

## **NEW INTERNATIONAL ECONOMIC ORDER**

- During the two world wars the whole world had great loss in men, money and material and created untold miseries. The third world countries were the worst sufferers in this game of war and peace especially related to economic miseries. Due to industrial development the rich nations were in a position to exploit their natural resources whereas the poor were incapable of doing that. Thus. there was a wide gap between the rich and the poor. The African and Asian nations were the worst sufferers. The rich nations were not concerned to improve the economic conditions of the poor and raise them above the poverty line.

### **Objectives of the New Economic Order**

It was very much realized by the rich nations and the world bodies that a new economic order was required to reduce the gap between the rich and the poor nations to create stability in the world. Therefore in May 1974, the UN General Assembly initiated the establishment of a new economic order to reduce the inequalities. The Charter of Economic Rights and Duties of states, spirit of new international economic order was clarified and the main objectives were specified as follows:

1. Achievement of more rational and equitable international economic relations;
2. Encouragement of structural changes in world economy.
3. Creation of conditions inductive for further expansion of trade
4. Intensification of trade and economic cooperation among nations.
5. Strengthening of economic independence of developing nations
6. Establishment and promotion of international economic relations.
7. Bringing fundamental changes in trade market, international monetary system and transfer of technology in favour of nations and
8. Ensuring just distribution of world economic resources.

### **Need for New International Economic Order**

There was a great need for new economic order to bring about economic independence along with political independence for all nation so that every nation should have at least minimum living standard. would ensure that the world could remain safe. Therefore, it stressed that the new economic order was the only hope of the world for better future.

### **Methods of Achieving Objectives**

1. In order to bridge the gap between the rich and the poor nation\* the affluent nations need to come forward and channelize all aid to these nations in a constructive manner. They could transfer technology and technical and also provide machinery and equipment to help them in Industrialization.
2. These nations could regulate their trade with poor nations that the adverse balance of trade of these nations could come to the minimum and improve to a favourable balance of trade.

- 3.Poor nations could be helped in achieving self-sufficiency food grains through the use of latest agricultural equipment's
- 4.Agreements could be entered into between rich and poor countries assuring them of continued co-operation in converting their raw material into finished products.
- 5.Sharing development expertise contributing part of their total production to the developing countries goes a long way in changing the economic system of the poor countries.
- 6.Old debts of poor nations should be written off and liberal loans on long term basis should be advanced to the poor nations to enable them to achieve economic progress.
- 7.Affluent nations should willingly allow developing nations to use their patents since the developing nations have control over 95% of whole industry.

#### **Difficulties in achieving the objectives**

1. The first difficulty in establishing new economic order is that the developed nations are not prepared to make sacrifices for the sake of developing countries. Thus, the developing countries are starving, the developed nations are spending heavily in armed race and space control. Food is rolling in some countries whereas it is not made available to starving nations. There are innumerable difficulties in the new international economic order which are as follows:
  - a) Developing nations have social and economic problems apart from political problems. These problems are not solved by developed nations but exploited by them.
  - b) Developing nations are dependent on developed nations for the technical know-how and also to implement the new international economic order. Such a dependence makes them vulnerable.
  - c) Even after the establishment of international bodies to establish new economic order, the developing nations are not given any authority in decision making process.
  - d) The developing nations are vulnerable to exploitation by the developed nations as they are technologically weak and dependent on other nations for their progress.
  - e) Rich Nations do not have the desire to make the poor nations self sufficient

#### **New International Economic Order (NIEO) and The United Nations**

New International Economic Order (NIEO) was promulgated the united Nations Declaration in 1974. It was the most widely discussed transnational governance reform initiative of the 1970s. Its basic objective was to transform the governance of the global eco to redirect more of the benefits of transnational integration towards the developing nations". This was meant to create a democratic global order of sovereign status.

#### **Features or New International Economic Order:**

NIEO declaration called for,

- An absolute right of states to control the marketing of natural resources.
- The establishment and recognition of state managed resources cartels to stabilize commodity prices.
- The regulation of transnational corporations
- No strings attached technology transfers from north to south
- The granting of preferential trade preferences to countries in the south and
- The forgiveness of certain debts that states owed to the north.

The NIEO today is almost forgotten but the spirit of the NIEO continues to haunt International relations. The idea to reconsider the history of NIEO occurred in the wake of 2007- 08 global financial crisis. It is time to really appreciate the seriousness with which the NIEO was regarded in its time which can help us to reopen the possibilities space of contemporary geopolitics.