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THE THIRD WORLD: TOWARDS A DEFINITION

WINSTON E. LANGLEY *

INTRODUCTION

The term "Third World," frequently used interchangeably with "developing areas," "the South," "less developed areas," "less developed countries," "underdeveloped states," "developing states", has come to be vaguely associated in the minds of people with many things. For some, it refers to certain nation-states which have come into existence as a result of the "anti-colonial revolutions" of the post-World War II era. But such a reference is inaccurate, since it does not include the states of Latin America, some of which fought their "anti-colonial revolutions" over 150 years ago. For others, the term suggests a certain geographical identification - Asia (including the Pacific Islands), Africa, Latin America and the Caribbean. That geographical identification, however, while in general establishing the physical location of what are called Third World states, suffers from a weakness: states,

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like people,¹ may be in but not of the Third World. For example, Japan, Australia, New Zealand.² The term also bears ideological as well as political associations.

In the latter case, Third World is used to designate those states which, during the "cold War" years that followed World War II, declined to become members of, or align themselves with either of the rival political blocs -- the Eastern bloc, led by the Soviet Union and the Western bloc, led by the United States. Since then the terms Third World and non-aligned states have been used alternately. Again, however, there is an error.³ Latin American states, by and large, have been aligned with the United States through the Rio Pact; and Cuba has been aligned with the Soviet Union. And what of China? China was an ally of Moscow until the problems between them during the late 60s and the 70s.

As respects the ideological identification, the Third World is sometimes viewed negatively as states which are

1. Further explanation is found in the discussion of the definition under the captions of "condition" and "attitude."

2. There are those who would suggest that South Africa is not of the Third World.

3. When non-alignment is so viewed and defined, its essence is not captured. For further reading on non-alignment, some of it confused, see Armstrong, Close View of the Nonaligned, N.Y. Times Magazine, Oct. 1, 1961; Baboa & Crabb, Jr., Nonalignment as a Diplomatic and Ideological Credo, 362 ANNALS 6 (1965); C.E. BLACK, NEUTRALIZATION AND WORLD POLITICS (1968); C.V. CRABB, JR., THE ELEPHANTS AND THE GRASS: A STUDY OF NON-ALIGNMENT (1965); Chomeri, The Perceptual Base of Nonalignment, 13 J. Conflict Resolution 57 (1969); Handlin, The Gullibility of Neutralists, ATLANTIC MONTHLY, March, 1963, at 41; G.H. JANSEN, AFRO-ASIA AND NONALIGNMENT (1966); Lyons, Neutrality, Neutralism, and Nonalignment, 3 INT'L REL. 444 (1968); L. MATES, NONALIGNMENT: THEORY AND CURRENT POLICY (1972); Mazuri, The United Nations and Some African Political Attitudes, 18 INT'L ORGANIZATIONS 499 (1964); Nogas, The Neutralist World and Disarmament Negotiations, 362 ANNALS 6 (1965); F.A. SAYEGH, THE DYNAMICS OF NEUTRALISM IN THE ARAB WORLD: A SYMPOSIM (1964); Thompson, Nonalignment in the Third World: The Record of Ghana, 11 ORBIS 1233 (1968); F.O. WILCOX, THE UNITED NATIONS AND THE NONALIGNED NATIONS (1962). Note that non-alignment does not mean uncommitted. See R.P. Peters, the Politics of Non-aligned States and the Nuclear Text Ban Treaty (1973) (Unpublished doctoral dissertation, Boston University).

clothed in ideas of anti-colonialism and anti-imperialism; rather than positively as states having a systematic body of ideas about life and culture and promising alternatives to the socio-economic systems advanced by the eastern or western bloc.⁴

The thesis of this essay is that the Third World is a group of states which is defined by a condition and an attitude. This essay will give a brief explanation of the condition and attitude and, from that explanation, propose a definition. In pursuance of the sought objective, the work will be divided into two parts. Part I will focus on the condition, with initial emphasis on the socio-economic state of affairs which characterize the Third World. It will then proceed to consider structure as an element of condition. Part II will examine the attitude, beginning with its expression in the call, in 1974, for a New International Economic Order, and followed by two brief historical examples of its manifestation before the above date. The essay will then consider the ideological, political, political-economic, and legal thrust of the attitude, and end with a concluding comment which will include a brief definition.

PART I: THE CONDITION

The condition which is characteristic of the Third World can best be understood by presenting a brief profile of certain aspects of its socio-economic circumstance. And by way of sharpening the outlines of that circumstance, comparisons will be made, where possible, with non-Third World states.

Condition Expressed In Social and Economic Terms

In a portrait of rich and poor nations for the year 1974 (rich nations are those of Western and Eastern Europe, North

4. P.E. SIGMUND, THE IDEOLOGIES OF DEVELOPING NATIONS (1967).

America, Australia, New Zealand, and Japan, and poor nations are those called the Third World, except that only Indonesia and Nigeria among OPEC members are included⁵) a recent World Bank study⁶ makes the following observations: the poor nations with a population of 2.8 billion (70 percent of total world population⁷), had a total G.N.P. of \$632 billion (10.9 percent of the world G.N.P.), while the rich nations had a total G.N.P. of \$4,991 billion; the average per capita income of the poor states was \$226 while that of the rich was \$4,537; infant mortality in the poor states was 125 per thousand as compared with 25 for the rich; average literacy for the poor states was 26.6 percent; while that for the rich was 92 percent; malnutrition affected over 900 million persons (about 32.1 percent of the total population) among the poor while only 0.9 percent of the rich states' population was so affected.⁸

From the above statistics, one finds, among other things, economic poverty, serious limitations on one's chance to survive infancy, and, even for those who survive infancy, grave impairment to physical health awaits approximately one in every three. One does not find grounds for any reasonable expectation of favorable change either, since available money

5. For our discussion all members of OPEC are included in the Third World.

6. WORLD BANK, PROSPECTS FOR DEVELOPING COUNTRIES, 1976-1980 (1975). See also UNITED NATIONS, WORLD POPULATION PROSPECTS FOR 1970-2000 (1973). One may wish to see certain estimates for 1990 in WORLD BANK, WORLD DEVELOPMENT REPORT (1979). [hereinafter cited as WORLD DEVELOPMENT REPORT]. One will find some of the statistics difficult to calculate for the Third World in general.

7. Total world population is now 4.2 billion of which poor nations have 3 billion and the rich nations 1.2 billion. Then rich nations had a population of 1.1 billion.

8. The "Brandt Report" suggests that 40% of the Third World population are surviving but only surviving "in a kind of poverty we have been describing, with incomes judged insufficient to secure the basic necessities of life." W. BRANDT, NORTH-SOUTH: A PROGRAM FOR SURVIVAL 50 (1980). See also Address by Robert S. McNamara, University of Chicago, at 5 (May 22, 1975). He also speaks of 40% poverty in the Third World.

capital for investment is limited, existing industrial power is very meager, and earnings from trade are staggeringly lean. Continuing the portrait of 1974, the World Bank study indicates that total investment made by the poor states in their economies amounted to \$114 billion -- a per capita figure of \$40, while parallel figures for the rich were \$1,098 billion and \$1,000⁹; and that while the poor states¹⁰ earned \$134 billion in world exports (12.8 percent of total world export), the rich states earned \$808 billion (77.5 percent of world export¹¹). In 1975, 93 percent of world industrial power as measured by the volume of industrial production, was concentrated in the rich nations, with the Third World having but 7 percent.¹²

In the above trade and investment figures, one finds that the socio-economic circumstance of the Third World is dire. But it is becoming worse. According to Jonathan Power of the International Herald Tribune, the International Monetary Fund has estimated that the 1980 balance-of-payments deficits of developing states could be as high as \$65 billion and could rise to nearly \$90 billion by 1985. That projection compares unfavorably with a 1972 deficit which was but \$5 billion.¹³

With growing debt burden, limited income, and scanty capital for investment, there is little or no opportunity for Third World states to expand industrial growth to parallel the

9. It may be observed that members of OPEC invested about \$31 billion - a per capita figure of \$310.

10. Third World's share of world trade fell by about a third from 1950 to 1970. Correspondingly, their debt grew.

11. OPEC states earned about \$101 billion (9.7 percent of world export).

12. At the Second General Conference of the United Nations Industrial Organization (UNIDO) held in Lima, Peru in 1975, there was a proposal to effect a change from the 93:7 to a 75:25 distribution by the year 2000. H.W. SINGER, INDUSTRY AND DEVELOPMENT 1 (1979).

13. Power, On Reforming the IMF, International Herald Tribune, Jan. 24, 1980.

"explosive" rates of population growth in urban areas. Neither can they effect the development of the necessary infrastructure -- schools, housing, sewage, hospitals, roads -- to accommodate the urban population.¹⁴

The preceding profile of certain socio-economic factors which partially depicts the condition of what is called Third World is frequently translated into words such as poverty and underdevelopment. Julius Nyerere, President of Tanzania, in describing the Third World said: [it] "is not only that we are poor, both in absolute terms and in comparison with the rich nations, it is that within the existing structure of economic interaction we must remain poor and get poorer."¹⁵

Condition Expressed As Structure

The last portion of the preceding statement is particularly significant. It suggests that structure is part of the condition that is being presented as characteristic of the Third World. In fact, according to Nyerere -- and some of the statistics presented above support him -- the structure makes it inevitable that the general condition will get worse. What is this structure? It is the international economic framework, and it operates in an unequal manner. By unequal operation is meant that, in the interaction or exchange which it provides, differential allocation or asymmetrical distribution of power resources among its members results. Thus, as a consequence, a social pattern is maintained and reproduced with members gaining unequal control over the power resources and enjoying differential positions. In turn, the unequal

14. From Jakarta, Bombay and Lagos to San Paulo and Mexico City, one finds the same problem: explosive rates of growth in urban population. It has been estimated that from 1950 to 1975 urban centers in developing states had to absorb about 400 million additional people, and that between 1975 and the year 2000 they will have to absorb approximately another billion inhabitants. WORLD DEVELOPMENT REPORT, supra note 6, at 112.

15. Nyerere, The Pleas of the Poor: New Economic Order Needed for the World Community, NEW DIRECTIONS, Oct., 1977, at 16.

control and differential positions provide the conditions necessary for continued future asymmetrical exchange and unequal socio-economic relationships.

When such an inequality in the social structure exists, the members (states in this case) are differentially affected by what happens within the system, because they have different controls, occupy different positions, and enjoy differing capabilities to deal with it.

In the present international economic system,¹⁶ the interaction between the industrialized states (those cited above as rich nations) and the Third World states is one which is defined by unequal exchange in favor of the former, because, to be specific, the cost and benefits of production, trade, finance, and other interchange between them are unevenly allocated to and accumulated by each group. Further, the industrialized group, by virtue of its position in the system, can modify or change the latter in such a way as to augment accumulation in its favor and to the disadvantage of the Third World. The latter group, on the other hand, must not only tolerate the unfavorable results of unequal allocation and accumulation, but must live with the fact that it is relatively powerless to change its circumstances within the existing structure.

To make the operation of the structure more concrete, it may be wise to make a Third World political leader speak:¹⁷

[A] re-examination by the new states of economic relationships which grew during the colonial period is inevitable. Experience, combined with analysis, quickly teaches the young and poor nations that the present international economic system works automatically and inevitably to their disadvantage.

There is an automatic transfer of wealth from poor

16. See A. EMMANUEL, UNEQUAL EXCHANGE (1972); G. FRANK, CAPITALISM AND UNDERDEVELOPMENT IN LATIN AMERICA (1969); Galtung, A Structural Theory of Imperialism, J. PEACE RESEARCH 81 (1971); R.N. GARDNER, STERLING-DOLLAR DIPLOMACY (1969); S. SIDERI, TRADE AND POWER (1970).

17. Nyerere, supra note 15, at 16.

countries -- where it is needed to provide the basic necessities of life -- to rich countries, where it is spent creating and meeting new wants.

If there is an automatic transfer of wealth from poor to rich states, then there must be some reason for such a phenomenon. Nyerere cites a historical factor as one: "The present international economic and legal structure has developed gradually out of the interaction between the different nations of Europe. In the process, the countries which are now known as the Third World were not involved. They were either colonies of one of the major powers, or were so weak or so far away from the mainstream of economic intercourse that they were ignored."¹⁸

Not having been parties to the current economic order, Third World states, understandably though not justifiably, have found themselves at a socio-economic disadvantage. But this historical fact hardly explains the continuation and aggravation of those disadvantages. Nyerere posits some explanation:

It is not true that prices are determined by the operation of a free market -- that is, by discussion and compromise between sellers and buyers. The price of manufactured goods is fixed by the producers and if any competition enters into the situation at all, it is between giant firms like Ford, General Motors and Volkswagen. It is certainly no use for the Tanzanian Motor Corporation to try and argue with any of these firms about their prices. If it is not willing to pay what is asked, the vehicles will wait in stock and Tanzania will continue without transport.

Conversely, the price of primary products is fixed by the purchasers. The producers put on the market whatever they have managed to grow or mine, the goods are often perishable and in any case the

18. Id.; see also Barraclough, The Struggle for the Third World, N.Y. Review of Books, Nov. 9, 1978, at 47. The author notes, for example, that at Bretton Woods the needs and interests of the Third World were ignored. One should also note that Nyerere is not making any distinctions when he uses economic and legal structures. He is really suggesting that they are tied together.

poor nations are desperate for foreign exchange and have no facilities for storage...

The primary producing countries which need to import manufactured goods are thus price-takers -- not price-makers, both as sellers and buyers. We sell cheap and buy dear, whether we like it or not. This is the position of most Third World countries -- with the recent exception of the oil¹⁹ producers who now fix prices for the oil they sell.

If the statement above quoted accurately describes the actual condition it purports to, and in this writer's view it does, then one may reasonably conclude that the exchange relationship between the industrial and Third World states is asymmetrical. The former group sets the prices for the commodities it produces and which Third World states must purchase if they are to industrialize. That group also sets the prices for goods produced and sold by the nations of the Third World,²⁰ making the latter "price-takers" both as to that which they buy and that which they sell. Further, the asymmetry manifests itself in the inequality of resource accumulation: because the prices at which Third World states must purchase are higher than those at which they can sell -- in Nyerere's words, they must "buy dear" and "sell cheap" -- the accumulation of wealth flows in the direction of the nations from which Third World states must purchase. That is a major cause of the "automatic transfer of wealth from the poor countries... to the rich countries."²¹

19. Nyerere, supra note 15, at 17. The "exceptions" such as Korea and Taiwan, which have developed certain light industries, have been able to do so because of special political circumstances. The structural asymmetry is therefore not disproved.

20. Oil represents an exception here. So oil exporting states are able to set the price of that commodity.

21. John Kenneth Galbraith, in observing the exercise of power usually flows down from the powerful to the weak while income flows up from the weak to the powerful, asserts: "It is a rule worth having in mind. Income almost always flows along the same axis as power but in the opposite direction." J.K. GALBRAITH, I THE AGE OF UNCERTAINTY 14-15 (1977).

If the state of affairs described above is accurately presented, one may ask, why should not Third World nations seek to produce some of the goods which industrial states sell and thus benefit from the price structure which favors the latter states' products? Traditional economic and modernization theories urge the same course of action the question implies. They urge Third World states to develop and export their primary commodities in order to finance their import of investment and consumer goods and services required for their gradual industrialization. With the advent of industrialization, the reasoning goes, Third World states will be able to make and sell the very manufactured goods which command such high prices as compared with the low prices they had received for the primary commodities which their less-developed condition had compelled them to produce. The theories have not worked. Why?

First, because it means that less-developed nations must put themselves in debt (if they must "sell cheap" and "buy dear", then they can only purchase what they need by borrowing in order to make up the difference between what they earn from "selling cheap" and what they spend from "buying dear"). Having to put themselves in debt is partly why Third World states' balance of payments deficits are estimated to have grown from \$5 billion in 1972 to \$65 billion in 1980.²²

It may be argued that once less-developed states begin to industrialize they will be able to pay off the debts, using the increased wealth they will have begun to enjoy from the sale of manufactured goods. The conclusion contained in the preceding statement presupposes, however, a market for these manufactured goods; otherwise what has been called a "trap" develops. Once again one may turn to Nyerere to obtain concrete examples of the problem:

To break out of this foreign exchange trap [always spending more than what is being earned], and at the

22. Power, supra note 13.

same time benefit from the multiplier effect of expanded economic activity, the poor countries endeavor to build up their industrial sector, to become price-makers, even in a small way. Naturally, we start with the processing of our own primary products. It seems logical to export cloth rather than cotton lint, and twine or rope rather than sisal. Such simple manufacturing processes can provide a little platform for further industrialization. But having established these factories at enormous expense, we discover that processed commodities and manufactured goods are not so easy to export as raw products. They meet tariff barriers, quota regulations, or other devices intended to keep them out of the markets of the rich.²³

It is not to be supposed that, if there were not the above-mentioned barriers to trade between Third World and industrial states, the former would be able to correct its low purchasing power and take the necessary steps toward industrialization. The international credit which Third World states have been able to obtain has usually been limited in quantity as well as the use to which it may be put --- very often circumscribing rather than facilitating certain areas of trade between less-developed and industrialized states, sometimes failing to support the acquisition of the very goods which are necessary to effect the type and extent of industrialization sought. Nyerere understood this when he said:

The low international purchasing power of poor nations is a factor in keeping them locked in their poverty. To expand output, we need plants, equipment and machines, as well as technology and know-how embodied in the production and use of such goods. The developed countries have these goods and services to sell, but we cannot buy them because we are not entitled to more than our poverty-based "quota." Instead of facilitating growth in the world by enabling the poor to buy more -- mostly capital goods from the rich -- international credit has been used to promote trade between the rich countries.²⁴

23. Nyerere, supra note 15, at 18.

24. Id. Only some forms of trade are not facilitated between industrialized and Third World states. Regardless of Nyerere's claim, is there any reason why China with over 20% of the world's population and India with

The use of credit to promote international trade of a certain emphasis and/or in a certain direction²⁵ is consistent with the entire structure of the international economic system. This system's financial component is regulated by the International Monetary Fund (IMF) and World Bank (the International Bank for Reconstruction and Development - IBRD) as well as the dominant banking institutions of the US, Japan, and Western Europe. The latter states, by virtue of their voting power on the governing bodies of the IMF and the IBRD, determine the amount of capital which goes to other nation-states, the purposes for, and the conditions under which, said capital is given and used.²⁶ In short, within the economic system of unequal allocation of power resources, in which wealth automatically moves in favor of one group of states and to the disadvantage of others,²⁷ the very states which benefit from the uneven operation of the system, by virtue of their position and power within the system, make the rules and determine the conditions under which the system operates.

If one had to define the Third World, therefore, one would begin by noting that it is a group of states which has remained poor and is becoming relatively poorer because it is

over 15% should have only 4% and 2% respectively, of world income/production? D.M. SMITH, WHERE THE GRASS IS GREENER: LIVING IN AN UNEQUAL WORLD 54-55 (1979).

25. Because the IMF and the IBRD decide what projects they will support and/or the conditions under which a loan will be given, a certain emphasis or direction in trade can be assured. For example, a loan may be given for the production of a given commodity, but the latter is part of trade relations between only certain states.

26. See R. ALBIER, THE INTERNATIONAL MONEY GAME (1973); R. CARBOUGH & L. FAN, THE INTERNATIONAL MONETARY SYSTEM - HISTORY, INSTITUTIONS, ANALYSES (1976); L. CHANDLER, THE MONETARY-FINANCIAL SYSTEM (1979); C. PRAGER, THE DEBT TRAP: THE INTERNATIONAL MONETARY FUND AND THE THIRD WORLD (1974).

27. The Soviet Union and the East European states play no significant role in the IMF or the World Bank. In fact, with the exception of Rumania, Poland and Yugoslavia, no state among that socialist group is a member of these institutions.

obliged to "sell cheap" and "buy dear". It must also borrow from those from whom it "buys dear" in order to cover its deficits and, therefore, must put itself in debt. But it cannot pay for the debts because it continues to "sell cheap" and "buy dear" and must borrow to pay for previous debt, and must go to the very parties to whom the debts are owed to contract more debts under rules and regulations made by the creditors -- rules which continue to promote a structure of unequal exchange.²⁸

PART II: THE ATTITUDE

The nations referred to as the Third World may also be defined by a certain attitude -- one which manifests itself in a posture which holds that their condition is substantially the result of existing world socio-economic structures; and that a change in the latter is a prerequisite for any change in their condition. The new order which would follow the sought change is not one which would reproduce the socio-economic system of either the First World (North America, Japan, Western Europe, Australia and New Zealand) or the Second World (the Soviet Union and the Socialist states of Eastern Europe); it would represent a "third way" in the approach of human beings to international problems.

In more specific terms, finding that the existing world socio-economic structure, in the words of former Secretary of State Henry Kissinger, "is loaded against [their] interests,"²⁹

28. See Albier, *supra* note 26; Beim, *Rescuing the LDC*, 55 FOREIGN AFF. 717 (1977); G. RANIS, *THE GAP BETWEEN RICH AND POOR NATIONS* (1972); B. WARD, *THE WIDENING GAP* (1971) W.A. WILLIAMS, *THE TRAGEDY OF AMERICAN DIPLOMACY* (1959); see also the attitude of Third World states toward discussions of their external debts in U.N. Doc. A/31/pv.108, at 8-10 (1977).

29. Address by Henry Kissinger, Kansas City, Missouri (May 13, 1975), reprinted in DEP'T ST. NEWSLETTER 7 (June, 1975); see also: Kissinger's view that Third World states no longer wanted to be on the periphery of world order in, *Corea, UNCTAD and the New International Economic Order*, 53 INT'L AFF. 179 (1977).

that succeeding years of development aid had failed,³⁰ and that their future prospects were no better,³¹ Third World states, in 1974, demanded a change in the existing world socio-economic structure and called for the establishment of a New International Economic Order (NIEO). 1974 should not be regarded, however, as the first attempt at a collective expression of Third World states' unwillingness to accept existing socio-political and socio-economic world order. There are, among others, two previous occasions of which one should take note: the Bandung Conference of 1955 and the creation, in 1964, of the "Group of 77."

Historical Overview

The former event was a meeting of Afro-Asian states held in Bandung, Indonesia, in 1955 -- a meeting which is frequently credited with having launched the non-aligned movement.³² This movement came into being as a response to the rigid bi-polar political structure of the post-World War II world, a structure in which there were two principal states³³ -- the US and the USSR -- around each of which were

30. The Development Decades of the UN failed to achieve the goal of having industrial states contribute a modest portion of their GNP (the Second Development Decade sought 0.7% of each state's GNP) to Third World economic development.

31. It should be noted that the results of studies have confirmed this view. A U.N. study of the future of World economy established that even if Third World states were to realize their growth targets (not entirely likely) the 12 to 1 gap in per capita gross product which existed between them and the industrialized states in 1970 would continue to the year 2000. W. LEONTIEF, THE FUTURE OF WORLD ECONOMY: A UNITED NATIONS STUDY 3 (1977); see also S. AMIN, I ACCUMULATION ON A WORLD SCALE: A CRITIQUE OF THE THEORY OF UNDERDEVELOPMENT (1975).

32. For literature on non-alignment, see note 3 supra. One may also observe that China found the structure of the Eastern bloc prejudicial to its interest. E. CRANKSHAW, THE NEW COLD WAR: MOSCOW V. PEKING (1963).

33. Not unlike Sparta and Athens, Carthage and Rome, England and Spain in the 17th century.

grouped most of the other states which had gained their political independence before 1945. The states which gathered at Bandung were not neutral (impartial in attitude) toward the issues of the day, but they knew they could not influence the operation of the bipolar system by becoming a members of either bloc or pole. They also felt that the manner in which the system operated ill-accommodated with their interests. In order to play a role in the vital issues affecting them and the world at large, they formed the non-aligned movement. This movement sought to have its members act collectively to aid each other and to confront the two blocs.

The "Group of 77",³⁴ was formed in 1964 at the First United Nations Conference on Trade and Development [UNCTAD] by some Third World states, in order to negotiate as a bloc with the developed, industrialized states of the North. Again as in the case of the founding of the non-aligned movement, the attitude of Third World states was that the existing structure (in this instance the socio-economic structure) prevented change from within; that in order to influence its operation, they would have to act from without; and that action from without could be successful only if collective efforts were pursued. The NIEO exhibits this very attitude. Its nature and implications, however, suggest much more than expressed views seem to convey.³⁵

The proposal for the establishment of a New International Economic Order, contained in the Declaration on the Establish

34. The group now number more than 120 states, some of which are not of the Third World.

35. Amin, Self-Reliance and the New International Order, MONTHLY REV., Aug., 1977, at 1; Bell, The Future World Disorder: The International Context of Crisis, FOREIGN POL'Y, Summer, 1977, at 109; Bergstrom, The Threat from the Third World, FOREIGN POL'Y, Winter, 1973, at 102; COOPER, A New International Economic Order for Mutual Gain, Spring, 1977, at 65; A.J. DOLMAN & J.V. ETTINGER, PARTNERS IN TOMORROW: STRATEGIES FOR A NEW INTERNATIONAL ECONOMIC ORDER (1978); E. LASZLO, THE OBSTACLES TO THE NEW INTERNATIONAL ECONOMIC ORDER (1980); J. SINGH, A NEW INTERNATIONAL ECONOMIC ORDER: TOWARD A FAIR REDISTRIBUTION OF WORLD'S RESOURCES (1977).

ment of the New International Economic Order, the Programme of Action, and the Charter on the Economic Rights and Duties of States,³⁶ far from being exaggerated in its political implications,³⁷ is nothing less than a general plan for future world order. And it involves structural changes in the economic, political, and legal order. One may here cite a few of its specific demands:

(1.) Improved terms of trade for developing states, as expressed in the principle of "indexation" -- the linking of prices of exports from Third World states to the prices of their imports from industrialized nations, so that when prices of the latter's goods increase the former's will also; (2.) the establishment of a "Common Fund," under international management to finance buffer stocks of certain raw materials and primary commodities produced by Third World states to assure stabilization of prices and earnings; (3.) removal of trade barriers -- tariffs and quotas -- by industrialized states to facilitate access to their markets for processed and manufactured materials of developing states; (4.) assured sharing of decision-making powers in the international financial institutions such as the IMF and the IBRD.³⁸

36. See, United Nations Declaration on the Establishment of a New International Economic Order, 13 INT'L LEGAL MATERIALS 715 (1974); Programme of Action on the Establishment of a New International Order, 13 INT'L LEGAL MATERIALS 720 (1974); Charter of Economic Rights and Duties of States, 14 INT'L LEGAL MATERIALS 251 (1975). One may also find the materials in United Nations General Assembly Resolutions 3201 (S-VI) and 3202 (S-VI).

37. Greene, Toward A Definition of the Term Third World, 1 THIRD WORLD L.J. 19 (1980).

38. Others are: Increase in, and automaticity of transfer of financial development resources from the rich to the poor states; guaranteed access to and an international code for the transfer of technology to developing states; an international code for the conduct of multinational corporations

Ideological Thrust

On its face, given the above-cited specific demands, one is apt to regard the proposal -- as has been the case -- as an economic one. Further analysis shows that conclusion to be wrong. First, there is an underlying ideology which pervades the plan. It expresses, as does all ideologies, a certain vision, in this case, one encompassing the socio-economic world. It is that the existing political, social, and economic order is capable of being transformed, so that the opportunities it offers can be redistributed to the advantage of all. This vision runs counter to the position of orthodox Marxists who insist that nothing short of a revolution which topples the capitalist system can correct the inequities of the world.³⁹ And it is in conflict with the view of the capitalists, who see a transformation of the kind being sought by the Third World as prejudicial even to the redistribution values which are being sought.⁴⁰

Another ideological premise of the plan is that there is a collective moral responsibility to correct the morally indefensible extremes of socio-economic inequalities which exist on the globe, and that the First and Second World -- especially the former -- should share a major part of the burden to correct these inequalities.⁴¹ Finally, the ideology

39. Magdoff, The Limits of International Reform, MONTHLY REV., May, 1978, at 11.

40. See, e.g., RAND CORPORATION, MILITARY IMPLICATIONS OF A POSSIBLE WORLD ORDER CRISIS IN THE 1980'S (1977); D. GOULET, WORLD INTERDEPENDENCE: VERBAL SMOKESCREEN OR NEW ETHIC? (1976). By redistribution values is meant those principles and rules of international conduct which will assure a change from the current inequitable allocation of resources to a more balanced and equitable apportionment among all states.

41. There has been somewhat of a disappointment that the states of socialist Europe -- USSR and Eastern Europe, with the exception of Rumania and Yugoslavia -- have been concentrating more in East-West issues than on North-South ones. As will be seen in the latter part of this paper, the NIEO is seen as an order which will also benefit First and Second World states.

espouses cultural and political independence for nation-states as well as the need to assure an international cultural alternative to the socio-economic systems represented by the First and Second World.

Political Thrust

If the principle of cultural and political independence is grasped, then one should understand how coherently it fits into the Third World's rejection of the general political objectives of "interdependence" as supported by industrial states. As espoused by the latter, interdependence contemplates transactions based on trans-national linkages which, when reproduced over time, will assure a form of relatively homogeneous world system, one based primarily on western values.⁴² Since it envisions inter-actions within the existing asymmetrical world socio-economic structure, Third World states see interdependence as used above as fostering integrated dependency for them, not a system of "real interdependence" in which there are symmetrically reciprocal gains and losses, benefits and burdens, rights and responsibilities, power and vulnerability.

The plan also expresses the view that the struggle for a more equitable world order is a movement which is global in scope, with large masses of people demanding rights of socio-political and economic equality, and before which the hierarchies which support discrimination based on language, nationality, civil community, race, class, caste, sex and age are found wanting in legitimacy and are actually crumbling. Given the perception that the old and existing structures are the very ones which have given birth to the globe-endangering phenomena of pollution, the arms race, chemical and biological warfare, nuclear weapons proliferation, disappearing species,

42. For some examples of the tension between dependence and interdependence see Caporasa, Dependence, Dependency and Power in the Global System A Structural and Behavioral Analysis, 32 INT'L ORGANIZATIONS 13 (1978).

and dangerous dwindling of natural resources, Third World states feel that it would be irresponsible for them to lend support to the "interdependence" sought by the industrialized states. That interdependence, they feel, projects the false image that a modest managerial re-arrangement within the existing international structure can correct the global problems. They also feel that such a support would result in their bypassing a chance to gain a wider popular acceptance of their call for a new international order as well as an opportunity to form new coalitions with First and Second World groups that have been disadvantaged by socio-economic malformations in those states.⁴³

Perhaps the most weighty political reality underlying the proposal for a new international economic order is the fact that the Organization of Petroleum Exporting Countries [OPEC], in 1973-74, by its decision to effect a steep increase in the price of oil, had a fundamental socio-economic impact on the world at large.⁴⁴ There are at least two important political meanings which should be drawn from that course of conduct: first, although the specific action was taken by OPEC, it has been regarded as a collective victory for Third World states, since they feel that the action represents the first time that a matter of fundamental importance to the entire world was decided by any but non-Third World states. (Although many Third World states have had to bear severe burdens as a result of the price increase, many feel that OPEC's action was necessitated by the existing socio-economic structure). Secondly, the action not only demonstrated that the world's economic and

43. United Nations, General Assembly Doc. A/34/467 (Sept. 1979). Societies which are characterized by malformation are those which, although materially rich and industrially developed, have unjust and unbalanced patterns of social distribution.

44. The world financial structure as created at Bretton Woods in 1944 has not been the same since.

financial structure is vulnerable to certain types of collective action,⁴⁵ but also confirmed one of the less laudable lessons of history - that change in any political order is not the offspring of rational discourse but the product of the dialectics and/or balance of power. With the growing awareness that the existing international structures are ill-designed to cope with world socio-economic problems, and that there is a need to replace them, Third World states have concluded that they must strengthen themselves individually and collectively so that their interests can be adequately represented in any new order. They would prefer global negotiations as a means to achieve that and, since action such as that engaged in by OPEC creates undesirable consequences.

If the above-described attitude of Third World states is understood, then the NIEO will be seen as both a political process and a goal. It is a goal in so far as it seeks greater equity in the distribution of resources and control over what may be called "techno-economic relations".⁴⁶ It is a process in that it represents a plan for interaction with industrial states pursuant to the creation of a framework for a new international order.

The Thrust of Political Economy

One cannot, although one may wish to, separate the

45. A.E. ECKES, JR., THE UNITED STATES AND THE GLOBAL STRUGGLE FOR MINERALS (1979); R.W. MARSDEN, POLITICS, MINERALS, AND SURVIVAL (1975).

46. The expression "techno-economic relations" is sometimes used interchangeably with "socio-economic relations." It is felt that technology conditions and/or controls social and economic relations; and, that in the case of industrial and Third World states, their asymmetrical interactions stem largely from the fact that the former exercises control over the technological relationship with the latter. H. KRONSTEIN, THE LAW OF INTERNATIONAL CARTEL (1973) (see, in particular, chapter 3). See also Houser & Frahm, Technology, Trade and Law, L. & POL. INT'L BUS., Winter, 1974, at 85; Hagan & Henry, Is A Compulsory Patent Licensing Statute Necessary?, L. & POL. INT'L BUS., Fall, 1975, at 1207.

economic aspects of the proposals for a NIEO from the political ones. Indeed, if one were to take the first, second and fourth demands as summarized earlier in this analysis, one will find that the first and second involve the removal from industrialized states (those Nyerere calls "price-makers") of the power to fix prices for commodities sold to them by Third World states. Thus, while one may view the proposed change as one intended to modify asymmetric commercial relationships in which wealth tends to flow in one direction, one must also understand that it involves a change in the structure by which a few states which had previously enjoyed the power to determine prices of commodities are no longer able to do so (one may but notice the difference in power relationships between OPEC and other states when the former gained from the First World the power to determine price)⁴⁷. In case of point, number four, which calls for shared powers of decision-making, were it to be put into operation, the control which a few First World states exercise over the IBRD and the IMF -- two institutions which increasingly have played a preponderant role in the regulation of international financial have a greater say in these institutions' decision-making process.

The Legal Thrust

If law is seen as an instrument of order, and order is the result of shared expectations, shared values within a community, the law, to the extent it does exist, in municipal or international form, must express certain shared expectations.⁴⁸ Third World states feel that many of the rules which

47. The writer assumes that it is generally known that there has been a drastic change in the direction of the flow of wealth.

48. McDougal, Some Basic Concepts About International Law: A Policy Oriented Framework of Inquiry, 4 J. CONFLICT RESOLUTION 337 (1960). It should be observed that reciprocity, as used by some, is sometimes not materially different from shared expectations. See, e.g., Franck & Weisband, The Role of Reciprocity and Equivalence in Systemic Superpower Interaction, 3 N.Y.U. J. INT'L L. & POL. 263 (1970).

at a time either when they could be and in fact were disregarded because of their weakness or when they had not existed as international legal persons. Thus their expectations were not shared by those who created the rules. Phrased somewhat differently, the expectations which were shared when the rules were created were those of non-Third World states. For these states, the international legal system is not one that is generally expressive of their values or that embodies their expectations. They seek a new order.

One may, therefore, say that a principal goal of the call for a new international economic order is a change in the norms governing transnational organizations such as the IMF, the IBRD, and nations like the US, as well as those norms governing the flow of trade, money, technology, and investment. Underlying this goal respecting international legal norms is the political view that globally applicable norms -- and they are the only ones which can deal with global problems -- must be globally established. They should not be created by a system in which, in the face of conflicts of interests of states (from the time of the Concert of Europe, with few exceptions this has been the case), the role of the major political actors assume legislative significance. Before one proceeds further, one should perhaps focus on the means by which principles of international law come into being. Such an approach could help one understand how the role of a few states can assume legislative weight.⁴⁹

49. It is not material whether we call them superpowers, major powers, great powers or major actors. One may recall how the US, as a young Republic, had to struggle with other states with which it collaborated, to gain support for freedom of the seas and the rights of neutrals in face of resistance by major powers such as Britain and France. See especially the problems during the Napoleonic Wars. One may also make note of the League of Armed Neutrality of 1780 when Russia, Denmark, Norway, Sweden, the Holy Roman Empire, Prussia, Portugal along with belligerents and a few unfriendly states such as the US, France, Spain and Holland grouped themselves against Britain in order to challenge old norms respecting neutrality -- norms which London sought to preserve.

According to Article 38 of the Statute of the International Court of Justice, the sources of international law are: principles expressly or otherwise recognized by parties as contained in treaties; custom, as evidence of general practice accepted as law; general principles of law recognized by civilized nations; and, subsidiarily, judicial decisions and writings of publicists. Because the scope of this paper disallows focus on all the sources as they are applicable to NIEO, custom will be the only one used to illustrate the attitude which characterizes Third World states and the means by which a few states have historically had their roles as major powers assume legislative significance.

In custom, certain principles or rules for which widely accepted support is sought (these rules or principles may be called norm-candidates)⁵⁰ are publicly articulated by one or more states.⁵¹ The reaction of other states to the norm-candidate may be that of rejection, in which case a principle of international law by way of custom does not arise. If, however, states through their conduct begin to support the norm-candidate, overtly or tacitly, a principle of customary international will have begun its birth. What is generally required is that states, as they face international circumstances to which the norm-candidate is applicable, demonstrate repetitive behavior or patterns of response consistent with that sought by the norm-candidate.

The major European powers have for centuries been norm-creating states. The role or position they assumed would by and of itself create a norm-candidate. The very articulation

50. A. D'AMATO, *THE CONCEPT OF CUSTOM IN INTERNATIONAL LAW* 74-85 (1971). One may wish to note that pronouncements made by a state and relied on by other states as evidence of the former's behavior can become binding on the party making the statement. See Franck, *Word Made Law: The Decision of the ICJ in the Nuclear Test Cases*, 69 AM. J. INT'L L. 612 (1975).

51. The forum may vary. It may be wherever recognized representatives of states happen to be, providing there is no coercion.

through their enacted behavior was enough, since, by virtue of their position and power, other members of the international community would not or rarely challenge them. The latter would usually be followed, that is, other states would acquiesce in a course of conduct initiated by the major actors. Such is what is meant when one speaks of the role of major powers assuming legislative significance.

The Third World, in its proposals for a New International Economic Order, has in fact articulated norm-candidates for international relations. And the reaction of the international community will determine whether those norm-candidates become principles of international law. If one looks at the posture of Third World states, one will find that the norm-candidates are intended to have far-ranging effects,⁵² from those of the functions of the United Nations and its specialized agencies to the sources of international law and the flow of trade, money, finance et cetera. The UN will be used as an example.

If one looks at the Programme of Action,⁵³ one finds not only the requirement that international financial institutions be involved in the development process by increasing their resources and concern for the least-developed states, without considerations of the latter's political and economic system, but also that Third World states be significantly involved in the activities of these financial institutions by "restructuring the voting arrangements" to limit influence based on money. The same article also calls for increasing the role of the United Nations system in the industrialization process of less-developed states in a number of specific areas.

The preamble to the United Nations Charter obligates the peoples of the United Nations "to employ international machinery for the promotion of the economic and social advancement

52. This paper cannot focus on the reaction of industrial states to the norm-candidates presented by Third World states. Such could be the subject of an enlightening paper.

53. See note 36, supra.

of all peoples".⁵⁴ Article 55 obligates all members to act in the interest of:

creating conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for equal rights and self-determination of peoples; specifically to promote:

- a. Higher standards of living, full employment, and conditions of economic and social progress and development.
- b. Solutions of international economic, social, health, and related problems.

However, the behavior of the UN and its members had suggested that economic and social advancement for all and economic development would come as a result of cooperation among UN members. In fact, the title given to Chapter IX of the Charter, which begins its major focus on economic and social issues, is that of "International Economic and Social Co-operation." And from a reading of the other pertinent articles,⁵⁵ including that creating the Economic and Social Council, one could reasonably conclude that those who founded the UN did not envision it as assuming a fundamental role in assuring economic development of its members. The Economic and Social Council has been seen as but a co-ordinating organ for international economic activities. Third World states, however, have said that the values of co-operation and self-determination cannot be protected within existing socio-economic structures, and they now seek to have the UN, as part of its function, assume major responsibilities for matters of economic development throughout the world.⁵⁶ In fact, in a more explicit manner, in the UN Committee involved with issues of United Nations Charter review, it was suggested that some

54. Emphasis that of the writer. See also, Article 11, Charter of Economic Rights and Duties of States, supra note 36.

55. See articles 61-72.

56. For a study of the United Nations and NIEO, see B. MENON, GLOBAL DIALOGUE: THE NEW INTERNATIONAL ORDER (1977).

of the principles of the Economic Rights and Duties of States be made part of the UN Charter.⁵⁷

There is another area on which one should focus in order to re-inforce the point with regard to norm-candidates. It is that of the General Assembly as a law-making body. As is known, the pronouncements -- be they declarations or resolutions -- by organs of intergovernmental organization are not generally assigned legislative authority; and there has been significant disagreement as regards the legal weight of actions by the General Assembly.⁵⁸ One thing is sure: it is that the latter organ can serve as a forum within which states may manifest, by their votes, certain shared expectations which, if later embodied in consistent behavior of states, can become international law.

Of the three documents which together contain the proposals for a NIEO, the one on the Charter of Economic Rights and Duties of States was adopted by a unanimous vote (131-0-0); the other two, the Programme of Action and the Declaration, were approved by consensus.⁵⁹ The norms offered by the Third World states in their proposals for a NIEO, were they to be accepted as a standard for future world order, would help to re-inforce the view that the General Assembly should be the forum within which norm-candidates are pronounced, and perhaps

57. See Report of the Special Committee of the Charter of the United Nations and on the Strengthening of the Role of the Organization, 32nd Session Supp. No. 33 (A/31/33) (1977) at 202.

58. D.Y. ASAMOAH, THE LEGAL SIGNIFICANCE OF THE DECLARATIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS (1966); K. BAILEY, MAKING INTERNATIONAL LAW IN THE UNITED NATIONS PROCEEDINGS 233-239 (1967); J. CASTANEDA, LEGAL EFFECTS OF UNITED NATIONS RESOLUTIONS (1970); Falk, On the Quasi-Legislative Competence of the General Assembly, 60 AM. J. INT'L L. 782 (1966); R. HIGGINS, THE DEVELOPMENT OF INTERNATIONAL LAW THROUGH THE POLITICAL ORGANS OF THE UNITED NATIONS (1963); Higgins, The United Nations and Law-Making The Political Organs, 64 AM. J. INT'L L. 37 (1970); G.R. LANDE, THE CHANGING EFFECTIVENESS OF ASSEMBLY RESOLUTIONS 162-173 (1964).

59. There are distinctions between consent and consensus, but there has been a discernible movement toward consensus as a basis of legal obligations.

even encourage the development of the General Assembly as the place where old norms are challenged, if not where new international ones are created.

Conclusion

The term "Third World" may be defined as a group of states which, because of a condition of structural poverty, has tended to reject existing international socio-economic structures, and has instead supported the creation of new ones. These new structures may be viewed as inaugurating a "third way".

While it may be well and good to speak of a "third way", the more important task is to introduce and put into operation an alternative conception of community and life-style, and of political and social justice. This conception would have the following characteristics: first, every state would have a right to benefit from the advances and developments in science and technology -- not only or primarily those which have developed the technology; second, every state would share the responsibility for its respective economic relations in a manner which takes into account the interests of other countries; third, every state would have a duty to contribute to the balanced expansion of the world economy, taking into account the close inter-relationship between the well-being of industrial states and the growth of Third World states, and recognizing that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts; fourth, every state would cooperate in order to strengthen and improve the efficiency of international organizations so that economic progress for all countries would be assured;⁶⁰ finally the "third way" would seek mutual toleration and respect for social and cultural diversity.

When the "third way" is described as has been done above

60. See, among others, Articles 11, 13, 24, and 31 of the Charter of Economic Rights and Duties of States, supra note 36.

it is not difficult for one to regard it as an excessively idealistic vision of the world. Nevertheless, for Third World states, if it is an ideal, it is a necessary one, one that will serve as a guide to the realization of a new international economic and social order. The alternatives to this ideal can only result in increased tensions in international relations.

A future scenario is not difficult to imagine. The socio-economic conditions of the Third World give birth to fierce and violent conflicts between and among social classes, nations, and regions. The industrial states, dependent upon the Third World for minerals and other primary commodities,⁶¹ and forced to countenance the loss of needed minerals and other primary commodities, will experience more inflation, increased unemployment, and concomitant rises in conflicts among the social classes and among other less privileged strata. As the struggle and conflicts assume wider dimensions, the less privileged in the industrial states and the people of the Third World will find themselves in a common cause. The result? Violence and chaotic destruction of the old order. While the above scenario constitutes only a possible world reality, it suffices to suggest that all states share a vital interest in the creation of a "third way". This common interest should be manifest in the form of a mutual desire to preserve the international community from the violence and chaos which will accompany the failure to acknowledge and to act upon the need for a new international economic order.

If the goals of the New International Economic Order, if the "third way" as envisioned by many Third World states, is to be realized, those states, as previously remarked, for psychological, moral, and legal reasons, must, in however modest form, begin among themselves to introduce and put into operation those new values which they are seeking to share with the world community.

61. See supra note 45.