

The Objectives of the New International Economic Order

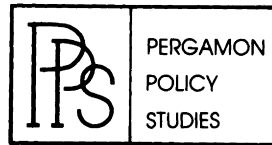
Ervin Laszlo
Robert Baker, Jr.
Elliott Eisenberg
Venkata Raman



The Objectives of the New International Economic Order

Pergamon Titles of Related Interest

- Brown - DISASTER PREPAREDNESS AND THE UNITED NATIONS:
Advanced Planning for Disaster Relief**
- Demir - ARAB DEVELOPMENT FUNDS IN THE MIDDLE EAST**
- Godet - A NEW APPROACH TO FORECASTING: Prospective
Methods and Case Studies of Energy and Air Transport**
- Laszlo - GOALS IN A GLOBAL COMMUNITY: Volume I -
Studies on the Conceptual Foundations**
- Laszlo - GOALS IN A GLOBAL COMMUNITY: Volume II -
The International Values and Goals Studies**
- Laszlo - THE INNER LIMITS: Heretical Reflections on the
Predicament of Mankind**
- Renninger - MULTINATIONAL COOPERATION FOR DEVELOPMENT
IN WEST AFRICA**



The Objectives of the New International Economic Order

Ervin Laszlo
Robert Baker, Jr.
Elliott Eisenberg
Venkata Raman

Published for UNITAR

Pergamon Press

NEW YORK • TORONTO • OXFORD • SYDNEY • FRANKFURT • PARIS

Pergamon Press Offices:

U.S.A.	Pergamon Press Inc., Maxwell House, Fairview Park, Elmsford, New York 10523, U.S.A.
U.K.	Pergamon Press Ltd., Headington Hill Hall, Oxford OX3 0BW, England
CANADA	Pergamon of Canada, Ltd., 75 The East Mall, Toronto, Ontario M8Z 5W3, Canada
AUSTRALIA	Pergamon Press (Aust) Pty. Ltd., 19a Boundary Street, Rushcutters Bay, N.S.W. 2011, Australia
FRANCE	Pergamon Press SARL, 24 rue des Ecoles, 75240 Paris, Cedex 05, France
FEDERAL REPUBLIC OF GERMANY	Pergamon Press GmbH, 6242 Kronberg/Taunus, Pferdstasse 1, West Germany

Copyright © 1978 UNITAR

Third Printing, 1981

Library of Congress Cataloging in Publication Data

Laszlo, Ervin, 1932—

The objectives of the new international economic order.

(Pergamon policy studies)

Bibliography: p.

Includes index.

1. International economic relations. I. Title.

HF1411.L364 1978

382.1

78-14766

ISBN 0-08-023697-9

All Rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means: electronic, electrostatic, magnetic tape, mechanical, photocopying, recording or otherwise, without permission in writing from the publishers.

Printed in the United States of America

Contents

PREFACE	xi
INTRODUCTION	xv
A NOTE ON METHODOLOGY	xxvii
ACKNOWLEDGEMENTS	xxix

25 KEY ISSUES OF THE WORLD ECONOMY IN THE CONTEXT OF THE NIEO

PART I

THE OBJECTIVES OF THE NEW ECONOMIC ORDER CONCERNING 25 KEY ISSUES OF THE WORLD ECONOMY

CHAPTER 1 - AID AND ASSISTANCE ISSUES

1.	Attaining United Nations Official Development Assistance Targets	3
2.	Providing Technical Assistance for Development and Eliminating the Brain Drain	6
3.	Renegotiating the Debts of Developing Countries	11
4.	Undertaking Special Measures to Assist Land-Locked, Least-Developed and Island Developing Countries	18
5.	Using Funds from Disarmament for Development	29

CHAPTER 2 - INTERNATIONAL TRADE ISSUES

6.	Improving the Terms and Conditions of Trade of Developing Countries: Tariff and Non-Tariff Barriers, GSP, Duties and Taxes on Imports, Invisible Trade	31
----	--	----

7.	Adopting an Integrated Approach to Commodities: The Integrated Programme, Buffer Stocks, Producers' Associations, Indexation	45
8.	Developing an International Food Programme	65
9.	Adjusting the Economic Policies of Developed Countries to Facilitate the Expansion and Diversification of the Exports of Developing Countries	82
10.	Improving and Intensifying Trade Relations Between Countries Having Different Social and Economic Systems	85
11.	Strengthening Economic and Technical Cooperation Among Developing Countries	90

CHAPTER 3 - INTERNATIONAL FINANCIAL ISSUES

12.	Reforming the International Monetary System: Using Special Drawing Rights for Development Assistance and as the Central Reserve Asset of the International Monetary System, Promoting Stable Rates of Exchange and Protection from the Effects of Inflation	104
13.	Assuring Adequate Participation by Developing Countries in World Bank and IMF Decision Making	110
14.	Increasing the Transfer of Resources through the World Bank and IMF	112

CHAPTER 4 - ISSUES OF INDUSTRIALIZATION, TECHNOLOGY TRANSFER AND BUSINESS PRACTICES

15.	Negotiating the Redeployment of Industrial Productive Capacities to Developing Countries	120
16.	Establishing Mechanisms for the Transfer of Technology to Developing Countries	124
17.	Regulating and Supervising the Activities of Transnational Enterprises and Eliminating Restrictive Business Practices	134
18.	Improving the Competitiveness of Natural Resources and Ending their Waste	143
19.	Providing Equitable Access to the Resources of the Seabed and the Ocean Floor	146

CHAPTER 5 - SOCIAL ISSUES

20.	Achieving a More Equitable Distribution of Income and Raising the Level of Employment	150
21.	Providing Health Services, Education, Higher Cultural Standards and Qualification for the Work Force, and Assuring the Well-being of Children and the Integration of Women in Development	153

CHAPTER 6 - POLITICAL AND INSTITUTIONAL ISSUES

22.	Assuring the Economic Sovereignty of States: Natural Resources, Foreign Property, Choice of Economic System	159
23.	Compensating for Adverse Effects on the Resources of States, Territories and People of Foreign Occupation, Alien and Colonial Domination or <u>Apartheid</u>	168
24.	Establishing a System of Consultations at Global, Regional and Sectoral Levels with the Aim of Promoting Industrial Development	171
25.	Restructuring the Economic and Social Sections of the United Nations	176

PART II

THE POSITION OF SOME STATES AND GROUPS OF STATES ON THE ISSUES

CHAPTER 7 - AID AND ASSISTANCE ISSUES

1.	Attaining United Nations Official Development Assistance Targets	189
2.	Providing Technical Assistance for Development and Eliminating the Brain Drain	189
3.	Renegotiating the Debts of Developing Countries	199
4.	Undertaking Special Measures to Assist Land-Locked, Least-Developed and Island Developing Countries	199
5.	Using Funds from Disarmament for Development	203

CHAPTER 8 - INTERNATIONAL TRADE ISSUES

6.	Improving the Terms and Conditions of Trade of Developing Countries: Tariff and Non-Tariff Barriers, GSP, Duties and Taxes on Imports, Invisible Trade	204
7.	Adopting an Integrated Approach to Commodities: The Integrated Programme, Buffer Stocks, Producers' Associations, Indexation	214
8.	Developing an International Food Program	218
9.	Adjusting the Economic Policies of Developed Countries to Facilitate the Expansion and Diversification of the Exports of Developing Countries	220
10.	Improving and Intensifying Trade Relations Between Countries Having Different Social and Economic Systems	223
11.	Strengthening Economic and Technical Cooperation Among Developing Countries	223

CHAPTER 9 - INTERNATIONAL FINANCIAL ISSUES

- | | | |
|-----|---|-----|
| 12. | Reforming the International Monetary System: Using Special Drawing Rights for Development Assistance and as the Central Reserve Asset of the International Monetary System, Promoting Stable Rates of Exchange and Protection from the Effects of Inflation | 226 |
| 13. | Assuring Adequate Participation by Developing Countries in World Bank and IMF Decision Making | 226 |
| 14. | Increasing the Transfer of Resources through the World Bank and IMF | 230 |

CHAPTER 10 - ISSUES OF INDUSTRIALIZATION, TECHNOLOGY TRANSFER AND BUSINESS PRACTICES

- | | | |
|-----|---|-----|
| 15. | Negotiating the Redeployment of Industrial Productive Capacities to Developing Countries | 234 |
| 16. | Establishing Mechanisms for the Transfer of Technology to Developing Countries | 234 |
| 17. | Regulating and Supervising the Activities of Transnational Enterprises and Eliminating Restrictive Business Practices | 234 |
| 18. | Improving the Competitiveness of Natural Resources and Ending their Waste | 234 |
| 19. | Providing Equitable Access to the Resources of the Seabed and the Ocean Floor | 234 |

CHAPTER 11 - SOCIAL ISSUES

- | | | |
|-----|---|-----|
| 20. | Achieving a More Equitable Distribution of Income and Raising the Level of Employment | 238 |
| 21. | Providing Health Services, Education, Higher Cultural Standards and Qualification for the Work Force, and Assuring the Well-being of Children and the Integration of Women in Development | 238 |

CHAPTER 12 - POLITICAL AND INSTITUTIONAL ISSUES

- | | | |
|-----|--|-----|
| 22. | Assuring the Economic Sovereignty of States: Natural Resources, Foreign Property, Choice of Economic System | 243 |
| 23. | Compensating for Adverse Effects on the Resources of States, Territories and People of Foreign Occupation, Alien and Colonial Domination or <u>Apartheid</u> | 243 |
| 24. | Establishing a System of Consultations at Global, Regional and Sectoral Levels with the Aim of Promoting Industrial Development | 244 |
| 25. | Restructuring the Economic and Social Sections of the United Nations | 244 |

CONTENTS	ix
CHAPTER 13 - LIST OF DOCUMENT SOURCES	245
INDEX	251
ABOUT THE AUTHORS	257

This page intentionally left blank

Preface

One of the most significant developments of recent years in the United Nations has been the growth of concern and activity on issues related to social and economic development. An organization primarily committed to political and security issues above all, the United Nations has now evolved into a world system intently devoted to assuring the equitable development of the world's peoples.

This evolution is reflected in the conferences, special sessions, seminars, resolutions, declarations and studies devoted to questions of development. Especially during the course of the Second United Nations Development Decade, the attention of the international community was focused as never before on the problems of development. The Sixth and Seventh Special Sessions of the General Assembly were pathbreaking events, producing historic documents. The idea of a New International Economic Order came to the United Nations through them, and found, if not universal approval on all points, at least a universally serious reception. The Programme of Action on the Establishment of a New International Economic Order (Resolution 3202 (S-VI)) broke ground in the active search for a new system of economic relationships that would provide improved opportunities for the world's millions, indeed billions, who now live on the margins of absolute poverty, and for over one hundred Member States having serious economic difficulties and otherwise somber future prospects.

The need for the New International Economic Order - NIEO for short - is real and urgent. As many as 40 per cent of the world's growing population bear an existence of deprivation, undernourishment or inadequately balanced diet, poor sanitary conditions, substandard housing, insufficient or nonexistent employment opportunities, polluted environment, inadequate or nonexistent health and social services. Yet our planet earth is rich enough to feed not only the present four billion human beings, but twice as much and more. Mankind however does not use the planet's resources rationally and equitably. Precious food-stuff and raw materials are wasted, others left unexploited, and most are imperfectly distributed among the populations. There may not have been any epoch in human history hallmarked by perfect justice and

rationality, but, today, the scale of both human errors and accomplishments has grown vast, and the relationship between policies and decisions has grown close. Today, the world community must create a new order extending to all people and all societies, since mismanagement and error, even if unintentional, in one sector or in one country, have great and often grave repercussions in other countries, however far removed. The fate of hundreds of millions and more therefore hangs in the balance.

It is unlikely that there is any single recipe for transforming the historically haphazard conditions that emerged in the world community into an order that is just, equitable and humane. But even the longest journey starts with the first step, and the first step in creating a more balanced world economy is in correcting the structural imbalances that currently beset it. These are inheritances of times when the majority of humanity was under the domination of a handful of colonial powers, and when the scale of technologies of production and consumption was incomparably smaller. Today, these imbalances threaten human lives and the development of societies. Whereas there is much that still needs to be done on every level, from the village, through the regional to the national, key decisions must now be faced also on the international level. This is the task before the community of the United Nations. Here falls the responsibility for proposing the outlines of a new world economic system, with fairer conditions of trade, fairer distribution of production, fairer access to food and all varieties of manufactures, and fairer opportunities for rewarding and life-sustaining employment. Although these conditions cannot be attained solely by means of international decisions and agreements, they very clearly cannot be attained without them. Thus the international community cannot afford to delegate responsibility elsewhere, but must itself act expeditiously and wisely.

The present volume is a contribution to the works of the United Nations system in assessing the implementation of measures agreed upon in recent years, and, in so doing, deliberating upon measures to be taken in years to come. It is the first of a series of publications to issue from the major international research project undertaken by UNITAR in collaboration with the Center for the Economic and Social Study of the Third World (CESSTW) in Mexico. The project, "Progress toward the Establishment of the New International Economic Order: Obstacles and Opportunities" is under the direction of Professor Ervin Laszlo, a UNITAR Special Fellow. The work now being carried on by him, his staff and their collaborators (including a world-wide research network currently engaged in the production of some sixty studies covering almost all aspects of the NIEO) is dedicated to enhancing the effectiveness of the United Nations in achieving its major objectives in the area of international economic development.

This first volume has a specific purpose, both in the context of the UNITAR-CESSTW project and in that of current United Nations activities in the sphere of the NIEO. It gives a concise summary of the significant work, of often unsuspectedly large volume, that has already been carried out by the United Nations and its various organs, agencies and programmes, in proposing, specifying and developing the basic principles of a new economic order. The accumulated experience and expertise of the past several years, especially

those that have elapsed since the Sixth and Seventh Special Session and the adoption of the Charter of Economic Rights and Duties of States in the mid-seventies, are fully requisite for examination and study in the next two years, as the international community prepares for the next Special Session to be held in 1980, on assessing progress in the establishment of the NIEO. The record of this experience and expertise was scattered among many individuals, the United Nations and other international bodies. There was a great need for it to be brought together and systematically catalogued under the heading of specific issues and objectives. This is what has been attempted in this volume.

The systematic overview of the state of the art in negotiations and agreements in the area of the NIEO is completed here through a review of some current national and regional positions on the key issues, as they were expressed in position papers submitted to the Committee of the Whole established under General Assembly Resolution 32/174 in May 1978. This permits all those who are involved with an assessment of the progress necessary for the establishment of the NIEO to form an accurate conception of international decisions, agreements and studies, as well as one of the current positions of some States and groups of States, in the issue areas that make up the subject matter of the NIEO. It is particularly to be hoped that members of the Committee of the Whole, entrusted with the major task of assessing progress and preparing the 1980 Special Session, will find this volume of value in their continuing deliberations.

The international project led by Professor Laszlo at UNITAR places this study at the disposal of the international community in the framework of our ongoing efforts to enhance the effectiveness of the Organization through informative and objective studies on the topics of major interest to the international community.

Davidson Nicol
Executive Director

This page intentionally left blank