



# PROGRESS OF THE NEW INTERNATIONAL ECONOMIC ORDER: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION [General Assembly Resolution 3362 (S-VII)]

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The Seventh Special Session of the General Assembly which was held from 1-16 September 1975 «recognized the need for change in international economic relations in *concrete terms of practical action*»<sup>1</sup>. The negotiations were tough, but a spirit of co-operation and conciliation prevailed. A genuine dialogue took place between developed and developing countries. The establishment of the new international economic order thus moves forward with renewed spirit.

After 24 plenary meetings and 2 meetings of its *Ad Hoc Committee*, the General Assembly, at its 2349th plenary meeting on 16 September 1975, unanimously adopted resolution 3362 (S-VII) on «development and international economic co-operation», in which it set in motion certain measures as «the basis and framework for the work of the competent bodies and organizations of the United Nations system towards the end of achieving the 'overall objective' of the new international economic order: to increase the capacity of the developing countries to pursue their development». In this paper we shall comment briefly on certain salient features of this resolution.

## 1. ANTECEDENTS

In the second preambular paragraph of the resolution, the General Assembly stated that the Declaration on the Establishment of a New International Economic Order, and the Charter on Economic Rights and Duties of States laid down the foundations of the New International Economic Order. The close relation between the present resolution

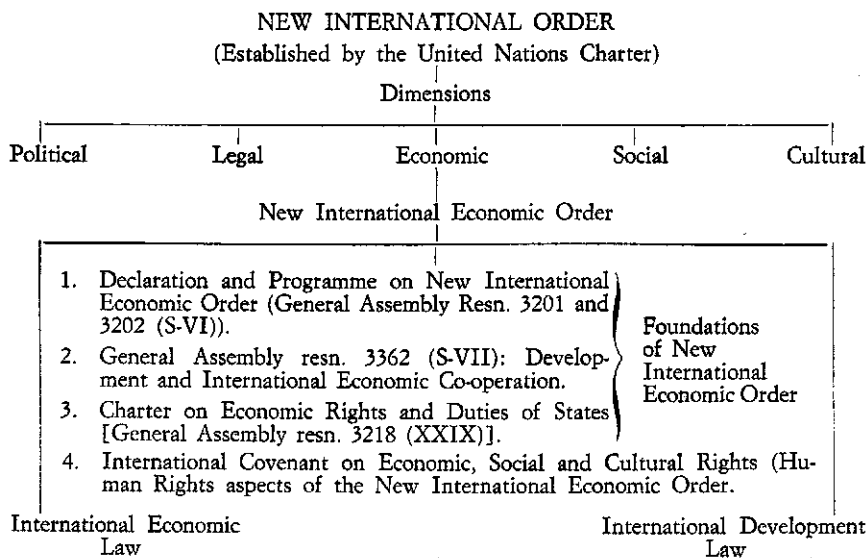
1. Jan Pronk, Chairman of the *Ad Hoc Committee* of the Seventh Special Session, A/10232, Annex, p. 8. (Emphasis added). The following pertinent documents may be consulted: A/AC.176/1-7; A/AC.176/L.1-3 and L.3/Add.1-7; A/AC.176/L.4-5; A/10232; A/10203; A/10217; A/PV.2326-2349; 2350-2382; A/C.2/300 and Add. 1 and 2; A/Res. 3506 (XXX); A/Res.3486 (XXX); A/10344/Add. 1; A/10458; A/AC.179/1; A/AC.179/L.1-3; A/AC.179/SR.1-6; A/10005.

and the former two instruments was underlined by M. Smid (Czechoslovakia). Speaking on behalf of the socialist States of Eastern Europe, he said: we have noted with satisfaction that during the discussions and also in the final documents, the paramount importance of the Declaration on the Establishment of a New International Economic Order and of the Charter on Economic Rights and Duties of States has been reiterated... We consider the... Declaration, the Charter and the final document of this special session as inseparably inter-related»<sup>2</sup>.

2. THE NEW INTERNATIONAL ECONOMIC ORDER CONFIRMED AND ELABORATED

The establishment of the New International Economic Order could have been passed over as being axiomatic after recent developments except for the fact that one of the great powers, the United States of America, has taken the position that «it cannot and does not accept any implication that the world is now embarked on the establishment of something called «the New International Economic Order»<sup>3</sup>.

This position ignores both historical and contemporary reality. The New International Economic Order is the long overdue economic dimension of what began with the establishment of the United Nations (see diagram on this page). As was recognized by the International Law Commission in the Declaration on the Rights and Duties of States which it drafted in 1949, «...a great majority of States of the world have... established a new international order under the Charter of the United Nations...»<sup>4</sup>.



2. A/10232, para. 20.  
 3. Mr. Myerson (USA), A/10232, Annex I, p. 1.  
 4. Third preambular paragraph.



Resolution 3362 (S-VII), in its second preambular paragraph, recalled that the Declaration and the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), as well as the Charter on Economic Rights and Duties of States (General Assembly resolution 3218 (XXIX)), laid down the foundations of the New International Economic Order. In preambular paragraph 7 it elaborated the «overall objective» of the New International Economic Order as being «to increase the capacity of developing countries, individually, and collectively to pursue their economic development».

That the position of the United States denying the establishment of a New International Economic Order is a minority one, as well as an inaccurate one, appears from the statements which were made in the *Ad Hoc* Committee of the Seventh Special Session after the adoption in that Committee of the draft resolution which was subsequently adopted by the plenary Assembly as resolution 3362 (S-VII) and in the debates at the thirtieth regular session of the General Assembly. Apart from the United States representative, no other speaker questioned the establishment of the New International Economic Order. On the contrary, its existence was confirmed directly or by implication by all the other representatives who spoke. Thus, the Canadian representative stated that «the important resolution which we are adopting tonight represents a significant step forward in our progress towards the New International Economic Order. Canada supports the direction which this establishes for the future work of the United Nation system»<sup>5</sup>. Similarly, Mr. Bennami (Morocco), stated «...we should like this Seventh Special Session not only to endorse... the instruments introducing a New International Economic Order, but also to go beyond its basic instruments»<sup>6</sup>. The Mexican representative stated: «The Seventh Special Session has convincingly proved that the New International Economic Order is something which, although still in its infancy, is far from being a mere point of dogma or a rhetorical figure. On the contrary, it already constitutes and will every day become more and more the pivot on which the economic relations of States will turn»<sup>7</sup>.

In resolution 3486 (XXX) adopted on 12 January 1975, the General Assembly stated that the consolidation and development of the New International Economic Order are «imperative for the strengthening of international security and friendly relations and co-operation among States. It solemnly reiterated the united determination to strengthen and develop the New International Economic Order...»<sup>8</sup>.

5. A/10232, para. 30.

6. A/10232, para. 44. See further, the statements reproduced in doc. A/C.2/300.

7. A/PV.2349, p. 37.

8. Operative para. 1.

### 3. PRINCIPLES AND STANDARDS OF INTERNATIONAL ECONOMIC LAW

Resolution 3362 (S-VII) recognized and stated certain principles and standards of international economic law, including:

1) *Equity and justice in international economic law.* In preambular paragraph 1, the General Assembly stated its determination to eliminate injustice and inequity afflicting vast sections of humanity. In Part I, paragraph 10, the General Assembly called for the negotiation of a set of «equitable principles and rules» regarding restrictive business practices which adversely affect international trade. In paragraph 3 a), of Part I the General Assembly stated that the Fourth Session of the United Nations Conference on Trade and Development should aim at reaching decisions on remunerative and equitable prices for commodities of export interest to developing countries.

2) *Imperative norms of international economic law.* In preambular paragraph 3, the General Assembly reaffirmed the *imperative need* of redressing the economic imbalance between developed and developing countries. The Assembly's use of the term «imperative need» suggests the existence of imperative norms of international economic law.

3) *The standard of preferential treatment.* In paragraph 8 of Part I, the General Assembly stated that the Generalized Scheme of Preferences should not terminate at the end of the period of ten years originally envisaged, and should be continuously improved through wider coverage, deeper cuts and other measures, bearing in mind the interest of those developing countries which enjoy special advantages and the need for finding ways and means for protecting their interests.

4) *Rights and Duties of States.* In preambular paragraph 3 the General Assembly reaffirmed the rights and duties of all States to seek and participate in the solutions of the problems affecting the world.

### 4. POLICIES AND MEASURES FOR DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

The resolution prescribed a number of policies and measures for development and international economic co-operation. Preambular paragraph 4 stated that the International Development Strategy for the Second United Nations Development Decade<sup>9</sup> should be reviewed in the light of the Programme of Action on the Establishment of a New International Economic Order. The policies and measures were spelt out in seven separate sections of the resolution.

The first section, on international trade, urged steps to ensure a

9. GA Resolution 2626 (XXV).



stable and remunerative international market for the commodities of the poorer countries, and to open up the wealthier nations to their exports in general. Linking the price of commodity exports to industrial imports was one approach suggested. Specifically it was stated that «an important aim of the fourth session of the United Nations Conference on Trade and Development, in addition to work in progress elsewhere, should be to reach decisions and improvement of market structures in the field of raw materials and commodities of export interest to the developing countries, including decisions with respect to an integrated programme and the applicability of elements thereof». UNCTAD was also asked to study direct and indirect indexation schemes; the proportion between commodity prices obtained by exporting developing countries and consumer prices in importing countries; and the impact of an integrated programme on the imports of developing countries.

The second section, on transfer of real resources to finance development, called for substantial increase of concessional financial resources to developing countries so as to facilitate long-term programme for economic and social development. Official development aid of 0.7 per cent of the gross national product of the wealthier nations was affirmed as a target for the end of the decade. UNCTAD IV was asked to consider the need for a conference of major donor, creditor and debtor countries to devise measures to mitigate the serious debt, burden affecting developing countries. The Assembly looked to monetary reforms that would reduce the role of national reserve currencies, with greater emphasis on the special drawing rights of the International Monetary Fund. The Assembly called for consideration by the IMF of the establishment of a link between SDRs and development assistance.

Section III, on science and technology, stated that developed and developing countries should co-operate in the establishment of an industrial technological information bank in order to make available a greater flow to developing countries of information permitting the selection of technologies. The Assembly endorsed UNCTAD's work on a code of conduct for transfer of technology and called for decisions at UNCTAD IV.

Section IV, on industrialization, endorsed the Lima Declaration and the Plan of Action on industrial development co-operation and endorsed the recommendation of the second General Conference of UNIDO to convert the organization into a specialized agency.

Section V, on food and agriculture, called for urgent and necessary changes in the pattern of world food production and trade policy in order to obtain a notable increase in agricultural production and the export earnings of developing countries.

Section VI, on co-operation among developing countries, urged developed countries and the United Nations system to provide support and assistance to developing countries in strengthening and enlarging their mutual co-operation at all levels. In this regard institutional arrangements should be made and, when appropriate, strengthened, such as those within UNCTAD.

The seventh section, on restructuring economic and social sectors

of the United Nation system, established an *Ad Hoc* Committee open to the participation of all states to prepare detailed action proposals by 1976. Among other elements, the committee should take into account the results of the forthcoming deliberations on institutional arrangements of UNCTAD at its fourth session.

## 5. INSTITUTIONAL DEVELOPMENT<sup>10</sup>

As indicated earlier, the General Assembly, in Part VI of the resolution entitled, «Co-operation among developing countries», urged developed countries and the United Nations system to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation at subregional, regional and inter-regional levels. In this regard, appropriate institutional arrangements within the United Nations development system should be made and, when appropriate, strengthened, such as those within the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and the United Nations Development Programme.

As was also indicated earlier, the General Assembly, in Part VII of the resolution with a view to initiating the process of restructuring the United Nations system so as to make it more fully capable of dealing with problems of international economic co-operation and development in a comprehensive and effective manner, in pursuance of General Assembly resolutions 3172 (XXVIII) of 17 December 1973 and 3343 (XXIX) of 17 December 1974, and to make it more responsive to the requirements of the provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order as well as those of the Charter of Economic Rights and Duties of States, established an *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors, of the United Nations system, as a committee of the whole of the General Assembly open to the participation of all States, to prepare detailed action proposals. The *Ad Hoc* Committee was requested to start its work immediately and to inform the General Assembly at its thirtieth session on the progress made, and submit its report to the Assembly at its thirty-first session, through the Economic and Social Council at its resumed session. The *Ad Hoc* Committee was requested to take into account in its work, *inter alia*, the relevant proposals and documentation submitted in preparation for the seventh special session of the General Assembly pursuant to Assembly resolution 3343 (XXIX) and other relevant decisions, including the report of the Group

10. See, generally, A New United Nations Structure for Global Economic Co-operation, E/AC.62/9; TD/B/573: Report of the Secretary-General of UNCTAD on the role of UNCTAD in a New United Nations Structure for Global Economic Co-operation. GA Resolutions 2442 (XXX): Economic Co-operation Among Developing Countries.



of Experts on the Structure of the United Nations system, entitled *A New United Nations Structure for Global Economic Co-operation*<sup>11</sup> the records of the relevant deliberations of the Economic and Social Council, the Trade and Development Board, the Governing Council of the United Nations Development Programme and the seventh special session of the General Assembly, as well as the results of the forthcoming deliberations on institutional arrangements of the United Nations Conference on Trade and Development at its fourth sessions and of the Governing Council of the United Nations Environment Programme at its fourth session. All United Nations organs, including the regional commissions, as well as the specialized agencies and the International Atomic Energy Agency, were invited to participate at the executive level in the work of the *Ad Hoc* Committee and to respond to requests that the Committee may make to them for information, data or views.

The Economic and Social Council was directed, in the meanwhile, to continue the process of rationalization and reform which it had undertaken in accordance with Council resolution 1768 (LIV) of 18 May 1973 and General Assembly resolution 3341 (XXIX) of 17 December 1974. It was also directed to take into full consideration those recommendations of the *Ad Hoc* Committee that fall within the scope of these resolutions at the latest at its resumed sixty-first session.

## 6. IMPLEMENTATION OF RESOLUTION 3362 (S-VII)

At its recently concluded thirtieth session, the General Assembly on 15 December 1975, adopted resolution 3506 (XXX) entitled, «Implementation of the Decisions adopted by the General Assembly at its Seventh Special Session» by which it; urged all States promptly to implement the policy measures adopted at its seventh special session; requested all organizations, institutions and subsidiary organs of the United Nations system to assign the highest priority to the implementation of the measures set out in General Assembly resolution 3362 (S-VII) and to submit progress reports to the Assembly, through the Economic and Social Council, within their respective fields of competence; decided to assess the implementation of resolution 3362 (S-VII) at its thirty-first session, with a view to facilitating, *inter alia*, the forthcoming exercise of the revision of the International Development Strategy for the Second United Nations Development Decade, taking into account the consideration of this matter by the Economic and Social Council at its sixty-first session; requested in particular the Secretary-General of the United Nations Conference on Trade and Development to submit an evaluation of the results of his organizations' fourth session to the General Assembly at its thirty-first session, through the Economic and Social Council, in view of the importance of the results of the fourth session of the Conference to this

11. *Op. cit.* in note 10 above.

assessment; decided to utilize the report of the Conference on International Economic Co-operation referred to in paragraph 2 of resolution 3515 (XXX) for consideration within the context of the exercise mentioned above; requested the Secretary-General of the United Nations to submit to the General Assembly through the Economic and Social Council, a report on his participation in the Conference on International Economic Co-operation for the consideration of the Assembly within the context of the exercise mentioned above.

## CONCLUSION

From this brief survey the following conclusions may be drawn:

1) Resolution 3362 (S-VII) has established certain measures as the basis and framework for the work of the competent bodies and organizations of the United Nations system towards increasing the capacity of the developing countries to pursue their development.

2) The resolution laid down certain policy guidelines and called for development strategies to be guided by these policies.

3) The resolution has set in train measures designed to improve institutional arrangements serving development needs.

How are the provisions of the resolution to be evaluated in terms of international law? Firstly, the approach which governments brought to the Seventh Special Session may be indicative. Thus, Romania «...considered it necessary to formulate, within the organization, precise norms for the New International Economic Order, calling for commitments by all the Member States, and special action programmes which will lead to the application of these norms and will encourage the free and unhampered development of all States and international economic co-operation»<sup>12</sup>.

In the second place, the resolution was the product of consensus and co-operation by all States. Thirdly, it was adopted unanimously and with no expression of dissent to the whole. The principles of equity and justice are an acknowledged part of international economic law.

How is the resolution to be interpreted? Some governments entered reservations to particular paragraphs<sup>13</sup>. Thus, Mr. Ray (Canada), stated, «while we are not in complete accord with all of the recommendations, we will work to make them effective as we interpret their intent»<sup>14</sup>. Interpretations of particular paragraphs were given by some delegations<sup>15</sup>.

12. A/AC.176/3, para. 8 .

13. See, for example, the statement of the United States representative in A/10232, paras. 1-9.

14. A/10232, para. 30.

15. A/10232, para. 31. See also the statement of Mr. Myerson (USA) in A/10232, Annex, p. 2, para. 7.





Perhaps the best commentary on the resolution was that, in the words of Mr. Garcia Robles, the Mexican representative, it took us another step forward to a «humanistic understanding of economic and social problems»<sup>16</sup>.

«The results of the Seventh Special Session have clearly shown the primary role which the United Nations could and should play as the setting for agreement and negotiations with a view to applying the guiding principles defined in the Declaration and Programme of Action for the new International Economic Order and in the Charter of the Economic Rights and Duties of States»<sup>17</sup>.

16. A/10232, para. 33; see also A/C.2/300, p. 37.

17. Upper Volta A/P.V 2366, p. 81.

