus in the Belgrade Summit Conference. The participants noted that the continuing deterioration of the environment was increasingly evident in the developing countries. They contended that such trends were a consequence of the widening gap in the development level between the North and the South and that poverty and the degradation of the environment were closely related. Environmental protection in the developing countries had to be viewed as an integral part of the development and could not be considered in isolation from it.\(^2\)


They stressed the need for the international community to consider with utmost seriousness the degradation of the global life-support systems, primarily the process of the pollution of water and air, depletion of the ozone layer, soil degradation, desertification and deforestation. The pressures brought to bear on these global systems by the prevalent patterns of production and consumption, especially in the developed countries make the current global trends unsustainable. If concerted measures were not taken to check these processes, in a few decades the world could be facing an ecological catastrophe. In this context, they stressed that the developed countries which bear the primary responsibility for the damage to the environment must bear the primary responsibility for the protection of the global environment which includes the provision of additional resources for the developing countries.

The Non-Aligned countries have been playing a catalytic and pivotal role in the field of international economic relations. The strengthening of economic cooperation among the developing countries is a primary objective of both the Non-Aligned Movement and the Group of 77. Intensified cooperation among the developing countries would not only contribute to the acceleration of development among the Third World countries but also strengthen their unity, bargaining strength and countervailing power in order to achieve the desired changes in the existing international economic system.
The United Nations Conference on Trade and Development (UNCTAD) was convened in 1964 following the Belgrade Summit Declaration of 1961. And a Conference on the Problems of Economic Development was held in Cairo in 1962. Since 1964 the Group of 77 or UNCTAD became the main organ of the Third World countries which negotiated with the developed countries for the establishment of new international economic system within the framework of UN. The UNCTAD-VII contributed only to a certain extent towards the economic cooperation among the developing and the developed countries. The first economic programme of action for Non-Aligned countries was adopted at the Cairo Summit in 1964. The Lusaka Summit (1970) introduced the concept of self-reliance and the Georgetown Ministerial Conference (1972) further elaborated it. The Algiers Summit launched an appeal for the establishment of the New International Economic Order and it was adopted at the Sixth Special Session of the UN General Assembly in 1974.

The Colombo Summit (1976) drew up a comprehensive programme of mutual cooperation for collective self-reliance and elaborated the concept of New International Economic Order but it could not be established. The Havana Summit (1979) called for launching global negotiations and elaborated the policy guidelines for collective self-reliance among Non-Aligned and other developing countries further. The biggest achievement of the New Delhi Summit
(1983) was the harmonization of the Non-Aligned Movement action programme and the Caracas programme of action and it stressed the need for efforts towards greater South-South Cooperation.

A significant decision taken at the Harare Summit (1986) in the area of economic development and cooperation was on the setting up of a 25 member Standing Ministerial Committee to formulate the position of the Non-Aligned Movement on North-South economic relationship and it gave a new impetus to South-South Cooperation. The Belgrade Summit (1989) constituted 15 member Third World Group. The objective of the group was to take measures to enhance South-South Cooperation and to open a dialogue with the developed countries. The Summit also approved the establishment of the Planet Protection Fund. Though many of the developed countries did not help the Non-Aligned and other developing countries as much as expected the Third World countries achieved economic cooperation among themselves to a large extent from the first Belgrade Summit Conference to the Ninth Belgrade Summit Conference. Economic cooperation among the nations contributes to world peace. Therefore, the Non-Aligned and other developing countries, by achieving economic cooperation to a great extent among themselves, have contributed to world peace.