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DECOLONIZATION AND NEW INTERNATIONAL ECONOMIC ORDER

Abstract

The New International Economic Order (NIEO) was a set of proposals for restructuring the global economy, put forward by developing countries in the 1970s. The NIEO was a response to the perceived injustices of the existing economic order, which was dominated by developed countries and multinational corporations.

The NIEO called for a more equitable distribution of wealth and resources between developed and developing countries, and for greater control by developing countries over their own natural resources and economic policies. It proposed measures such as commodity price stabilization, debt relief, technology transfer, and greater representation for developing countries in international economic institutions.

However, the NIEO was ultimately unsuccessful in achieving its goals. Developed countries and multinational corporations were opposed to many of the proposed reforms, and were able to block or water down many of them in international negotiations. Nonetheless, the NIEO remains an important historical example of the efforts of developing countries to challenge the existing global economic order and to promote a more equitable distribution of resources and power.

Keywords: *international economic law, New International Economic Order, decolonization, developing countries, developed countries*

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Dekolonizasiya və Yeni Beynəlxalq İqtisadi Nizam

Xülasə

Yeni Beynəlxalq İqtisadi Nizamnaməs 1970-ci illərdə inkişaf edən ölkələr tərəfindən dünya iqtisadiyyatının yenidən qurulması üçün edilən təklif idi. Yeni Beynəlxalq İqtisadi Nizamnaməs mövcud iqtisadi nizamda var olan zülmünə cavab olaraq yaradıldı ki, bu nizam inkişaf etmiş ölkələr və beynəlxalq şirkətlər tərəfindən nəzarət olunur. Yeni Beynəlxalq İqtisadi Nizamnaməsi inkişaf etmiş və inkişaf edən ölkələr arasında daha ədalətli bir mənəfəət və resursların təqsim edilməsi və inkişaf edən ölkələrin öz təbii resursları və iqtisadi siyasəti üzərində daha çox nəzarət sahibi olması üçün çağırış edirdi.

Bu, qiymətlərinin sabitləşdirilməsi, borcun silinməsi, texnologiyaların köçürülməsi və inkişaf etmiş ölkələrin beynəlxalq iqtisadi institutlarda daha çox təmsil edilməsi kimi tədbirləri təklif edirdi.

Lakin, Yeni Beynəlxalq İqtisadi Nizamnaməsi nəticədə öz məqsədlərinə çatmaqda uğursuz oldu. İnkişaf etmiş ölkələr və çoxmillətli şirkətlər təklif edilən bir çox reformlara qarşı çıxdılar və beynəlxalq danışıqlarda bir çoxunu bloklaşdırdılar və ya zəiflətdilər.

Açar sözlər: *beynəlxalq iqtisadi hüquq, Yeni Beynəlxalq İqtisadi Nizamnamə, dekolonizasiya, inkişaf etməkdə olan ölkələr, inkişaf etmiş ölkələr*

Introduction

Decolonization refers to the process of dismantling colonial systems and practices in formerly colonized regions or countries. It typically involves the withdrawal of colonial powers and the establishment of new independent governments and institutions in the formerly colonized territories.

Decolonization often involves a variety of political, economic, social, and cultural changes aimed at undoing the legacy of colonialism, such as addressing issues related to land ownership, indigenous rights, language, and education. It can also involve a re-evaluation of cultural values and traditions in order to promote greater diversity and inclusivity (Gardner, Richard, 1980: 350). Decolonization has been a major global trend since the mid-20th century, with many countries gaining independence from colonial powers in the years following World War II. However, the ongoing effects of colonialism and imperialism are still felt in many parts of the world today, and decolonization efforts continue in various forms. In recent years, there has been a renewed focus on decolonization in various fields, such as education, literature, and art, with an emphasis on challenging Eurocentric perspectives and centering marginalized voices. This process involves rethinking traditional power structures and historical narratives, and engaging in a critical examination of the ways in which colonialism has shaped our world (Kindleberger, Charles, 1984: 425).

The NIEO, which stands for New International Economic Order, was a political process that aimed to achieve the liberation of developing nations and the end of colonialism. Its goal was to establish a fair and democratic global system that benefits everyone. The idea of the NIEO was first proposed at the Algiers Conference in 1973 by non-aligned countries. The UN responded by creating the Declaration and Programme of Action on the Establishment of a NIEO, which was unanimously accepted by the UN General Assembly on May 1, 1974. In this resolution, UN members declared their determination to work towards a NIEO that is based on equality, interdependence, common interest, and cooperation among all states, regardless of their economic and social systems (Skidelsky, Robert, 2001: 540).

The New International Economic Order (NIEO) was a set of proposals put forth by developing countries in the 1970s, aimed at reforming the global economic system to address the unequal distribution of wealth and power between developed and developing countries (Truman, Edwin, 1947: 145).

The NIEO Declaration centered around various fundamental principles, including: a) the principle that states have the right to choose their own economic and social systems on the basis of equal sovereignty; b) the idea of equal participation of developing countries in international economic relations; c) the promotion of common interests and cooperation among all states, regardless of their economic and social systems; d) the establishment of fair and equitable relationships between the prices of raw materials, primary commodities, and goods exported by developing countries, and goods imported by them, including technology transfers from North to South without any conditions; e) the principle of permanent sovereignty over natural resources and economic activities, which grants states an absolute right to control the extraction and marketing of their domestic natural resources, free from external coercion; f) the preference for giving least developed countries (LDCs) non-reciprocal and preferential treatment whenever possible; g) the right to nationalize foreign property and regulate the activities of transnational corporations (TCs); h) the creation and recognition of state-managed resource cartels to stabilize and raise commodity prices; i) the forgiveness of certain debts of South states; j) the entitlement of LDCs to development assistance, as well as the transfer of financial resources and technology (Warburton, Clark, 1920: 120).

At the time, developing countries were experiencing high levels of debt, inflation, and unemployment, and felt that the existing international economic system, which was dominated by developed countries, was exacerbating these problems. The New International Economic Order sought to address this by advocating for a more equitable distribution of wealth and power,

including measures such as increased aid and technology transfer, fairer terms of trade, and greater control over natural resources (Yergin, Daniel, and Joseph Stanislaw, 2002: 250).

Despite its failure, the New International Economic Order represented an important moment in the history of international economic relations, and helped to highlight the unequal distribution of power and wealth that continues to characterize the global economic system today (Frantz Fanon, 2005: 300).

The New International Economic Order negotiations were not significantly different from other negotiations taking place at the same time. Several of the distinguishing elements of talks were absent from international discussions of trade, the law of the sea, the revision of the Geneva Conventions on the use of weapons in warfare, and the establishment of environmental standards. Although some concerns leading to treaties, many others were not legally settled. Although while modern international discussions do not result in formal resolutions of conflicts, they may be more effective at lowering uncertainties about the international system. Instead of exchanging compromises to reach specific agreements, they frequently include the search for workable alternatives and the formation of shared viewpoints. There are several and varied explanations for this. Because of the diversity of parties, the amount of problems up for discussion, and the difficulty of finding compromises in a globally interdependent economy, international negotiations, like those over the NIEO, are frequently complicated (Frantz Fanon, 2008: 150). There will unavoidably be a variety of caucusing groupings, each of which will have varying degrees of success in forging a consensus among the group due to the sheer number of nations taking part in negotiations of such a global extent. Sometimes, the politics of unity diminish the flexibility of individual delegations, as in the case of the Group of 77, the caucus of the developing countries, or as in the case of the European Communities (Jeffrey, 1977).

The New International Economic Order agenda aimed to improve the economic position of developing countries through various interconnected proposals. These proposals included giving developing states the absolute right to control their natural resources, establishing state-managed resource cartels to stabilize commodity prices, regulating transnational corporations, facilitating technology transfers from developed to developing countries without conditions, granting preferential trade preferences to southern countries, and forgiving certain debts owed by southern states to northern ones. These proposals were intended to assert the economic sovereignty of postcolonial states. The intellectual origins of these ideas can be traced back to the work of Raúl Prebisch, an Argentine economist who believed that without regulatory intervention, the terms of trade between primary commodity producers and manufacturers would deteriorate over time. Prebisch served as the head of the Economic Commission for Latin America and the founding secretary general at the United Nations Conference on Trade and Development. The Singer-Prebisch thesis not only criticized the historical economic subordination of colonies to imperial powers as primary producers but also suggested a way forward (Elias, Taslim, 1983: 150). The management of international trade was necessary to prevent the deterioration of terms of trade, and the north needed to provide capital, technology, and expertise to enable the south to develop its own industrial base. This thesis formed the basis of dependency theory and world systems theory, and it supported import substitution industrialization strategies and the demands of the NIEO. UNCTAD, led by Prebisch, promoted the NIEO's economic claims. The dissolution of the Bretton Woods fixed exchange rate regime and the Arab-led oil embargo and price spike of 1973 were crucial events for the NIEO. These events had practical implications for the world economy, but they were also important psychologically because they demonstrated that the structures underpinning the world economy could shift abruptly. The Singer-Prebisch thesis not only criticized the historical economic subordination of colonies to imperial powers as primary producers but also suggested a way forward. The management of international trade was necessary to prevent the deterioration of terms of trade, and the north needed to provide capital, technology, and expertise to enable the south to develop its own industrial base. This thesis formed the basis of dependency theory and world systems theory, and it supported import substitution industrialization strategies and the demands of

the New International Economic Order. UNCTAD, led by Prebisch, promoted the NIEO's economic claims. The dissolution of the Bretton Woods fixed exchange rate regime and the Arab-led oil embargo and price spike of 1973 were crucial events for the New International Economic Order. New International Economic Order These events had practical implications for the world economy, but they were also important psychologically because they demonstrated that the structures underpinning the world economy could shift abruptly. On the contrary, the success of OPEC in increasing and maintaining high oil prices not only provided hope that unity among primary producers could change the terms of global trade, but also alleviated concerns among many in the southern hemisphere about potential military or financial retaliation from the north (Steil, Benn, 2013: 125). These occurrences made the economic aspirations of the New International Economic Order, which had previously seemed unachievable, suddenly seem possible. Even countries in the south that imported oil and suffered material losses could find political encouragement from the situation. During a meeting in Algiers in February 1975, focused on developing an "action plan" for the NIEO, the G-77 nations committed to increasing their share of the world economy from 7 % to 25 %, with attendees from oil-producing countries pledging to provide financial support as long as the West also contributed. This achievement made once-impossible goals within reach for NIEO proponents. However, the NIEO's economic vision included a strange set of contradictions even during this time of optimism. The NIEO, or the New International Economic Order, sought to establish a controlled market system with cartels managed by states. It was not against trade or globalization but aimed to create an alternative global economic integration system where southern countries could catch up to the economic development of northern countries, creating a material foundation for political equality between north and south states. Essentially, the NIEO called for a form of socialism among states, with the aim of forming a "trade union of the poor". However, the NIEO was neutral towards the internal organization of national economies and was open to capitalism within states. The NIEO's principle was to respect the economic sovereignty of nations, which led to criticisms that the organization aimed to transfer resources from poor people in rich countries to the rich in poor countries. However, decolonization brought about a significant change, leading to a surge in the number of UN member states from 51 to 76 in 1955 and 110 by 1962. The majority of these newly added states were from the south, and they saw the General Assembly as an excellent platform to make legal claims that could benefit them. In 1968, 77 southern states formed a bloc known as the Group of 77 (G-77) and were unified by their shared subordinate position in the global economy. Although the group's politics were challenging to manage, they held a majority in the General Assembly, and if they could maintain political unity, they could enhance their power and gain relative to the north (Kindleberger, Charles, 1984: 123).

The most important legal theorist for the NIEO was the Algerian jurist Mohammed Bedjaoui, who provided the most elaborate legal-theoretical articulation of how to accomplish the NIEO's economic objectives. Bedjaoui criticized the existing formal structure of international law, which he claimed was organized to systematically favor former imperial powers, which in turn reflected and enabled the structural inequality of the global economy. Unlike legal localists, who argued that different communal situations necessitated different sorts of legal regimes, Bedjaoui advocated legal universalism. He argued, however, that the power dynamics embedded within the structure of international law required that certain key terms of international law be undone. For example, he rejected the notion that postcolonial and postrevolutionary states had to meet treaty and contractual obligations joined under previous regimes. In short, Bedjaoui presented Algeria's own postindependence international legal positions toward France as a model for what an alternative global, transnational legal order might look like (Andrew, Guzman and Joost, Pauwelyn, 2016: 135).

New International Economic Order jurists, such as Bedjaoui, faced a challenging dilemma of upholding the complete national sovereignty of southern states, while simultaneously preventing northern states from disregarding the supranational legal mandates proposed by the NIEO under the guise of their own national sovereignty. This struggle in the legal framework of the NIEO mirrored

the economic sphere, where claims of full economic independence contradicted transnational economic interdependence. Ultimately, the success of the NIEO relied on balancing the power disparities between states, which necessitated a political strategy to complement the legal approach.

Conclusion

Decolonization and the New International Economic Order were important movements that emerged in the 20th century as a response to the injustices and inequalities of the existing global economic order, which had been shaped by colonialism and the dominance of developed countries and multinational corporations. These movements sought to promote greater autonomy, self-determination, and economic justice for formerly colonized and developing countries, and to challenge the structural inequities that had characterized the global economy. While both decolonization and the New International Economic Order faced significant challenges and limitations in achieving their goals, they remain important historical examples of the struggles of marginalized and oppressed groups to challenge and transform existing power structures in pursuit of a more just and equitable world.

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