The New International Economic Order: Confrontation or Cooperation between North and South?
The New International Economic Order

Confrontation or Cooperation between North and South?

edited by Karl P. Sauvant and Hajo Hasenpflug

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In the face of the continuing economic gap between the industrialized and the developing countries, the Third World began to demand a reorganiza-
tion of the international economic system—its mechanisms, organizations, purposes—that would make the system responsive to the needs of all of its members. The United Nations’ Sixth Special Session in 1974 made this demand a priority item on the international agenda, and since then, the establishment of the New International Economic Order (NIEO) has been pursued in a series of international conferences by increasingly organized and increasingly assertive Third World nations. In this book, Karl Sauvant and Hajo Hasenpflug have drawn together material relevant to the key areas of the NIEO, documenting the present structure of the international economic system in these areas and presenting the main proposals aimed at the establishment of the NIEO.

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Preface

Between 1952 and 1972, the per capita real income in developed market economies increased from approximately $2,000 to $4,000 (at 1973 prices). During the same period, the per capita real income in developing countries rose from about $175 to a mere $300. Thus, in an era of unprecedented prosperity for the industrialized countries, the developing countries as a group did not improve their relative position; for many of them, in fact, it actually deteriorated. Acute poverty, chronic unemployment, and endemic undernourishment continued or even worsened in most Third World countries, while their economic dependence on the metropolitan countries increased and was even extended into new areas.

In the face of this situation, the developing countries could not but conclude that the present international economic system, in all its dimensions, is biased against them—that it is geared primarily toward increasing the comfort of the developed countries and not to the fulfillment of the basic needs of the developing ones. Obviously, the purposes, mechanisms, and structures of the present international economic system would have to be changed if they were to serve the interests of all its members. This is the objective of the New International Economic Order (NIEO).

The Sixth Special Session of the United Nations (UN) General Assembly (1974)—the first ever devoted exclusively to economic problems—noted the recognition of the need for change by the international community as a whole. The establishment of the New International Economic Order has since been vigorously pursued by increasingly organized and increasingly assertive Third World governments, as witnessed by the series of conferences that followed the Sixth Special Session.

The main objective of this volume is to review a number of important issues related to the New International Economic Order and, especially, to present, explore, and discuss various proposals and strategies aimed at its establishment. In the interest of facilitating an appreciation of the urgency of these proposals and strategies, and of the rationale underlying them, they will be related to the existing situation in the main areas of North-South relationship. If this book contributes to greater clarity in the discussion of the New International Economic Order, if it leads to a greater understanding of the position of the developing countries, and if it stimulates discussion
of other measures aimed at improving the situation of the Third World, it will more than fulfill its purpose.

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