

## Transformation of Requirements to the New Economic Order Establishment\*

ELLANA MOLCHANOVA<sup>1</sup>

**ABSTRACT:** This article deals with the establishment of a new economic order. The basic establishment stages have been reviewed. The new economic order establishment requirements have been set out. We have also identified certain individual features and changes in the establishment of economic requirements to the key actors of economic relations at various stages of the global economy development. The peculiarities of the present stage of the new economic order establishment have been studied. The article contains the principal directions for the global economy reforms and establishment of a new economic order concept. It also offers a review of the current information development for changing a paradigm in the establishment of economic relations between developed and developing countries; in particular, the article describes various conceptual forms.

**KEY WORDS:** Information society, non-aligned states, a new economic order, world order, the stages of establishment of a new economic order, the elements of establishment of a new economic order, economic system.

### Introduction

Information development of society, spread of nanotechnology, accelerated economic growth and reduced cycles of countries' economic development are all the signs of the present day global economy. At this stage, each country tries to find its own competitive niche. However, most actors of economic relations are unable to respond quickly to the accelerated development of the world economy. This development causes continuous products innovations, and, therefore, consumers are not anymore able to respond to new products in the global market. This poses certain threats for economic development of both manufacturers and countries.

This situation results from the mismatch between supply and demand and causes a glut on the market. The speed of supply and demand balancing depends on the extent of government regulation and involvement of the national economy in the global economy. The higher this correlation is, the stronger is the impact of the global processes on a country's development. These problems are often impossible to

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<sup>1</sup> **Molchanova Ellana Y.** — Ph.D. (Economics), Associate Professor of the International Economy Department of Kyiv National Economic University named after Vadym Hetman, freelance specialist consulting Germany-based VNR Verlag für die Deutsche Wirtschaft AG about the company's entering the Ukrainian market. Since February 2013 she has been working as a Deputy Dean of the International Economy and Management Department. Areas of research: globalisation, regionalisation, Ukraine's international economic activity, multinational corporations, a new economic order. E-mail: ellanam@ukr.net

address at the national level. In such a situation, the resources and capacities of individual countries should be to some extent combined to establish a brand new institution able to respond quickly to global social processes. This efficiency is all the more necessary now, in the context of unprecedented dynamics of these processes, which increases uncertainty and complicates making community-related decisions. There is the only obstacle to this change — absence of the centralised regulation of these processes as the polycentric system is unable to ensure sustainable development of the global economy due to the constant change of the integration core in the European Union and change of the world economic leader in Asia. Even international organisations are beginning to lose their role of global regulators because of outdated tools and mechanisms of regulation.

This is not a new issue. We should mention the representatives of various theoretical areas and scientific schools among the leading researchers of our time, including classical realism and neo-realism (Z. Brzezinski<sup>1</sup>, R. Gilpin,<sup>2</sup> S. Huntington<sup>3</sup>) liberalism and neo-liberalism (J. Rosenau,<sup>4</sup> E. Marie Slaughter,<sup>5</sup>), non-Marxist paradigm (I. Wallerstein<sup>6</sup>), etc. In their works, they studied the evolution of the world order and its economic dimension. Russian scientists have also researched this area, in particular, A. Bogaturov<sup>7</sup>, K. Gadzhiev<sup>8</sup>, etc. The scientists who have studied the establishment of the new world order in the context of globalisation are V. Andriychuk,<sup>9</sup> O. Bilorus<sup>10</sup>, K. Dergacheva<sup>11</sup>, V. Manzhola<sup>12</sup>, etc.

<sup>1</sup> Brzezinski Z., «Populist Resistance» is Derailing the New World Order. [Access mode]: <http://dialogs.org.ua/ru/periodic/page28028.html>

<sup>2</sup> Malsky M. Z., Matsyakh M. M., The Theory of International Relations (2007). [Access mode]: <http://uchebnik-besplatno.com/uchebnik-mejdunarodnie-otnosheniya/neorealizm-neoliberalizm.html>

<sup>3</sup> Huntington S., The New World Order in the 21st Century: Trends and European Dimension. [Access mode]: [http://xyz.org.ua/russian/win/strategy/hunt\\_world.html](http://xyz.org.ua/russian/win/strategy/hunt_world.html)

<sup>4</sup> Rosenau J. N., Governance Without Government: Order and Change in World Politics. [Access mode]: [https://www.google.com.ua/url?sa=t&rc=j&q=&esrc=s&source=web&cd=3&cad=rja&ved=0CDwQFjAC&url=http%3A%2F%2Fwww.worldpolit.ru%2Fdl%2Fgw\\_rus.doc&ei=PlxpUfVhLsamPbPpgOAL&usg=AFQjCNHqOz7PL2IV2MS7D7tJbHEzVUtvEQ&sig2=w4Px6tuk259a6y7CS2pR\\_g&bv=bv.45175338.d.ZWU](https://www.google.com.ua/url?sa=t&rc=j&q=&esrc=s&source=web&cd=3&cad=rja&ved=0CDwQFjAC&url=http%3A%2F%2Fwww.worldpolit.ru%2Fdl%2Fgw_rus.doc&ei=PlxpUfVhLsamPbPpgOAL&usg=AFQjCNHqOz7PL2IV2MS7D7tJbHEzVUtvEQ&sig2=w4Px6tuk259a6y7CS2pR_g&bv=bv.45175338.d.ZWU)

<sup>5</sup> Anne-Marie Slaughter, The Coming Atlantic Century («Project Syndicate», USA). [Access mode]: <http://www.inosmi.ru/usa/20130223/206249960.html>

<sup>6</sup> Grachev M. N., The Concept of Wallerstein's World-Systems Analysis: Explanatory and Predictive Opportunities. Where Does the World Community Go? The Third Millennium Geopolitics, editor-in-chief: E. R. Grigoryan (Moscow: the Institute of Social Sciences, 2006), P. 50-54. [Access mode]: [http://grachev62.narod.ru/Grachev/n62\\_06st.html](http://grachev62.narod.ru/Grachev/n62_06st.html)

<sup>7</sup> Bogaturov A., The Global Aspects of the UAS's «Civilization» Influence in the 21st century. [Access mode]: <http://i-r-p.ru/page/stream-trends/index-16570.html>

<sup>8</sup> Gadzhiev K. S., Political Science (Moscow: 1994). [Access mode]: <http://politics.ellib.org.ua/bpages-1002.html>

<sup>9</sup> Andriychuk V., The New Economy and Formation Models in Ukraine. [Access mode]: [http://referaty.pp.ua/abstracts/ua/economical-topics/economical-topics\\_6566\\_6.php](http://referaty.pp.ua/abstracts/ua/economical-topics/economical-topics_6566_6.php)

<sup>10</sup> Bilorus O., The Issues of Political Economy of Globalization. [Access mode]: <http://archive.nbu.gov.ua/books/2007/07ugs.pdf>

<sup>11</sup> Dergacheva K., The Concept of Sustainable Development in Scientific and Practical Context. [Access mode]: <http://www.politik.org.ua/vid/magcontent.php3?m=1&n=29&c=454>

<sup>12</sup> Manzhola V., A The Yalta and Potsdam System of International Relations. [Access mode]: <http://edu.cirs.kiev.ua/smainmenu-16/s-smainmenu-76/106-sv.html>

While researchers have studied various aspects of the world economy stages and the factors influencing its development, the mechanisms and instruments for regulating economic relations at the international level, there are still the issues that need to be studied, including the economic interaction between the countries at different levels of economic development. Therefore, we set the task to determine the mechanism of transformation of the requirements to the new economic order establishment from developing countries to improve positioning in global markets.

### **The New Economic Order Formation**

In order to clarify the requirements for the new international economic order we need to study the establishment process. To simplify the goal we shall divide the process of establishment of the new economic space into several stages.<sup>1</sup>

Stage one (early 14th – early 20th centuries) – new economic relations between the countries emerge. The Age of Discovery has divided the world into colonies and metropolitan countries. Their economic relations laid the foundation for the centralised economic life all over the world. Colonies were selling raw materials to their mother countries and were not allowed to trade on the international market. The metropolitan states were selling their own and colonial products. Such substantiation of economic relations between the countries was introduced by mercantilists. They described the relationship between the countries and gave it the name of systemic subordination which forms the international economic order. Therefore, from the early 14th century up to the beginning of the 20th century most countries remained the passive actors in global political processes.

Stage two (1920–1960) – historical and global changes took place: the colonial empires collapsed and new independent states were formed. Egypt gained independence in 1922 followed by Iraq – both countries in 1930 and 1936, respectively, forced the UK to sign agreements of independence, though a number of provisions thereof limited the countries' sovereignty. Syria and Lebanon were recognised as independent republics in the early 1940's.

After the World War II, peoples of Hindustan were the first to take the way to independence. It is significant that already in the interwar period Great Britain was forced to agree India's entry into the League of Nations. The growing struggle helped the people of this region gain independence in 1947. Two new independent states emerged – India and Pakistan. Independence was granted to other

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<sup>1</sup> *Shevchenko O. O.*, History of Economics and Economic Thought. [Access mode]: [http://pidruchniki.ws/15840720/politekonomiya/istoriya\\_ekonomiki\\_ta\\_ekonomichnoyi\\_dumki\\_-\\_shevchenko\\_oo](http://pidruchniki.ws/15840720/politekonomiya/istoriya_ekonomiki_ta_ekonomichnoyi_dumki_-_shevchenko_oo)

peoples of Asia and Africa: the Maghreb countries – Algeria, Tunisia and Morocco – in the second half of the 1950's from France; Arabian principalities – Aden, Kuwait, Bahrain and others – in the 1960–70's from Britain.

Stage three (1960–70's) – a continued decolonisation trend. The countries of Asia and North Africa on their way of independent development were followed by the nations of the Sub-Saharan region. Only in one year – 1960 – political independence was gained by 17 countries, the former colonies of Britain, France, Italy and Belgium. Foreign activities of the new sovereign states were reflected in the important international instruments adopted individually or jointly with other states. Maintaining international peace and security has become one of the most important aspects of the foreign policy of Asian and African countries. This aspect covered numerous issues such as general and complete disarmament (elimination of foreign military bases, evacuation of foreign troops), banning nuclear weapons and nuclear weapons tests, peaceful resolution of international conflicts, etc.

The African and Asian countries' struggle for general and complete disarmament and strict international control is associated with both the problem of maintaining peace and release after disarmament of significant funds and resources to overcome hunger, poverty, ignorance and slavery. To achieve the set targets the countries that freed themselves from colonial control had a meeting in September 1961 in Belgrade at the conference of 25 heads of governments that initiated the Non-Aligned Movement. The members of the Movement believed that the USA and the USSR were equally responsible for the international tension and arms race.<sup>1</sup> The conflicts between the great powers and their attempts to engage the countries of Asia, Africa and Latin America in conflicts have forced the states that in the late 1950's – early 1960's were freed from the colonial regimes took a position of non-participation in military and political alliances, move away from conflicts between the leading countries of the world, and proclaim their support of the struggle against colonialism, imperialism, neo-colonialism, apartheid, racism and all forms of hegemonism and expansionism, for the peaceful coexistence of states, relaxing of international tension, freezing the arms race, restructuring of the international economic relations, eliminating economic inequality, etc.

The representatives from Asia and Africa took an active part in the UN General Assembly, UN Disarmament Commission and other bodies discussing disarmament, emphasising their interest in rapid

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<sup>1</sup> *Roberts Paul Craig*, «The Rich Have Stolen The Economy,» *Foreign Policy Journal* (18.10.2009): [www.foreignpolicyjournal.com/2009/10/18/the-rich-have-stolen-the-economy](http://www.foreignpolicyjournal.com/2009/10/18/the-rich-have-stolen-the-economy)

resolution of this problem and often offering constructive solutions. The first Assembly of the Organisation of African Unity (OAU) (Cairo, June 17–21, 1964) declared the African Nuclear-Weapon-Free Zone. The heads of African states expressed their commitment «not to produce and establish control over nuclear weapons», urged all states to take on similar obligations and called upon nuclear powers to respect and comply with this declaration, ask the UN General Assembly to endorse this instrument and to take all necessary steps to convene the international conference on these issues<sup>1</sup>.

The intrinsic needs of independent development made the national governments of Asian and African states take care of the elimination of foreign military bases. The Disarmament Resolution called upon all African countries to eliminate foreign military bases on their territories and to denounce the mutual defence agreements previously dictated by the colonial powers.

However, during the 1970's the colonial states were forced to make significant concessions on this issue, especially in Africa. In the Sub-Saharan Africa, French colonialists were able to preserve only one base in each of the following countries – Senegal, Côte d'Ivoire, Nigeria, the Central African Republic, Gabon and Madagascar. Only three British outposts remained in Africa – in Southern Rhodesia, Swaziland and South Africa. The US military presence was considerably narrowed in North Africa. After coming to power of the Libyan Revolutionary Command Council, the USA had to urgently evacuate Wheelus Field, their key air base in the country. In many Arab countries, the last tangible traces of American influence disappeared after the 1967 Middle East War. The positions of peace-loving nations in Asia and Africa have strengthened considerable after the collapse of the colonial system.

Due to the changes in the overall balance of power, the United Nations had a situation where the right of nations to self-determination and the need for final elimination of colonial racist regimes were recognised by the overwhelming majority of the UN member states. The discussions were generally initiated and anti-colonial resolutions were developed by the representatives of the new independent states. The effectiveness of the United Nations in the fight against colonialism and racism has increased significantly. The UN had to consider the demands of the international democratic organisations. In 1969, the UN General Assembly considered the Manifesto on Southern Africa prepared by the 6th Session of the Organisation of African Unity, and declared that together with the OAU it was committed to look for fair solutions on the status of

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<sup>1</sup> Among 34 development-related actions, general assembly adopts resolution, king Action on Second Committee Reports, Plenary Also Passes Text Relating to 'Declaration on Social Justice for a Fair Globalization': <http://www.un.org/News/Press/docs/2008/ga10802.doc.htm>

South Africa which had a threatening situation at that time. On November 21, 1969, the meeting of the UN General Assembly adopted the Resolution on the Policies of Apartheid of the Government of the Republic of South Africa, and recommended the Security Council to take immediate action to eliminate the threat to world peace. The General Assembly approved the proposal of the African Group about the use of economic sanctions against South Africa, Portugal and the racist government of Southern Rhodesia.<sup>1</sup>

Peaceful resolution of international conflicts is an important aspect of maintaining international peace and security. In Asia and Africa, tension tends to arise in solving the border problems that were inherited by the young sovereign states from colonial regime. However, these states with their peaceful acts recognised inviolability of the borders that were formed at the time of proclaiming independence, and in the international conflicts they retained the right to arbitration to normalise relations between the warring parties.

The country dialogue emerged due to the processes of economic decolonisation and the freed countries' aspiration for becoming equal actors of international relations. The developing countries' demand was reflected in the programme of the new international economic order; however, it was considered within the East-West confrontation and actually extended beyond the «non-alignment» movement.

### **The «New Economic Order» Establishment Requirements**

The requirement of establishing the international economic order, the developing countries' concept for restructuring of international economic relations on a fair and equal basis, was first proposed at the 4th Ministerial Conference of the Non-Aligned Countries held in Algeria in 1973. The requirement was reflected in three documents – the Declaration on the Establishment of a New International Economic Order, Programme of Action and Charter of Economic Rights and Duties of States. These documents were approved by the 6th and 7th Special Sessions and the 29th Session of the UN General Assembly in 1973–1974.<sup>2</sup>

The Programme of Establishing of a New World Economic Order was adopted in April 1974 by the 6th Special Session of the UN General Assembly initiated by Algeria.

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<sup>1</sup> Among 34 development-related actions, general assembly adopts resolution, king Action on Second Committee Reports, Plenary Also Passes Text Relating to 'Declaration on Social Justice for a Fair Globalization': <http://www.un.org/News/Press/docs/2008/ga10802.doc.htm>

<sup>2</sup> *Wessel David*, «Lessons From the Housing Bubble,» *The Wall Street Journal*.: [http: online WSJ/ article /s31212000432477426868n.html](http://online.wsj.com/article/s31212000432477426868n.html), May 28, 2008-Page A2

The fundamental principles of the new international economic order include:<sup>1</sup>

- sovereignty and equality of states;
- their territorial integrity and non-interference in internal affairs;
- the right of each country to choose the most suitable way of development;
- sovereignty over natural resources and all economic activities;
- control of transnational corporations;
- assisting without any political or military pre-conditions.

The principles of the new international economic order also included preferential treatment for developing countries in all fields of international economic cooperation, as well as restructuring of the international monetary system, establishment of fair prices for raw materials and manufactured products, regulation of raw material markets, facilitation of technology transfer, accelerated industrialisation process.<sup>2</sup>

Therefore, the main idea of the new economic order programme contained in the policy documents can be combined in three groups of principles that require addressing the following issues:<sup>3</sup>

- 1) establishing an international legal framework for the implementation of the new international economic order;
- 2) restructuring the international trade, reforming the existing financial system and intensified assistance to developing countries;
- 3) development and strengthening of economic cooperation between developing countries.

The first group of principles includes the developing countries' exercising sovereignty over their natural resources and economic property. The second group includes the international trade requirements. The third group relates to the expansion of economic, trade, financial and technical cooperation between developing countries.

The struggle for the establishment of the new international economic order is a complex and contradictory phenomenon. It is one of the current global issues since the solution affects all countries. The settlement of these problems and participation of the non-aligned countries gave further impetus for the decolonisation process when independence was gained by the nations of the former Portuguese colonies in 1973–1975.

Therefore, stage three of the new economic order establishment was focused on decolonisation. Colonialism was eradicated largely due to the joint efforts of the Non-Alignment Movement. This is an

<sup>1</sup> Among 34 development-related actions, general assembly adopts resolution, king Action on Second Committee Reports, Plenary Also Passes Text Relating to 'Declaration on Social Justice for a Fair Globalization': <http://www.un.org/News/Press/docs/2008/ga10802.doc.htm>

<sup>2</sup> Koppel O. A., The Civilization Paradigm of the New World Order Establishment in the Globalization Context. [Access mode]: <http://helen-koppel.narod.ru/017.htm>

<sup>3</sup> Bondarenko K., Margaret Thatcher's Prophecy, or the New World Order. [Access mode]: [http://world.lb.ua/news/2012/05/14/150803\\_prorotstvo\\_margaret\\_tetcher\\_abo\\_noviy.html](http://world.lb.ua/news/2012/05/14/150803_prorotstvo_margaret_tetcher_abo_noviy.html)

important stage both in theory and in political practice of the post-confrontation world, especially in Asia.

The struggle for peace and disarmament in the Non-Alignment Movement's activities cannot be defined by strict chronological boundaries. It is a long, specific process. The Non-Aligned Movement supported the general and complete disarmament of the great powers – this was the pre-condition for the third world countries' alignment in this area.

Stage four (1980–90) – the decolonisation process was continued. In the 1989 war with South Africa, political independence was gained by Namibia, the last African colony. The political map of Asia and Africa experienced fundamental changes. Independent states emerged after colonies and semi-colonial territories. In 1997, Hong Kong finally returned to Chinese rule, and on December 20, 1999 the last western enclave in Asia – a small Portuguese colony of Macau on the east coast of China – was returned to this country. This *de jure* put an end to 500 years of Western colonialism in Asia.<sup>1</sup>

However, in the late 1980's – early 1990's the main goals and objectives of the Non-Alignment Movement were significantly changed. This happened due to the end of the «cold war» and collapse of the bipolar structure of international relations. 1990's saw dramatic global changes that altered the geopolitical situation in the world, however, the «third world» still remains regardless of the fact that decolonisation has been completed, and there is the Non-Aligned Movement which is gaining new significance in the new environment. Economic aspects become fundamental in the Non-Aligned Movement's activities. The relationship in the establishment of the new international economic order has gradually shifted from the East-West axis to the South-North axis.

In the late 1980's, Prime Minister of Malaysia Mahathir Mohamad proposed to form the South Commission headed by Julius Nyerere (Tanzania). The main task of the Commission was to develop a programme of economic development in the South relative to the South-South and South-North axes. The programme was designed for the period up to 2000. As a result of the Commission's work, a group of independent experts published the report containing propositions for economic and social development of the third world countries. In October 1995, the 11th NAM Summit was held in Cartagena where countries stated about:<sup>2</sup>

1) their commitment to participate in establishing the modern multi-polar world as an independent political force;

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<sup>1</sup> Mandelbrot B., Hudson R. L., *The (mis) Behaviour of Markets: A Fractal View of Financial Turbulence*, Translated from English (Moscow: Williams Publishing, 2006), P. 234.

<sup>2</sup> Chetverikova O., *A New World Order*. [Access mode]: <http://firtka.if.ua/?action=show&id=7375>

2) updating and coordinating their approaches to international cooperation with all the major players in world politics;

3) creating conditions and developing mechanisms that will help the NAM implement a dialogue on the North-South axis since the collapse of the East-West axis gave impetus to the process of unification of the North and formed a favourable environment for the unification of the South;

4) avoiding the threat of dissolving in the Group of 77. Each alliance is expected to find its place in the international system of coordinates. The Movement was to formulate strategies, develop political support for developing countries' negotiating efforts in international financial institutions and the WTO, and negotiating with the G-8;

5) strengthening solidarity and cooperation in the South-South axis, developing cooperation and partnership in the South-North axis;

6) creating an operational mechanism for coordination, development of common positions of the non-aligned countries and arranging negotiations between the G-7/EU and the G-3 from the Non-Aligned Movement (former, present and future head of the Movement). The first ministerial meeting of the Movement's G-3 with France, which was then holding the presidency of the G7, and the G-3 of the EU took place in 1996. Later, the Non-Aligned Movement had met the G-8 at ministerial level twice a year before the summits of the leading world powers as well as during the session of the UN General Assembly in New York. The North-South dialogue was gaining strength;

7) forming the new task for the Movement in the international arena which was aimed to look for solutions to critical social and economic problems of developing countries on a basis of a reasonable and mutually beneficial compromise with developed countries across their political, financial and economic relations.

The conference dedicated to the issues of the South-South axis was held in San-Jose in 1997. It dealt with the problems of trade, financial and investment policies of developing countries. The conference developed the programmes and formulated recommendations for the most developed countries of the South which were interested in the exploration of new and more profitable third world markets, to deploy horizontal flows of credit oriented on the development of the weakest countries of the South.<sup>1</sup>

The 12th Summit of the non-aligned states was held from August 31 to September 5, 1998 in Durban (South Africa). The participants urged for deepening dialogue based on interdependence, common

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<sup>1</sup> Mandelbrot B., Hudson R. L., *The (mis)Behaviour of Markets: A Fractal View of Financial Turbulence*, Translated from English (Moscow: Williams Publishing, 2006), P. 247.

interests, «mutual benefit and shared responsibility». The following areas of cooperation were identified:<sup>1</sup>

- reforms of international financial institutions;
- quicker consideration of debt restructuring;
- debt relief for the poorest countries, especially for African states;
- monitoring investment banks in developed countries;
- ban on international speculative foreign exchange transactions that endanger national financial systems of developing countries;
- protectionism and liberalisation of international trade;
- access to advanced technology.

The development of South-South relations was one of the key questions discussed at the summit, and the participants underlined the need for strengthening political solidarity between the non-aligned countries in the context of globalisation of international relations. It was noted that the main problem was that the South was still playing the role of an exporter of raw materials for the countries of the North, so the «vertical» financial North-South flows remained intact.

The summit also considered a range of issues relating to regional and global economic development, the search for a peaceful settlement of regional conflicts, the issue of disarmament and the UN reform. The Non-Aligned Movement member states spoke in favour of the growing role of the UN in establishment of the new world order. Developing countries see the UN as the most appropriate and reliable mechanism that can ensure the balance of interests of all members of the international community.

At the same time, the Non-Aligned Movement called for the modernisation of the United Nations. It highlighted the need for reforms of this universal organisation towards greater democratisation and efficiency. The conference outlined the main directions of reforms:<sup>2</sup>

- redistribution of powers between the Security Council (SC) and the General Assembly in favour of the GA;
- making the GA accountable to the Security Council;
- increased role of specialised agencies and organisations.

The reform of the Security Council should be implemented together with 3 all other changes in the UN structure and activity methods. In their opinion, the composition of the Council should be increased by 11 non-permanent members by the equitable geographical representation principle, unless otherwise agreed on the

<sup>1</sup> Among 34 development-related actions, general assembly adopts resolution, King Action on Second Committee Reports, Plenary Also Passes Text Relating to 'Declaration on Social Justice for a Fair Globalization': <http://www.un.org/News/Press/docs/2008/ga10802.doc.htm>

<sup>2</sup> Stepko O., «The Issues of Information Technology in the UN,» Gazette of the Kyiv National University of Trade and Economy (KNTEU) No. 3 (2002): P. 28.

«other membership categories».<sup>1</sup> The «veto» institute should be liquidated. Therefore, the Security Council was chosen to be the main object of reforms. This was caused by the fact that some developing countries such as India and Indonesia, Nigeria and South Africa, Brazil and Argentina wished to become permanent members representing their regional groups, which can lead to an undivided domination of the North. The Durban Conference requested the Movement's UN reform working group headed by the Chairman of the NAM to continue the policy of constructive cooperation of the non-aligned countries with other UN member states to coordinate the UN reform parameters.

The Conference adopted the Durban Declaration that determined the place and role of the Movement in international relations as a «progressive force of the new millennium marking the era of nations revived, the South era, the era of hope». The participants identified the strategy for the development of the No-Aligned Movement for a period from the end of the 20th century up to the early 21st century. In fact, this was the programme for developing countries' entry into the 21st century.

The Movement summit in Durban completed a critical and very important stage in the Movement's history — the stage of renewal and searching for its role and place in the new international reality. The Movement did not cease its activities but became one of the important elements in the formation of a multi-pole world order.

### **Current Stage of the New Economic Order Establishment**

2000 can be considered the beginning of stage five in the development of the new economic order. At this stage of the global economy development, the non-aligned countries should be able to respond quickly to the changes taking place in the global economy, and they too little time for it. The current stage of the world economy development is associated with the transformation of social institutions and changes of the global environment; therefore, modern communication technologies enhance the power of international organisations that defend economic and political interests of hegemonic countries. It is about the present form of technological exclusion: information technology neo-colonialism. Progress in science and technology (PST) has provided economic power to Western capitalist countries and continues to promote their dictatorship on the planet, intensifies international relations and globalisation of social processes and phenomena. The military

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<sup>1</sup> *Tentori D.*, The Horizons of the New World Order. [Access mode]: [http://old.epravda.com.ua/markets/2012/01/19/313368/view\\_print/](http://old.epravda.com.ua/markets/2012/01/19/313368/view_print/)

and economic power of today's leading countries is largely based on their advanced technology and information systems. The broad opportunities of modern technology, mass media and communication means are becoming the key factors that influence the formation of a structured global community and set the direction of social, political, economic and cultural processes on Earth.<sup>1</sup>

Intellectual products and new technologies are increasingly becoming profitable and monopolised by developed countries. Today, they supply a brand new unlimited resource – information and knowledge – in exchange for deliberately undervalued and limited material resources from periphery countries of the world. This division of labour builds a new mechanism of wealth formation and distribution. Due to the rapid progress of technology workers' skills and knowledge have become the key factors of production in developed countries. The information society has a dominance of competition of knowledge and information which is as severe as property competition. Productive industry giants that dominated in the society several decades ago are becoming today more dependent on media owners. The latter establish control of industrial empires both in their countries and throughout the world.

A new form of alienation emerged: – intellectual and technological where the information society offers many opportunities for development based on limited access to computer technology. There are two simultaneously developing communications systems. One of them is for educated people who have advanced means of communication, and the other is for those who have no such means. This distribution takes place both at the level of individual countries and globally.<sup>2</sup>

Interstate economic competition becomes more severe causing economic asymmetry in the interdependence of the most and least developed countries. In other words, less developed states are becoming more and more dependent on rich countries. New global division of labour is generated by technological alienation in the globalisation environment. In today's world, we have the negative phenomena such as inequality and economic development of countries and monopolisation of control over the global resources. This control is based on the global disparity in the distribution of the world material and intellectual resources and hierarchical classification of countries by levels of political, economic and cultural development. The countries that are unable to fit in the information economy become superfluous elements on a global scale

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<sup>1</sup> *Yali M. Kh.*, «After Versailles, Yalta and Potsdam. Or the Transformation of the World Order,» *Politics and Time* No. 7–8 (2006): P. 81.

<sup>2</sup> *Parinov S.*, *Information Interaction in the Economic Space*: <http://rvles.ieie.nsc.ru/parinov/net-model.htm>

– the marginalised countries with population that represents proletariat of our time.

The global integration disparities can also be seen in education and information sectors. The vast majority of developing countries lag behind the developed countries in the use of new information media. The countries that monopolised high technology are implementing the policies of PST slowdown and restriction in the countries that do not have such technology.

For the rest of the world Western countries play a role of a reference group mainly in regard to advanced technology, more effective economy, higher level and quality of life of their people. The economic inequality and the living standards distance between rich and poor countries is not becoming shorter. They have been seen as a normal phenomenon for centuries but people can now better feel injustice, which causes protests and conflicts.<sup>1</sup>

On the other hand – as we have already noted above – the cultural and civilization diversity of the world remains rich. Therefore, each society that undertakes modernisation efforts faces a dilemma of how to introduce the technical and economic changes necessary to improve the economy and raise the living standards maintaining its social and cultural identity.

### **Current Approaches to Establishment of a New Economic Order**

The idea of the new international order has a variety of conceptual forms, yet its formation should be first of all based on the actual need for improving the governance of the world with the use of the existing integration processes. Integration alliances tend to mutual rapprochement, so they can ensure the effectiveness of the general principles of their behaviour on the world stage.<sup>2</sup>

To establish an effective new international order we do not need any global government, which will not be approved by peoples and nations, but we need polycentric governance from the central global triad (NAFTA-EU-APEC) that will form a kind of the World General Committee. For example, if we take the EU's regional cooperation model which supports and institutionalises the integration processes in Europe and in Asia Pacific, Africa, and Latin America, we can create an efficient global federation.

Secondly, with increased significance and applications of international law and with growing value of international institutions, the key role in establishing the international order can be played by

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<sup>1</sup> *Boryansky A.*, The List of Missing Ships. [Access mode]: [www.moneynews.ru](http://www.moneynews.ru)

<sup>2</sup> *Botvinov A.*, «The Lessons of the Crisis-2, End of the Era,» *Zerkalo Nedeli* 22:750 (June 20—26, 2009). [Access mode]: [www.zn.ua](http://www.zn.ua)

numerous international organisations led by the United Nations which can be regarded as the foundation of the future world government. Creating the global institutions, that govern international economic and political relations, as the method of forming a planetary government in the distant future indicates the ways to increase their value. The methods of forming the future government should be chosen by the countries' functions in the formation process as well as in the establishment of the new economic order.<sup>1</sup>

Time will tell if the new economic order will be governed by the planetary government which has all necessary supranational tools – government, army, effective regulatory mechanisms, etc. – or it will be based on several interacting integrated regional centres that cover the whole world, or it will be a different world control option. In any case, the establishment and operation of a reliable global order can only be achieved through the creation of the environment favourable for the defence of interests and preservation of values of states, intergovernmental organisations and a variety of social communities and individuals.

This perspective allows finding the solution for the issues of the relationship between national sovereignty and global responsibility. Besides, pursuing the principles of national sovereignty often causes violence in the struggling countries and inefficient use of natural resources without concerning about the future generations and economic system that is unable to benefit from the gap in the levels of economic development of countries of the world.

If countries reserve the right not to give up a part of their sovereignty, the world government can be formed with the UN assistance that includes the «sovereignty diplomacy». Meanwhile, the very existence of the United Nations and its specialized agencies indicate that countries attempted to transfer a part of their sovereignty to the «common pot» to address the issues of common interest. This part will inevitably grow in the future.<sup>2</sup>

In this situation, transfer of sovereignty to supranational bodies reduces a country's function in solving global problems. If this scheme is used, the UN can concede to regional integration associations. From this perspective, we can say that the current historical period is a period of transition to a new international order regulated by the institutions with the legal rights built on the voluntarily transferred and increasingly growing part of sovereignties of all actors of international relations.

It is based on a certain system of factors where social and cultural factors take an important place. The elements of this system

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<sup>1</sup> *Tellin S.*, Intranet and Adaptive Innovation: Transition from Management to Coordination in Modern Organizations. [Access mode]: <http://www.osp.ru/dbms/1996/05/68.htm>

<sup>2</sup> *Kornilov G.*, «The Dollar Universe,» *Zerkalo Nedeli* 46:725 (December 6-12, 2008). [Access mode]: [www.zn.ua/2000/2250/64904/](http://www.zn.ua/2000/2250/64904/)

include the relations of domination, interest and approval of international actors, as well as presence of the mechanisms to ensure functioning of the international order and regulation of the emerging tension and crises. The role of the first element expressed in military and power relationship of countries in the world stage and built on their international hierarchy varies significantly today partly becoming different or less important but not disappearing completely. In this sense, the current stage of the international order development continues to be a system of relations of a limited number of countries that have global military and strategic domination with the rest of the world.

Noticeable changes can be seen in the other international order element associated with actors' interests. First, there are certain changes in the structure of the national interests of the state actors of international relations: the highest priority is gained by the interests related to ensuring economic prosperity and material wellbeing. The economic component of national interests becomes the driver of increased power of the state and acquires more and more obvious importance as the state's response to the demands of its people as to the level and quality of life, and as a response to new external challenges of authority and prestige on the world stage, the place in today's international hierarchy that are based on different principles.<sup>1</sup>

Second, the increased role of non-state actors is accompanied by weaker government control over the world's economic life and allocation of resources much of which is carried out by transnational corporations. Their interests are often not related to or predominate over the interests of states. The national interest rivalry exists together with the rivalry of conflicting interests of transnational companies, banks, associations and other non-state actors.<sup>2</sup>

The third element of the international order — the agreement relationship — suggests that an order can only exist if actors agree to comply with its fundamental norms and principles. This is only possible if they match with the common values that make actors act within certain limits. By analogy with the internal social relations, we can conclude that observance of the set «rules of play» by international actors is explained by both the fear of punishment or the immediate material interests and the recognition of the legitimacy of such rules.<sup>3</sup>

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<sup>1</sup> «The Global Financial System: Six Expert Opinions of the Crisis,» e-JOURNAL USA 14:5 (The U.S. State Department, May, 2009). [Access mode]: [www.america.gov/publications/ejournalusa/html](http://www.america.gov/publications/ejournalusa/html)

<sup>2</sup> Koppel O. A., The Civilization Paradigm of the New World Order Establishment in the Globalization Context. [Access mode]: <http://helen-koppel.narod.ru/017.htm>

<sup>3</sup> Sokhatska O., The New Order on the Global Financial Market: Post-Crisis Projects and Realities. [Access mode]: [http://www.nbu.gov.ua/portal/soc\\_gum/jee/ua/2010\\_1/jee-1-ua/06S\\_ua.pdf](http://www.nbu.gov.ua/portal/soc_gum/jee/ua/2010_1/jee-1-ua/06S_ua.pdf).

The effectiveness of this process depends on the following factors:<sup>1</sup>

1. The degree of success of the attempted presentation of private needs and ideals as general needs and ideals;
2. The degree of success of exclusion (discrediting and devaluing) the opposing needs and ideals. Ultimately, everything depends on the society's intellectual and cultural force correlation.

From this perspective, the global spread of democratic values and standards should not create illusions as to their universal nature. In fact, as we have already noted above, it is about the values of the Western liberal democratic ideology. Like any other ideology it seeks to exclude any other society and world doctrines, the rules and norms of international cooperation, and attempts to present the ideals of market economy, parliamentary democracy, individual freedoms and human rights as the reasonable needs inherent in human nature, however, the efforts of this ideology faces some serious challenges.

Finally, as for the fourth element of the international order – the mechanisms that ensure its functioning and help settle the emerging tension and crises – we should noted the increasing role of international exchanges and communications. International communication is a broad network of channels of actors' contacts that is evolving and becoming more and more complex. Today, it firstly includes the traditional formal institutional and non-institutional channels: diplomatic relations, bilateral and multilateral meetings, official visits, etc. Secondly, it is represented by the interaction between official bodies as well as public opinion that has a growing influence on regimes, diplomatic agencies, etc. Thirdly, it includes the independent and direct role of the media as international communication channels that are gaining importance for the existing world order. Each of these channels is aimed to maintain and improve stability of the international order and can have an reverse effect: provoke its own crisis increasing dissatisfaction of certain influential actors of international relations.

## Conclusions

The establishment of the new economic order is based on the great geographical discoveries that divided the world into colonies and metropolitan countries. Their economic relations laid the foundation for the centralised economic life all over the world. Peoples of Hindustan were the first to take the way to independence

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<sup>1</sup> *Tentori D.*, The Horizons of the New World Order. [Access mode]: [http://old.epravda.com.ua/markets/2012/01/19/313368/view\\_print/](http://old.epravda.com.ua/markets/2012/01/19/313368/view_print/)

making the way to the new global historical changes: the colonial empires collapsed and new independent states were formed.

The requirement of establishing the international economic order, the developing countries' concept for restructuring of international economic relations on a fair and equal basis, was first proposed at the 4th Ministerial Conference of the Non-Aligned Countries held in Algeria in 1973. The requirement was reflected in three documents – the Declaration on the Establishment of a New International Economic Order, Programme of Action and Charter of Economic Rights and Duties of States. These documents were approved by the 6th and 7th Special Sessions and the 29th Session of the UN General Assembly in 1973–1974. The Programme of Establishing of a New World Economic Order was adopted in April 1974 by the 6th Special Session of the UN General Assembly initiated by Algeria.

The main ideas of the new economic order programme contained in the policy documents can be combined in three groups of principles that require addressing the following issues: the development of the international legal framework for the implementation of the new international economic order; restructuring the international trade, reforms of the existing financial system and intensified assistance to developing countries; and the development and strengthening of economic cooperation between developing countries.

However, in the late 1980's – early 1990's the main goals and objectives of the Non-Alignment Movement were significantly changed. This happened due to the end of the «cold war» and collapse of the bipolar structure of international relations. 1990's saw dramatic global changes that altered the geopolitical situation in the world, however, the «third world» still remains regardless of the fact that decolonisation has been completed, and there is the Non-Aligned Movement which is gaining new significance in the new environment. Countries stated about: their commitment to participate in establishing the modern multi-polar world as an independent political force; updating and coordinating their approaches to international cooperation with all the major players in world politics; creating conditions and developing mechanisms that will help the NAM implement a dialogue on the North-South axis since the collapse of the East-West axis gave impetus to the process of unification of the North and formed a favourable environment for the unification of the South; avoiding the threat of dissolving in the Group of 77; strengthening solidarity and cooperation in the South-South axis, developing cooperation and partnership in the South-North axis; creating an operational mechanism for coordination, development of common positions of the non-aligned countries and arranging negotiations between the G-7/EU and the G-3 from the Non-Aligned Movement; forming the new task for the Movement in the international arena

which was aimed to look for solutions to critical social and economic problems of developing countries on a basis of a reasonable and mutually beneficial compromise with developed countries across their political, financial and economic relations.

The current stage of the world economy development is associated with the transformation of social institutions and changes of the global environment; therefore, modern communication technologies enhance the power of international organisations that defend the economic and political interests of hegemonic countries. Intellectual products and new technologies are increasingly becoming profitable and monopolised by developed countries. Today, they supply a brand new unlimited resource – information and knowledge – in exchange for deliberately undervalued and limited material resources from periphery countries of the world. This division of labour builds a new mechanism of wealth formation and distribution. Interstate economic competition becomes more severe causing economic asymmetry in the interdependence of the most and least developed countries.

The idea of the new international order has a variety of conceptual forms. It is based on a certain kind of factors where social and cultural factors take an important place. The actors' interests and their voluntary adherence to the underlying norms and principles as well as the mechanisms that ensure functioning of the order play a vital role. Therefore, this issue will always be relevant and offer a logical basis for further research.

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