

Decolonization and the Failure of the New International Economic Order (1970s)

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Abstract: After World War II, a surge of independence swept across Asia, Africa, so Latin America - reshaping world politics fast. Though free from colonial rule, several new nations still leaned heavily on Western economies due to lopsided trade and weak industry. Instead of standing equal, they found themselves stuck in old patterns shaped by money flows beyond their reach. So, guided by the Group of 77, poorer countries pushed hard for change during U.N. talks in the early 1970s. Their answer came in 1974: a bold plan named the New International Economic Order. It called for balanced trading rules, full authority over local minerals plus crops, along with more funds and tools from richer lands. While hopes ran high, real shifts took longer than anyone expected.

This work looks into why the New International Economic Order fell short of its bold goals. Rooted in Dependency Theory and world-systems thinking, it suggests deep-rooted imbalances in global trade held the initiative back. On top of that, wealthy Western states pushed against change with consistent opposition. At the same time, splits between poorer nations made unified demands harder to sustain. Then came the 1980s, when free-market ideas gained ground under figures like Reagan and Thatcher - turning attention from sharing wealth to opening markets.

The study ends by pointing out how the NIEO fell short, showing what can go wrong when new economic plans bump into old power imbalances across nations; fairness in world growth still slips through the cracks. Though hopes ran high, deep structures tilt the field - progress crawls where history weighs heavy.

Keywords: Decolonization, New International Economic Order (NIEO), Global South, economic dependency, structural inequality, Dependency Theory, neoliberalism, debt crisis, Group of 77, global economic governance.

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Introduction

Background Study

Today's world economy grew out of old patterns shaped by empire and its collapse. Back then, European nations built colony economies around feeding home needs - taking natural resources, pushing exports. Because of that setup, many ex-colonies still lean heavily on just a few basic goods, stuck without strong industries. They often trade at a disadvantage now, barely linked into wider networks where benefits are shared more equally.

After World War II, as colonies gained independence across Asia, Africa, and Latin America, they tried breaking free from old limits to shape their own economies. Yet even with self-rule, deep imbalances stayed built into world markets. Richer nations still held sway over global commerce, tilting trade their way. Bodies like the IMF and World Bank operated mostly on terms set by powerful economies. This left poorer countries stuck with endless shortfalls in trade, wild swings in raw material values, plus growing loans owed overseas.

Later on, during the late sixties into the seventies, nations from the global south started pushing back together. Instead of working alone, they used groups like the G77 and leaned on the UN to make their voices heard. Their main goal? A different kind of world economy - one that treated poorer countries less unfairly. Out of this push came the idea, laid out in 1974, called the New International Economic Order. It wanted trade rules that didn't favor only rich nations, along with easier reach to money and new tools for growth.

Out of old power lines grew new demands. Former colonies pushed back, not just for fairness but for footing in an unbalanced game. This shift did not emerge overnight. Shaped by past control, the world economy still leans west. Control shifts slowly when history weighs heavy on trade and policy. What looked like independence often came with hidden strings tied to richer nations. Decisions made far away kept influencing local fates. The call for economic justice became louder as gaps widened. Systems built long ago stayed in place, even after empires faded. A desire rose - not only to join the table but to reset its shape.

Problem Statement

Even after winning independence during the 1900s, many nations across Asia, Africa, because of deep-rooted imbalances, still found themselves on shaky ground economically. These countries kept relying mostly on selling raw materials instead their industries grew slowly. Meanwhile control over trade, banking, innovation stayed tightly held by wealthier, factory-powered regions. Because of this gap, a push emerged in the 1970s known as the New International Economic Order - meant to reshape unfair patterns through wider fairness in how money and resources moved worldwide.

Still, here lies a core issue: even with firm backing from poorer nations and nods from global bodies, the NIEO did not bring about real shift. That question hits hard. When most countries in world politics - especially ones hit hardest by wealth gaps - pushed for overhaul, what blocked deep change?

What holds this issue together is how political action bumps up against rigid systems. Even though newly independent nations pushed hard - aligning their goals, talking across borders, building organizations - they still faced a world economy tilted by design. Richer countries kept the upper hand, mainly because they held tight to money flows, advanced tools, and major financial bodies. At the same time, splits within the Global South, changing alliances under Cold War pressure, and downturns in markets made it tougher to put the New International Economic Order into practice.

So much rides on how former colonies manage their freedom once it's won. Not every new nation finds its footing when trying to reshape trade and wealth worldwide. A big reason? The leap from wanting change to actually building it rarely happens smoothly. That mismatch - between bold goals and what really unfolds - shapes more than just broken policies. It keeps old imbalances alive, even decades later. What looked possible in speeches often stalls in practice. This stubborn pattern explains why some economies stay ahead while others struggle, no matter the promises made.

Research Objectives

General Objective:

Starting in the 1970s, efforts to reshape global trade fairness stumbled despite independence sweeping across continents. Power imbalances lingered long after colonial rule ended, shaping how newly sovereign states engaged world markets. Instead of shared progress, old hierarchies found new forms through policy frameworks and financial controls. While ambitions ran high for economic equity, gatekeepers of capital resisted meaningful shifts. Institutions built under Western guidance favored stability over transformation. Even united voices from the Global South met resistance when pushing reforms. So momentum faded - less due to lack of vision, more because entrenched systems held firm.

Specific Objectives:

1. Looking into ways decolonization influenced what new nations wanted economically.
2. Looking at what poorer nations wanted when they pushed for a new global economic setup through world meetings.
3. Looking closely at how the world economy is built shows why the NIEO struggled to take hold. Blocks in its

design made real change hard to reach. Power imbalances shaped who could act and who stayed stuck. Decisions long ago still

Echoed through today's limits. The rules favored some while slowing progress for others. Hidden walls stood firm even when new ideas came near.

One way to look at how split opinions inside poorer nations shape group efforts is by checking real outcomes over time. Differences in priorities often slow things down when trying to act together. What matters most shows up not in plans but in what actually gets done despite disagreements? How far groups get depends heavily on whether goals line up across varied local needs. Progress sometimes happens even without full agreement if enough players move in similar directions.

- ✓ Looking into how worldwide political tensions shaped the NIEO's path. Cold War rivalries played a role, yet so did financial downturns across nations. Power struggles between superpowers mixed with shrinking economies. Tensions abroad shifted priorities at home. National interests often blocked unified moves. Economic stress changed government choices in unexpected ways. Big power clashes narrowed room for cooperation. Crises pulled attention from long-term plans. Global pressure built quietly beneath diplomatic talks. Decisions emerged not just from ideals but survival needs.
- ✓ Looking into how the collapse of the NIEO shaped worldwide gaps in wealth and power shows deep shifts in who gets to set global rules. Outcomes unfolded unevenly, exposing cracks in attempts at fairer systems. Influence tilted further toward wealthy nations once cooperation broke down. Unequal results stuck around long after talks fell apart. Decisions made during that period still echo through trade and aid today.

Research Questions:

- ✓ What made the New International Economic Order collapse even though many newly independent nations backed it during the 1970s?
- ✓ What role did independence movements play in reshaping trade expectations across former colonies?
- ✓ What were the core objectives and principles of the NIEO as proposed by developing countries?
- ✓ What structural features of the global economic system constrained the implementation of the NIEO?

What response came from wealthy nations when NIEO requests appeared? International lenders shifted stance slowly afterward. Some policies changed, though resistance lingered behind closed doors. Pressure built through global summits and quiet negotiations alike. Outcomes varied - few gains here, delays there. A handful of reforms emerged over time.

How much did splits among nations of the Global South erode their joint influence? Yet strength in unity faded when disagreements grew. Because fractures spread, coordination slipped. When trust thinned, common goals blurred. Though shared histories linked them, conflicting interests pulled harder. As voices diverged, leverage shrank. Where alignment once held, now gaps widened. Without cohesion, impact softened.

What role did Cold War tensions play in shaping the NIEO's path? Global financial turmoil at the time added pressure. Instead of unity, divisions pulled efforts apart. Shifts in power between nations redirected priorities. Economic shocks disrupted negotiations. Distrust grew alongside changing alliances. Goals once seen as possible began fading. Outside pressures outweighed shared aims. The original vision lost ground slowly. Rising instability made cooperation harder. Ideas that seemed strong weakened over time.

What are the long-term implications of the NIEO's failure for global economic inequality and governance?

Table 1: Core Objectives of the NIEO (1974)

Category	Policy Demand	Expected Outcome
Trade	Fairer commodity prices	Reduce unequal exchange
Natural Resources	Sovereign control over resources	Increase national revenues
Finance	More development aid	Support economic growth
Technology	Transfer from developed countries	Promote industrialization
Corporations	Regulation of multinational corporations	Protect domestic economies

Significance of the Study (Why This Matters)

This study matters because it addresses a fundamental contradiction in international relations: the gap between political independence and economic sovereignty. While decolonization formally ended colonial rule, many newly independent states remained structurally constrained within a global economic system that continued to favor developed countries. Understanding why the New International Economic Order (NIEO) failed helps explain why these inequalities persist today.

First, the study provides historical insight into contemporary global inequality. Many of the challenges faced by developing countries—such as unequal trade relations, external debt, and limited access to technology—are not new. They are direct continuations of the structural conditions that the NIEO attempted, but failed, to reform. By analyzing this failure, the research sheds light on the roots of current disparities in global development.

Second, it contributes to theoretical debates in international political economy. The failure of the NIEO highlights the limits of collective action by weaker states in a system dominated by powerful actors. It reinforces key arguments from dependency theory and world-systems theory, showing how structural power asymmetries constrain meaningful reform, even when there is broad political support.

Third, the study has policy relevance. Current discussions around reforming global institutions such as the IMF, World Bank, and WTO echo many of the demands originally raised by the NIEO. By identifying the factors that led to its failure, this research offers lessons for designing more effective strategies for global economic reform today.

Finally, the study is important because it reframes decolonization. It challenges the assumption that decolonization was a completed

process, instead showing that economic decolonization remains unfinished. This has implications not only for academic research but also for global governance, development policy, and international cooperation.

Why This Matters

This research counts. It tackles a core clash in world politics – being politically free but economically tied down. Even after colonies gained freedom, most stayed boxed in by an economic setup still tilted toward rich nations. The reason the NIEO collapsed? That holds clues to why unfairness lingers now. Why does that moment matter so much today? Because echoes of that failure shape current divides.

Back then, the world saw early signs of today's uneven progress. Problems like unfair trade deals show up again and again across decades. Developing nations still struggle with old hurdles – debt burdens stick around, just like blocked paths to innovation. These patterns stretch back to a bold plan from the past called the NIEO. That effort tried reshaping global rules but fell short in key ways. Looking close at why it stumbled helps explain present imbalances.

Now think about how this feeds into academic conversations around global economics. When the NIEO collapsed, it revealed just how hard it is for less influential countries to make change within a framework controlled by stronger ones. That outcome lines up with ideas from dependency thinking and world-system analysis – both stress how deep imbalances block real progress, regardless of widespread backing. What sticks out is the way entrenched hierarchies shape what becomes possible, even amid strong consensus. Looking back, the findings matter now because old ideas are returning. Debates about changing big organizations like the IMF or WTO sound familiar – they mirror what the NIEO once pushed for. What went wrong before can shape smarter plans this time. The reasons behind its collapse give clues on how new efforts might actually work.

One last thing stands out about this work – it shifts how we see decolonization. Rather than treating it as something finished, it reveals how economic freedom still lags behind political change. That shift matters well beyond universities; real effects ripple into how nations shape aid, manage trade, or negotiate power today.

Scope of the Study

Back then, in the 1970s, nations rising after colonial rule pushed for fairer global trade – this became known as the NIEO. Instead of just accepting old systems, they questioned who really benefited from world economics. Power shifts were happening, so former colonies began organizing their own demands. While rich countries held most control, poorer ones sought new rules through diplomacy and collective voice. Tensions grew, yet talks continued at international forums where ideas clashed but also shaped future debates. Behind closed doors, negotiations revealed how deeply imbalance was built into global markets.

Though focused on just a few decades, the story unfolds from the late 1960s into the early 1980s, tracing how ideas about a New International Economic Order took shape. Meetings at the United Nations became arenas where hopes rose, talks unfolded, then slowly faded. At the center stood bodies like the General Assembly and UNCTAD, their halls filled with debate. Meanwhile, the Bretton Woods organizations watched closely, their influence felt even when silent. Each institution bent the conversation in its own direction, pulling global rules one way, then another.

From a location standpoint, the research focuses on key players across the Global South – especially nations in Asia, Africa, and Latin America shaped by colonial histories – yet looks closely at how powerful Western countries, such as the U.S. and those in Western Europe, stand on policy matters.

A close look at past events shapes this work, using books and articles written by others alongside old records tucked away in archives. Papers from the United Nations add another layer, bringing in official stances over time. Academic views on how world economies are managed weave through the analysis, offering perspective. Each piece fits together like fragments of an older map slowly being reassembled.

Limits of This Study

Starting off, much of what's known comes from existing documents and recorded materials. Because some diplomatic records remain sealed, understanding how leaders really decide can be tough. Access gaps make it harder to see behind closed doors. Without full entry to private talks, the full picture stays blurry. Details get lost when only public files are available. Insight shrinks where secrecy begins. Hidden meetings leave few traces to follow.

Looking at global systems, the research misses some local politics in poorer nations – these internal forces shaped how they approached NIEO talks. What happens inside a country matters just as much as worldwide frameworks when deals are made.

Starting differently this time, the research draws from several theories – including ideas about global dependence and cooperative institutions – yet skips deep number-based testing because it leans more on tracing historical patterns than crunching data.

One reason stands out: views on why NIEO failed rarely agree across studies. Depending on perspective, answers shift – shaped by belief, framework, or method. These differences color how findings are weighed, even when fairness is aimed for.

Looking only at the 1970s and early 1980s means the research can't capture how global economic rules evolved later. While it shows patterns from that era, what came next stays outside its view. Because of this narrow window, lasting shifts in international control mechanisms remain partly unseen. Though useful for its time frame, the scope misses broader changes across decades. As a result, any steady trends stretching past those years aren't deeply explored.

Literature Review

Intellectual Background of NIEO Research

Later came writings about the New International Economic Order, shaped by talks on how the world economy was run after war ended. From the 1970s forward, studies tried making sense of deep imbalances built into financial rules set at Bretton Woods. Some scholars pushed fairer wealth sharing across nations. Others questioned who really held sway within global structures, peeling back layers of influence hidden beneath policy.

Back then, academics saw the NIEO mainly as a real push by nations in the Global South. Over time, attention shifted – more work began highlighting how institutions behind it stumbled, how power stayed centered in Western economies.

Structuralism and Dependence Theories

One line of thinking builds on ideas from dependency theory, pulling heavily from Marxist views. Thinkers like André Gunder Frank and Immanuel Wallerstein shaped much of this outlook. Inequality isn't accidental under their analysis – global capitalism keeps it alive by design. Industrial nations sit at the center, while former colonies remain on the edges. The system itself widens the gap, not just market forces alone.

Looking at it this way, NIEO emerges as a needed reaction – shaped by history – to unfair trade, worsening market conditions, because of how resources were taken during colonial times. Those who study it like this suggest its collapse came less from flawed ideas but more from powerful wealthy nations holding onto their dominance.

Still, some say the theory leans too hard on fixed systems, missing how nations in the Global South act independently – especially since their goals often differ. Yet it tends to treat them as if they all want the same thing.

Liberal Institutional Interpretation

Though some thinkers see NIEO as a path shaped by shared rules, others point to its weak backbone. From this view, figures like Keohane stress how systems can soften chaos between nations. Yet they note one thing stands out – there was never a solid way to back up promises made. Without teeth in enforcement, trust had little room to grow. This literature suggests that NIEO failed because:

- ✓ Backed more on expectations than enforceable rules

One overlooked how rich nations planned their moves ahead. Their goals shaped decisions more than expected. What seemed minor actually mattered a lot. Planning wasn't just about money but power too. Choices made earlier started revealing real purpose

- ✓ It lacked internal cohesion among developing countries

Looking at it one way, the NIEO wasn't doomed by its shape – more held back by weak setup. Yet still, gaps in design left little room to grow.

- ✓ Realism and Power Focus

Power imbalances take center stage in realist views. These ideas suggest global trade setups grow from who holds the strongest armies and economies. Instead of ideals or cooperation, raw strength shapes how nations deal with one another. What matters most is not rules or values but whose influence stretches furthest across borders.

Developing countries lacked collective enforcement capacity

One side gained more from economic ties than the other did. The system leaned toward wealthier nations without balance. Power tilted early, stayed that way. Benefits flowed unevenly across regions. Richer countries held stronger positions by design. Influence wasn't shared equally from the start. Structure shaped outcomes before movement began

For realists, the NIEO was more dream than practical plan when set against Cold War power struggles.

a. Thinking Beyond Colonial Power

Out of old power structures grew new questions about fairness in economics. Not just rules but ideas were seen as tilted by past control. Some researchers point to patterns where wealth flowed

one way while thinking stayed narrow. What counted as expertise often echoed earlier dominance. Trade routes carried more than goods – they moved assumptions too. Money systems still carry marks from empires long gone. Knowledge did not spread evenly, it followed lines drawn long ago.

Research Gap

- ✓ Even with plenty of written material, some holes still exist
- ✓ Fragmentation of explanations

Most research pulls apart buildings, systems, or beliefs instead of stitching them together. A single connected picture rarely shows up.

1. Overlooked dynamics within Global South relations

Out of many writings, few notice differences among nations – oil sellers move one way, factories another, poorest ones yet different. Splitting them up matters more than lumping together under one name.

2. Limited synthesis of discourse and material power

Looking into how power shapes words rarely meets up with concrete historical causes in research. Most work stays split between talking about ideas and tracking actual events. Hardly any papers bring both together on purpose. Some attempts exist but they feel more accidental than planned. Connecting language critique with material forces remains uncommon by design.

3. Over-focus on failure narrative

Most writings claim the NIEO fell short, yet skip over its quiet wins or how it shifted institutions over time.

Theoretical Framework

1. Need for an Integrated Lens

This work builds on several connected ideas to show why the New International Economic Order appeared and then collapsed during the 1970s. Most past research leans on one idea at a time – like unequal global structures, poor institutions, or raw power struggles – yet each view explains just a slice of what really happened. This study brings together three distinct viewpoints to tackle the issue of disconnection

2. Dependency Theory and Structural Inequality
3. Power Distribution in Realist Theory
4. Postcolonial Theory and the Control of Knowledge

What really matters isn't just institutions, choices, or talk by themselves – instead it's how they shape one another inside worldwide financial rule networks. Their combined force tells the fuller story behind why NIEO faltered. Dynamics between these elements hold the key, not any single piece on its own. The way power moves through systems reveals deeper patterns others miss. Outcomes emerge where action, design, and speech meet across borders.

5. Dependency Theory and Global Economic Imbalance

Out there, some countries pull more weight than others. Built into the system, richer nations sit at the center while poorer ones stretch outward, feeding resources inward. This setup isn't accidental. Money and value move one way, shaped by deep patterns over time. Dependency thinking shows how that structure stays in place. Power leans on history, trade paths, and unequal exchange to keep things tilted. Under this setup, NIEO shows up as a move made by

nations after colonial rule began ending – aiming to reshape global trade on their own terms through collective bargaining among developing economies

6. Reverse unequal exchange relations
7. Assert sovereignty over natural resources
8. Change how money and deals flow when richer nations hold too much control

Still, the idea says powerful countries will push back, so changing the system was always going to be tough.

Analytical contribution:

Because of how things were set up, unfairness made sense, also pushback seemed likely. Still, the differences in what actually happened stayed unclear, while breakdowns in talks weren't completely uncovered.

1. Power Differences and Who Controls Institutions

Out there among nations, what matters most isn't ideals but who holds strength. Power shifts change results more than promises ever do. When one state can outmatch another, decisions follow that reality instead of moral talk. From a realist perspective, NIEO failed because the United States and Western Europe held influence over major power

What doomed the NIEO wasn't just one thing. Still, power imbalances shaped its fate early on. Yet economic resistance from wealthy nations slowed progress fast. Because trust was missing, cooperation crumbled over time. Then global priorities shifted during the 1980s. So momentum faded even among supporters. Though ideas lingered, real change never took hold. Persistent structural dependency in the global economy.

Methodology

Research Design

This work uses a qualitative approach, looking back through history to analyze why the New International Economic Order emerged and then collapsed in the 1970s. Instead of testing hypotheses, it interprets events – focusing on how unequal structures, imbalances in power, along with ways of speaking and framing issues influenced what happened in international economic decision-making.

Instead of running stats to test ideas, this work follows how events unfold, piecing together past facts in a clear way – digging into causes at different layers: broad systems, organizations, beliefs. A close look grows from connecting clues over time, guided by patterned scrutiny instead of number crunching. What emerges is shaped less by formulas, more by context and sequence, tracing threads that link conditions to outcomes. Meaning comes from placement, timing, alignment – not from generalizing wide patterns but from rooting insights in real moments.

Thinking About Knowledge and Reality

This study takes shape within critical realism, where reality exists beyond what we observe. Behind appearances lies a world operating whether noticed or not. What happens does so independently of human awareness. Structures guide events even when hidden. The way things work remains steady beneath shifting surface signs. Reality holds layers – some visible, others reached only through careful thought

Out here, global economies carry on whether folks notice or not. Material gaps between people? They're there, regardless of talk. What you see doesn't change what exists – unequal access runs deep, built into systems over time. Belief won't erase it. Even silence can't shrink the divide; wealth stacks while others stand still, institutions shape how such systems play out, while discourse helps frame them

Hidden forces shaping outcomes stay out of sight, yet show up in clues people gather. What drives events cannot be seen, still appears when patterns form from what is found. Behind actions lie triggers missing to the eye, though their marks turn visible through careful study. Effects point to roots that remain unseen, revealed only by traces they leave behind

Epistemological Position

- ✓ The study adopts a constructivist-critical epistemology, recognizing that Knowledge about NIEO is shaped by competing ideological narratives

What counts as economic fact in global politics gets shaped by social forces. Power decides what seems real. Ideas matter more than numbers often suggest. History shows agreement builds reality. Belief turns assumption into rule. Politics hides inside what we call truth. So much depends on what things are made of, yet how they're talked about matters just as much. Words shape reality, but so do physical forms. One without the other gives half a picture. Understanding comes only when both pieces fit. Reality is built not just through objects, but also through stories told about them

Research Approach

The research follows an abductive approach, moving iteratively between:

- ✓ One way to look at global ties is through dependency ideas. Realism offers another lens, focusing on power shapes. Postcolonial thought brings yet a different view into play
- ✓ Documents from the past – like UN files, talks between nations, and official decisions – show what actually happened

Because history shapes understanding, NIEO demands more than one straight-line explanation. Rather, insights grow as theories adapt, shaped by what actually happened over time.

Process tracing meets historical interpretation

Starting off, process tracing takes center stage as the main way to dig into how things unfold. It helps spot the step-by-step links that show one thing leading to another. Instead of just looking at outcomes, it follows the path in between. Through careful examination, hidden connections come into view. This approach leans on evidence within cases rather than across them. Each move builds a clearer picture over time

- ✓ Economic Inequality Shapes New International Order
- ✓ Power asymmetry → negotiation outcomes
- ✓ Discursive framing → legitimacy and institutional failure

The study outlines major NIEO stages

- ✓ Emergence of demands (late 1960s–early 1970s)
- ✓ Height of Institutional Recognition 1974 UN Call for New Economic Order

- ✓ Years ticked by while talks dragged on, yet pushback held strong between 1975 and 1980

Decline and fragmentation (early 1980s)

Because of this, patterns behind one thing leading to another become clear instead of just seeing single moments on their own.

Data Sources

Backed entirely by written records and past research, the analysis builds from material already gathered. Not a single piece comes straight from new interviews or surveys. Instead, documents take center stage – reports, articles, archives shape what's shown here. Each source was weighed for context, origin, purpose. What emerges stems only from studied reflection of existing texts

Primary Documentary Sources

- ✓ United Nations General Assembly Resolutions on New International Economic Order Starting 1974
- ✓ UNCTAD reports and conference proceedings
- ✓ Speeches and official statements by G77 states
- ✓ IMF And World Bank Policy Papers

Secondary Sources

- ✓ Peer Reviewed Journal Articles in International Political Economy
- ✓ Scholarly books on NIEO, dependency theory, and global governance
- ✓ Examining Changes in the Bretton Woods System Over Time
- ✓ Supplementary Sources
- ✓ Archival historical commentaries
- ✓ Memoirs and diplomatic accounts (where relevant)

3.6 Analytical Framework Operationalization

Putting ideas into practice, each of the three theoretical views takes shape like this:

Dependency theory linked to structural signs analyzed through:

- ✓ North South trade imbalances
- ✓ Resource dependency structures
- ✓ Talks on Trade Terms at UNCTAD
- ✓ Realism and Measures of Power

Analyzed through:

- ✓ Voting Power and Control at the IMF World Bank
- ✓ Us And Western Stances On New International Economic Order
- ✓ Bargaining asymmetries in negotiations
- ✓ Postcolonial Theory and Its Language Signs

Analyzed through:

- ✓ Western Official Language on NIE
- ✓ Framing the NIEO in Economic Literature
- ✓ Delegitimization narratives in policy discourse

Because of this, every idea can be seen in real-world evidence instead of staying just an abstract thought.

Validity and Reliability

Because this research looks at qualities rather than numbers, trust in the findings comes from careful checking. Each piece builds on real examples seen during observation. Details are matched across different sources to confirm consistency. The process takes time, allowing patterns to emerge clearly. Confidence grows as repeated evidence lines up

- ✓ Triangulation of multiple sources (UN documents, academic literature, policy texts)
- ✓ Theoretical consistency between data interpretation and framework
- ✓ Chronological validation through historical sequencing of events

When sources are clearly shown, trust grows. A methodical approach to tracking steps makes it hold together better.

Limitations of Methodology

This methodological approach has inherent limitations:

When details come only from public archives, secret talks stay out of reach. Open sources miss what happens behind closed doors. Information shared widely cannot capture private discussions. Hidden conversations remain hidden if reliance stays on published records. Without inside access, the full picture stays incomplete

Some personal judgment slips into interpretive work, yet checking across different sources keeps it grounded

Somehow, process tracing spots how things might connect cause and effect. Still, it won't back up those links across larger groups with numbers

Looking at big patterns between countries, it skips close examination of home politics. Not diving into local power struggles, the work stays wide in scope. Instead of small details inside nations, attention goes to global structures. Local government issues get left out on purpose. Broad forces shape the view, not individual state matters. Inside a country's choices isn't the point here. The lens stays fixed on worldwide systems, never narrowing too far

Ethical Considerations

Because the work uses only public records from past events and official sources, concerns about ethics stay low. Still, honesty in scholarship holds steady through careful methods

- ✓ Proper citation of all sources
- ✓ Avoiding selective misrepresentation of historical positions
- ✓ Ensuring balanced interpretation of competing theoretical perspectives.

Results from Chapter Four

Introduction

This chapter shows real results from studying major moments tied to the NIEO during the 1970s. Instead of broad claims, it looks closely at how deep imbalances in global structures played a role. Power gaps between nations shaped outcomes more than stated goals ever did. Language used in debates helped cement resistance, not cooperation. Because richer countries held most influence, their choices blocked meaningful change. What sounded fair in theory

ran into hard political limits. Ideas mattered, yet they could not override entrenched interests. In the end, the order never took hold – its collapse was built into its design. Patterns shape the layout instead of time order, showing how forces worked through layers of worldwide control.

Table 2: Global North vs Global South (1970s)

Indicator	Global North	Global South
Economic Structure	Industrialized	Agrarian/Primary-based
Main Exports	Manufactured goods	Raw materials
Share of Global GDP	70–80%	20–30%
Technological Capacity	Advanced	Limited
Financial Power	Strong	Weak

How structures limit change over time

One key result shows the shape of worldwide economic reliance hardly shifted during the NIEO years, even with strong promises to change it. Though leaders talked boldly about overhaul, old patterns held firm beneath the surface noise. Talk of fairness didn't shake deep-rooted ties between nations. Promises rang loud, yet actual power balances stayed much the same. Behind declarations of transformation, continuity ruled instead. Much was said – little altered underneath.

- ✓ Evidence from UNCTAD reports and trade data debates shows that:
- ✓ Most poorer nations still rely on selling raw materials abroad
- ✓ Traits of Trade Still Favor Wealth Over Poverty

Heavy industries kept control over advanced tools while rich nations focused on complex manufacturing tasks.

Key finding:

Still locked into old trading patterns, poorer nations found their push for fairer wealth sharing blocked at every turn. Hopes for deep change faltered when powerful economies stayed on top. Unequal exchanges kept shaping outcomes, no matter how loud the calls for balance grew. What looked like progress often bent back under familiar pressures. Real shifts slipped away, caught in ties that refused to loosen. Still, it backs up dependency theory while showing a key gap – why did NIEO gain steam at the start of the 1970s? Inequality in structure by itself isn't enough to say.

Unequal Power and Hidden Control in Systems

Power held tightly within Bretton Woods bodies slowed progress on NIEO goals. Though designed to reshape global economic rules, new policies stumbled where old financial control remained strong. Decision-making locked in familiar hands left little room for fresh approaches. Where authority stayed centralized, attempts at change met quiet resistance. Shifts meant to empower developing nations lost momentum under established oversight.

Evidence indicates:

- ✓ IMF and World Bank voting power still favors Western countries

- ✓ US and European governments opposed binding commodity price reforms
- ✓ Financial governance reforms proposed under NIEO were systematically diluted

Key finding:

- ✓ Still, after gaining a voice together via the G77, nations of the Global South found their push for deep change slowed by built-in barriers in global finance rules.
- ✓ Outcomes came down to strength and structure, not shared beliefs. Power shaped results because reality follows force more than agreement.

Yet here’s something worth noticing

What happened was power didn’t just stop the NIEO outright – instead, it pushed it toward safer paths like growing foreign aid and picking certain countries for joint projects.

Global South coalition weakens from within

One clear result from real-world data: the G77 rarely holds together over time. Not unity, but scattered effort marks their path. What looks like a group often acts apart. Momentum fades fast when tested. Shared goals? Rarely seen in motion. Distance grows where alliance was expected. Moments of agreement slip away quietly. The whole structure wobbles under pressure. Even common interests fail to bind them long. Connection frays before it settles.

Looking back at past talks, signs point to this being true

Some oil sellers wanted one thing. Poorer nations often needed another. What helped the first group did not always help the second. Goals split between those pumping crude and those building basic economies. One path forward for exporters meant a different result for struggling regions. Needs pulled in opposite directions. Newly industrializing countries prioritized selective integration into global markets

Pricing models sparked debate, yet debt forgiveness divided opinions just as sharply. Industrial strategy followed a different path entirely – tension lingered around every proposal. Each point stood on uneven ground, where compromise slipped through fingers like sand

Key finding:

Starting off without a shared plan, the NIEO group found its members pulling in different directions. Because of this split approach, their joint influence began to fade quickly. One outcome stood clear – disconnected strategies made it harder to push forward as one voice.

Still, the result muddies dependency claims – periphery players weren’t locked in step. Differences within split them apart. Some pushed one way, others another. Unity was missing at their core.

Challenging the Legitimacy of NIEO Demands through Debate

Resistance never faded, coming strong from powerful Western think tanks along with policy circles. This held back the New International Economic Order, despite its goals. Ideas clashed, creating friction within academic spaces too. The pushback stayed firm over time, shaping outcomes more than expected.

Looking at official declarations and talks about money matters shows what’s really going on beneath the surface

- ✓ Some saw the NIEO as too idealistic, others questioned its practical fit within global markets
- ✓ Out here, building things around what buyers want showed up as the sole route that made sense
- ✓ Redistribution claims were reinterpreted as political rather than economic demands

Key finding:

Resistance to the NIEO came not just in actions, yet also through ideas – mainstream economics painted its plans as unworkable. Stories shaped by powerful voices dismissed those ideas before they could take hold. What seemed practical to some got labeled unrealistic by others. Influence flowed through knowledge itself, narrowing what counted as possible. Ideas became barriers, quietly shutting doors. The framework of accepted thought turned away alternatives.

From behind, old systems kept their grip by deciding what counted as knowledge. Control slipped through the cracks of education and became quiet authority.

Table 3: Causes of NIEO Failure

Factor	Explanation
Western Resistance	US & Europe opposed structural reforms
Global South Division	Conflicting national interests
Rise of Neoliberalism	Shift toward free-market policies
Debt Crisis (1980s)	Increased dependence on IMF/World Bank
Weak Institutional Power	Lack of enforcement mechanisms

How Mechanisms Work Together

What stands out in this research isn’t one isolated process, instead it’s how they influence each other when combined.

Evidence across cases shows:

- ✓ Structural dependency limited baseline bargaining power
- ✓ Still, official resistance kept procedures from taking effect
- ✓ Discursive framing reduced international legitimacy

Integrated finding:

Out of balance came stuck rules. Power tilted one way, while voices faded under layers of old habits. When systems ignore shifts, change finds no door. Unequal bones held up rigid frames. Talk turned cold toward new ideas. Closed circles kept outside thoughts at bay. Resistance grew quiet but firm. Reform slipped through cracks too narrow to notice.

Right there in the data, the theory fits just like it was supposed to. A single clear match shows how each piece connects on its own terms.

The Partial Absorption Outcome

What stands out most isn’t total dismissal – many NIEO goals slipped quietly into established systems, reshaped but still present.

Not everything vanished; some pieces found new homes inside old frameworks. Seen one way, it wasn't defeat so much as quiet integration, hidden beneath surface outcomes.

Evidence includes:

- ✓ Expansion of development aid frameworks
- ✓ More groups talking between north and south
- ✓ Some small changes showed up when people talked about keeping commodity prices steady
- ✓ Debt-related policy attention in later decades

Key finding:

Still alive beneath the surface, NIEO slipped into old systems, reshaped quietly by institutions that softened its edges. Over time, it became part of routines never built to carry its original force. Change happens here without breaking the frame. Stillness fits between shifts like a quiet note.

Summary of Findings

- ✓ The empirical analysis yields four core conclusions:
- ✓ Structural Dependency Continued Despite NIEO Efforts
- ✓ Institutional power asymmetry constrained enforceable reform
- ✓ Global South fragmentation weakened collective bargaining capacity
- ✓ Discursive mechanisms shaped legitimacy and global perception

Most importantly:

What sank NIEO wasn't one clear reason – instead, it emerged slowly, shaped by clashing interests, rigid systems, alongside shifting beliefs. Power didn't vanish overnight; it frayed under pressure from real-world limits, stubborn structures, mixed with fading visions. Outcomes stacked up quietly: resources stretched thin, organizations resisted change, ideas lost their grip. It unraveled because tangible hurdles met unyielding frameworks, while shared understandings weakened over time. Collapse came not with a bang but through steady erosion – economic strains linked to broken institutions, tied together with worn-out narratives.

Findings and Discussion

Introduction

This chapter interprets the empirical findings presented in Chapter 4 in relation to the existing literature and the integrated theoretical framework of dependency theory, realism, and postcolonial critique. The purpose is not to restate results but to explain their theoretical significance, explanatory limits, and contribution to NIEO scholarship.

Revisiting Structural Dependency: Beyond Determinism

The findings confirm dependency theory's central claim that global economic structures reproduce inequality. However, the results also challenge its deterministic interpretation.

Discussion: While structural dependency constrained NIEO ambitions, it does not fully explain:

- ✓ The initial surge of Global South bargaining power in the early 1970s
- ✓ The temporary coherence of the G77 coalition
- ✓ The selective adoption of NIEO-like reforms later on

Interpretation

This suggests that dependency structures are enabling constraints rather than fixed determinants. They shape the field of action but do not fully predetermine outcomes.

Contribution

The study refines dependency theory by demonstrating that structural inequality interacts with political coordination capacity, rather than operating as a standalone causal force.

5.3 Power Politics Reconsidered: Realism and Institutional Transformation

Realist theory correctly explains the role of power asymmetry, particularly the dominance of Western-controlled financial institutions. However, the findings reveal a more complex dynamic than simple blockage.

Discussion

Evidence shows that powerful states did not only resist NIEO—they also:

- ✓ Redirected demands into development aid frameworks
- ✓ Promoted selective reforms in trade and debt mechanisms
- ✓ Absorbed NIEO language into existing institutions without structural change

Interpretation

This indicates that global power does not only suppress change; it also co-opts and restructures reform agendas to preserve systemic continuity.

Contribution

The study extends realism by showing that power operates not only through coercion, but also through institutional adaptation and agenda absorption.

Fragmentation of the Global South: The Missing Variable in NIEO Literature

One of the most significant contributions of this study is the empirical confirmation that internal heterogeneity within the Global South was a decisive constraint.

Discussion

Existing NIEO literature often treats the Global South as a unified bloc. However, findings show:

- ✓ Divergent economic interests (oil exporters vs. industrializers vs. least-developed states)
- ✓ Competing development strategies
- ✓ Lack of enforceable internal coordination mechanisms

Interpretation

This fragmentation reduced bargaining efficiency and weakened collective leverage in negotiations with the Global North.

Contribution

The study challenges both dependency and postcolonial accounts by introducing intra-periphery stratification as a central explanatory variable.

Discursive Power: From Economic Demands to “Policy Infeasibility”

Postcolonial theory is strongly supported by findings on discursive delegitimization. However, the study refines its explanatory scope.

Discussion

The analysis shows that NIEO was reframed in dominant discourse as:

- ✓ Economically impractical
- ✓ Politically destabilizing
- ✓ Technically unworkable within market systems

This framing influenced:

- ✓ Academic legitimacy
- ✓ Policy acceptance
- ✓ Institutional responsiveness

Interpretation

Discursive power functioned as a filter mechanism, determining which economic ideas were considered “realistic” in global governance.

Contribution

The study demonstrates that epistemic power does not replace material power—it amplifies and legitimizes it.

Core Finding: Reinforced Governance System (The Key Contribution)

The most important analytical insight of this research is the identification of a reinforced global governance system.

Discussion

Findings show that NIEO failure cannot be attributed to a single factor. Instead, three mechanisms operated simultaneously:

- ✓ Structural dependency limited economic autonomy
- ✓ Institutional power asymmetry blocked enforcement
- ✓ Discursive framing delegitimized reform demands

Interpretation

These mechanisms were not independent—they reinforced each other in a cyclical pattern:

- ✓ Dependency reduced bargaining power
- ✓ Weak bargaining power enabled institutional resistance
- ✓ Institutional resistance was justified through discourse
- ✓ Discursive legitimacy reinforced structural inequality

Contribution

This produces a self-reinforcing system of global economic governance, explaining why NIEO failed despite unprecedented collective mobilization.

Reinterpreting “Failure”: From Collapse to Absorption

A key theoretical implication of this study is the reinterpretation of NIEO “failure.”

Discussion

Conventional literature frames NIEO as a failed project. However, findings show:

- ✓ Partial institutional adoption of NIEO themes
- ✓ Expansion of development cooperation frameworks
- ✓ Long-term influence on North–South dialogue architecture

Interpretation

Rather than outright failure, NIEO underwent institutional absorption and depoliticization.

Contribution

This challenges binary success/failure narratives and introduces a transformation-through-containment model of global governance evolution.

Theoretical Implications

The integrated model proposed in this study advances NIEO scholarship in three ways:

1. From Single-Theory to Systemic Explanation

Previous literature isolates structural, realist, or postcolonial explanations. This study shows that NIEO outcomes are produced through interaction effects among all three.

2. From State-Centric to Multi-Level Governance Analysis

The findings demonstrate that outcomes are shaped not only by states but also by:

International institutions
Epistemic communities
Discursive structures

3. From Static Failure to Dynamic Transformation

NIEO is reinterpreted as a process of contested transformation rather than outright failure.

Recommendations

Introduction

Based on the findings that NIEO outcomes were shaped by structural dependency, institutional power asymmetry, and discursive domination, this chapter presents recommendations that are not prescriptive policy prescriptions, but analytical and governance-oriented insights for future global economic reform debates.

The recommendations are structured at three levels: structural, institutional, and epistemic.

Structural-Level Recommendations (Global Economic Order Reform)

1. Reduce Structural Asymmetry in Global Trade Systems

Findings show that persistent core–periphery trade relations limited NIEO feasibility. Therefore, long-term reform requires:

Diversification of developing economies away from primary commodity dependence value-chain integration policies that move Global South states into higher-value production fairer trade pricing mechanisms that reduce volatility in commodity markets

Analytical Insight: Structural dependency cannot be eliminated through negotiation alone; it requires economic transformation within developing states themselves, combined with systemic trade reform.

2. Reform Global Financial Architecture

The NIEO failure demonstrates that financial governance is a core site of power concentration.

- ✓ Expand voting power of Global South in IMF and World Bank
- ✓ Reduce conditionality asymmetries in lending frameworks
- ✓ Strengthen regional financial institutions (e.g., South–South development banks)

Analytical Insight:

Without financial governance reform, any global redistribution agenda remains institutionally blocked.

Institutional-Level Recommendations (Global Governance Design)

- ✓ Strengthen Collective Bargaining Mechanisms for Developing States. The study shows that Global South fragmentation weakened NIEO outcomes.
- ✓ Institutionalize coordination platforms beyond ad hoc coalitions like G77
- ✓ Create legally binding South–South coordination mechanisms in trade negotiations
- ✓ Develop shared negotiation frameworks for commodity-exporting and industrializing states

Analytical Insight:

Collective action failure—not just external resistance—was a key limitation in NIEO effectiveness.

- ✓ Increase Transparency and Accountability in Global Institutions
- ✓ Power asymmetry operated through opaque institutional decision-making.
- ✓ Improve transparency in IMF/World Bank governance processes
- ✓ Standardize negotiation documentation in global economic forums
- ✓ Expand representation of developing states in agenda-setting bodies

Analytical Insight:

Institutional design determines whether power is balanced or reproduced.

Epistemic-Level Recommendations (Knowledge and Discourse)

Diversify Global Economic Knowledge Production

- ✓ Postcolonial findings show that NIEO was delegitimized through dominant economic narratives.
- ✓ Increase representation of Global South scholars in global economic policy institutions
- ✓ Promote alternative development models in academic curricula
- ✓ Support pluralistic economic research frameworks beyond neoliberal orthodoxy

Analytical Insight:

Control over knowledge production directly influences what is considered “economically rational.”

Reframing Global Economic Debate

Address “Legitimacy Bias” in International Economic Discourse: The study shows that NIEO was not rejected purely on economic grounds but also on perceived legitimacy.

- ✓ Reassess how feasibility judgments are made in global institutions
- ✓ Include normative justice considerations in economic policy evaluation
- ✓ Encourage plural evaluation frameworks (efficiency + equity + sovereignty)

Analytical Insight:

Economic governance is not value-neutral—it is shaped by embedded ideological assumptions.

Theoretical Recommendation (Key Academic Contribution)

Adopt Multi-Level Governance Frameworks in Future Research

A key implication of this study is that single-theory explanations are insufficient.

Future research should:

- ✓ Integrate structural, institutional, and discursive levels of analysis
- ✓ Use process-tracing combined with political economy modeling
- ✓ Avoid treating Global South and Global North as internally homogeneous blocs

Analytical Insight:

The NIEO case demonstrates the need for systems-based IR theory rather than fragmented paradigms.

Final Synthesis Recommendation

Core Insight:

Any future attempt at global economic restructuring must simultaneously address structural dependency, institutional power asymmetry, and epistemic dominance. Failure to engage all three dimensions will reproduce the same governance outcomes observed in the NIEO era.

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