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Q6(a)

Discuss the relevance of the demand for New International Economic Order (NIEO) in the present era of globalisation

UPSC Civil Services Mains 2022 · PSIR GS 2 · 20 marks · Evolution of the International Economic System

Evolution of the International Economic System: From Brettonwoods to WTO; Socialist economies and the CMEA (Comecon); Third World demand for new international economic order; Globalisation of the world economy.

Core demand of the question

- Discuss the relevance of the demand for New International Economic Order (NIEO) in the present era of globalisation
- Write at 20-mark length

Revision summary

NIEO 1974 demanded fairer trade, finance, and technology for the South.

Globalisation produced growth for some and locked unequal rules for many.

WTO S&DT, IMF quotas, and climate finance are the living agenda.

BRICS and new banks are institutional substitutes for a UN-commanded order.

China's dual role and market facts make a pure 1974 replay impossible.

Introduction

The New International Economic Order was demanded by the G77 in UN General Assembly resolutions of 1974. It asked for fairer trade, technology, and finance for the South. Globalisation did not cancel that demand. It changed the instruments.

Body

What NIEO asked

- Sovereign control over resources, better commodity terms, more aid, technology transfer, and a larger voice in the IMF and World Bank.
- UNCTAD and the Prebisch lineage supplied the diagnosis of unequal exchange.
- **Wallerstein's world-system reading is harsher:** the core will not gift a new order; conflict over surplus is normal.

What globalisation did

- Some East Asian and Indian growth showed that insertion into trade can raise incomes. That is the liberal reply.
- TRIPS, financial crises, tax havens, and farm subsidies in rich States showed that rules still tilt. That is why Stiglitz and UNCTAD still sound like 1974 on different files.
- The WTO replaced much of the old NIEO bargaining table. Special and differential treatment fights, including fisheries, are NIEO in committee language.

Present relevance

- **Voice:** BRICS, the New Development Bank, Asian Infrastructure Investment Bank, and IMF quota debates are institutional NIEO by other means.
- **Justice:** climate finance, loss and damage, and vaccine equity replay technology and resource claims.
- Food and energy shocks after 2022 revived commodity politics that 1974 knew well.
- Digital public goods, data localisation, and platform taxes are new NIEO chapters that the 1974 text did not name.

What is obsolete

- A UNGA resolution cannot command markets. Cartel power like 1970s oil is rare for most commodities.
- **South-South gaps:** China is both a developing-member claimant and a core manufacturer. The old G77 unity is thinner.

Balanced claim

- The spirit of NIEO-policy space, fairer rules, and Southern voice-is live. The letter of 1974 state-managed prices is not the working programme.

Flow diagram

NIEO 1974 G77 -> Voice and policy space
Globalisation WTO -> Rules still tilted
Voice and policy space -> BRICS climate digital
Rules still tilted -> BRICS climate digital

Conclusion

- **NIEO remains relevant as a justice claim inside globalisation:** rules, finance, technology, and climate. It is less relevant as a single UN command economy. Today's means are WTO bargaining, BRICS finance, and climate funds, not a replay of 1974 resolutions alone.

Facts & figures

UNGA 1974

Declaration and Programme of Action on the Establishment of a New International Economic Order, driven by the G77.

UNCTAD / Prebisch

Structuralist case that commodity exporters need industrial policy and better terms of trade.

Wallerstein

World-system theory that a hierarchical capitalist economy will not equalise by resolution.

BRICS NDB

New Development Bank as a Southern-origin finance channel beside the World Bank.

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