

# The New World Order: a Third World perspective

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It is understandable and prudent that special attention be paid to Europe by the international community since during this century the world has been engulfed by two global wars emanating from Europe. Peace in Europe, therefore, tends to be associated with world peace, hence the particular attention of the international community to the resolution of Europe's current problems.

But other parts of the world, particularly the Third World, have problems that call for no less attention from the rest of the world. It is heartening that while we consider the United States and Europe in the context of a new world order, the Third World dimension should also be taken into account.

## The fate of the New International Economic Order

As has happened at other crucial moments during this century, the notion of a new world order has again been articulated. In this instance, President George Bush invoked the concept in

August 1990, following the invasion of Kuwait by Iraq. Wittingly or unwittingly he gave rise to a new type of cottage industry. Left unfilled, the shell of a "new world order" captured the fancy of politicians and decision-makers in virtually all walks of life, all over the world.

When invoked, the call for a "new world order" struck a particular cord of frustration, sentimentality, irony, even cynicism, in the developing world. Lest it be forgotten, some 17 years ago the non-aligned

nations introduced the proposal for a "new international economic order" (NIEO) in an attempt to redress the growing and glaring inequalities between the industrialized and developing nations.

Subsequently, unanimously endorsed by the United Nations General Assembly, the declaration on the NIEO was almost instantaneously rendered meaningless by an avalanche of reservations from many industrialized countries. The fate of the NIEO is well known, a well devised conceptual and programmatic shell, yet in view of its underlying 'dirigiste' philosophy, unimplemented and left abandoned in the face of the realities and pressures of realpolitik, of the international marketplace and of the power play of nations.

Not least, the intensifying tensions and conflicts between the two then superpowers, especially in the developing world, and the resultant proclivity to view all issues through ideological lenses of friend or foe, doomed any chance for NIEO to be translated into reality.

## The end of the Cold War

Today, we find—and we welcome—a dramatically changed framework of global intercourse. Suddenly, a readiness to pursue cooperative solutions abounds. It has replaced the



*Some of the Third World's swelling population.*

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stifling Cold War atmosphere with its all-encompassing political, ideological and strategic confrontation between the two superpowers and their military, ideological and economic blocs. For many reasons, a resuscitation of the much reviled United Nations has come within the realm of the possible, leading away from unproductive decades of paralyzing veto politics.

This dramatic sea change would certainly not have been possible without the policies of *perestroika* and *glasnost*, both domestically and internationally, and the global disengagement devised and pursued by President Gorbachev and his key collaborators. Furthermore, the abolition of the Warsaw Pact and the unravelling of the Soviet Union has deprived NATO and its leading power of their perception of a familiar enemy.

In the economic field, the Soviet Union and its bloc vigorously promoted its brand of socialism while the United States and its Western allies upheld and developed capitalism and the market economy. The collapse of the command economy and centralized planning system in Eastern Europe and the Soviet Union has, in the eyes of many, proved the superiority of the pure market economy.

Yet it should not be forgotten that indicative and participatory planning have served in many countries as essential instruments to foster economic

growth. No pure market economic system based on private ownership exists. Most economies are mixed systems with a vigorous private sector and a large, strong, public sector.

### Uneven recognition for the developing world

Inextricably linked with the almost universal trend toward the market economy is the adoption and introduction of democratic and pluralistic features in political systems: free elections, the observance of human rights, accountability of political leaders and broader popular participation. Democratization is vital for any transformation to succeed.

It is difficult to generalize a point of view of the developing countries. They are extremely diverse, with the newly industrialized countries of Asia, the Latin American countries emerging from severe debt crises, the African countries striving to meet the basic needs of their populations, the oil-producing countries, notably in the Middle East, in the wake of the oil crisis, and China, India and Pakistan with their specific characteristics.

But, has the world given credit and political and financial encouragement, comparable to that lavished on Europe, to the determination, sweat and tears of more than five dozen developing countries, especially in Africa, which

are undergoing painful and drastic structural adjustment programmes, in many cases for more than five years, and under stringent, often counter-productive conditionality?

Democratic and political reforms usually follow on the heels of each other. The winds that swept away corrupt dictatorships, autocratic one-party systems and state structures, inefficient systems and

unresponsive social institutions in Eastern Europe are, for example, not unfamiliar to Africa.

While their success provided moral encouragement to their smouldering or dormant counterparts in Africa, we in a sense have been the unacknowledged avant-garde of economic reforms as we have unspectacularly pursued policies and conditions often imposed by unsentimental international financial institutions and banks.

Yet we witness largesse, compassion and economic interest on the part of the Western countries for their former adversaries, while our economic situation deteriorates even more rapidly and dramatically without triggering even remotely comparable understanding and support. We witness a paradox where in the face of growing needs, official development assistance flows are, in absolute and relative terms, declining.

### The developing nations under a New World Order

Clearly, the old order is defunct. But what will be the shape and content of the new order? Hitherto, one of the basic problems besetting developing countries has unfortunately been treated as a taboo: population growth. Right now, the world's population is doubling every 45 years. The world of the year 2025 could be populated by twice the present number of 5.3 billion people. Most of this growth will occur in the developing world, outpacing any economic growth and thus vitiating possible, albeit modest, gains.

The habitable space of the world is not increasing and may even be decreasing at a higher rate due to the enormous consumption of fossil fuels responsible for the greenhouse effect. Population explosion plus greenhouse effect coupled with economic degradation are likely to cause massive migration flows, mainly from the South to the North, giving rise to new types of dangerous conflicts.



What chance do these children have?



Unless developing countries manage to stabilize their rate of demographic growth, there is no prospect whatsoever for economic recovery and development. In the spirit of enlightened self-interest, a new global order must find a new cooperative framework in which developing countries can be supported and encouraged to cope with this daunting task.

Developed countries must substantially increase their funding of effective family planning programs in the Third World. Proposals to link population policies and military expenditures to official development assistance and eventually to private investment should be vigorously pursued, preferably in a multilateral context to avoid the appearance of undue interference by individual states or groups of states.

#### **The paradox of the arms trade**

In the past, the readiness of the superpowers and their allies to supply arms to the developing world encouraged unnecessary arms build-ups in these states and diverted scarce resources meant for development to unproductive and wasteful ends. Recognizing the strategic importance of a viable arms industry for the economic fortunes of many industrialized countries (75% of the arms sold annually are bought by developing countries), arms imports by developing countries are reported to have risen from US \$1.1 billion in 1960 to US \$35 billion in 1987.

An effective forum to monitor and limit such practices must be designed and both old and new arms producers as well as traders must be integrated. The dividends of a more peaceful world lie in releasing resources from armaments to be reallocated to developmental purposes.

#### **Grim challenges to a New World Order**

The 1980's are often dubbed the "lost decade" when the cleavage between

rich and poor countries deepened dangerously (77% of the world's population earns less than 15% of the world's income; the average annual income in the North, estimated at US \$12,500, is eighteen times that of the South, recorded at US \$710). Chronic manifestations of political instability and insecurity, crushing debt burdens and virtual economic collapse of entire countries, falling and degrading standards of living and a rapidly deteriorating environment, with global ramifications, cannot go unattended with impunity.

One wonders whether and how the decade of the 1990s can usher the world as a whole into a more stable and economically viable next century. Any new world order must constructively address these vexing and complex issues of poverty and underdevelopment, otherwise it will be short-lived at best. Lip service is no longer enough, no country and no leader can shirk his or her responsibility.

Unless the process of development can be reactivated, migratory pressures toward the prosperous countries of the North will become unstoppable. New conflicts begin to show their ugly face. They are already looming large in Europe and are beginning to test the political fabric of Western countries. The honeymoon with the Eastern countries may also come to an end on the altar of immigration policies.

#### **Debt relief and debt forgiveness**

Here and now, the industrialized countries in particular are challenged to provide global leadership, farsightedness and understanding. Will the superiority and efficacy of the market system prevail in solving chronic problems of development and social inequality, distributive inequity and extreme wealth and poverty? Poverty and democracy make strange bedfellows.

One of the most pressing demands is to put in place an effective

mechanism, based on the principle of joint responsibility of debtors and creditors, to provide debt relief and reduction of the mounting debt burden. For example, Africa's debt multiplies at an average annual rate of 10 per cent. Estimated at US \$48.3 billion in 1978, it rose to US \$230 billion by 1988, and to US \$250 billion by 1989. Interest alone now constitutes about US \$75 billion of the total stock of debt. Let us consider the idea of debt forgiveness for credible and sustained adjustment programs by developing countries. Let us also consider the idea of debt forgiveness for credible environmental protection programs and for credible democratization processes. For most Third World countries, the debt problem is not just a financial problem, it is also a development and management problem to which serious attention must be given.

Unless matched by measures and resources to accelerate sustainable economic growth and human development, democratic reforms will remain fragile and inconclusive. This certainly is already the message from the brief experience of unshackled Eastern Europe. Western democratic models can certainly not be imposed lock, stock and barrel on developing countries as a condition for economic development assistance.

A single model of democracy may simply not do justice to all countries. Just think of the differences between the Swiss, German, French, British, Japanese and American systems. They are not identical. The cultural and political situation of each country should be taken into consideration in working out its model of democracy. What is important is that essential elements of democracy be contained and maintained.

But we are witnessing other dramatic changes which have not yet been harnessed conceptually, politically or systemically. The advancing globalization of financial markets occurs without adequate supervisory



policies and institutions in place, thereby increasing the potential for systemic risks. Weaker economies are overwhelmed by a process in which they have no direct influence. There is an urgent need for better, more appropriate and coordinated regulation and measures to ensure stability, transparency and efficiency.

### Globalization and development

The developing world, already hamstrung by its debilitating debt burden, is unable to participate or even secure a minor share in the emerging tri-polar international monetary system of dollar, yen and ecu, which will shape the economic fortunes of the next decades. Moreover, a failure of the GATT Uruguay Round and any procrastination in opening markets especially by the industrialized countries will further frustrate the aspirations of developing countries and retard any hope for early economic advances and, thus, dampen the growth prospects of the world economy as a whole.

Monumental strides in transportation and telecommunications have further integrated the world. This has enabled transnational corporations to become prime movers and stimuli to the world economy without regard to national borders. The resulting flow of direct foreign investment has regrettably bypassed all but a handful of developing world countries, compounding deplorable marginalization in the process.

In addition to ODA, foreign direct investment is the last best hope of developing countries for attracting badly needed financial resources to underpin their development efforts and to bring with it technology and knowledge. Surreptitiously, a new topography of world power has appeared with respect to foreign direct investment, dominated by the US, Japan and European Economic Community triad. This is impressively described by a recent United Nations study. More than 80% of global capital

flows occur between these three economic superpowers.

### Development and regional arrangements

We witness other faits accomplis of great concern to developing countries: the emergence of economic and trade blocs and zones accentuating global competitive pressures. Any new world order should be tailored to encourage and foster the integration of developing countries into regional economic zones and the sustenance of viable regional cooperation to bolster socio-economic transformation and competitiveness.

The developing world and especially Africa cannot afford the luxury of tearing itself apart under the banner of self-determination, as happens now in many countries, especially in Europe. Tragic divisions and fragmentation of states and nations will lead to further marginalization, the appearance of unfeasible entities and the chaos-prone emergence of nationalism.

### A rethinking of international arrangements

The world community must indeed find a new beginning, not motivated solely by the success of one battle in the Gulf or the settlement of one or another regional conflict. Yes, there must be commonly agreed security arrangements taking due cognizance of the principles of respect for the UN charter, non-aggression, the observance of the rule of law, justice and respect for the sovereignty of nations.

But much more is at stake: the survival of humanity. The management of a hitherto unknown diversity of critical and linked global problems in this age of global interdependence require new instruments, new forms of leadership and a new definition of the interrelationship between national and global interests, epitomizing the logic of integration.

Unilateral national instruments can no longer solve the growing number of problems confronting the planet: environmental degradation and the ominous greenhouse effect; massive migration and refugee movements; persistent economic imbalances between North and South; systemic instabilities in the global financial system; explosive population growth; rampant poverty and social degradation; absence of adequate and safe energy sources; large-scale humanitarian emergencies; drug addiction, the trade in narcotics; and a persistence of the structural imbalances of the international trading system.

Hence, the need to rethink international relations and redefine a world order and world governance, concentrating on three main pillars:

- Peace and security.
- The global economy.
- The population-development-environment-migration-human rights continuum.

### World governance

New structures and mechanisms of world governance must be drawn up for all these, and anchored in the international system. The range of global tasks necessitates a fresh look at the interpretation of the principle of sovereignty with a view to introducing a broader acceptance of the world community's right to interfere when basic human rights are at stake and human suffering can be mitigated. The new order should seek to be governed by delegated authority based on the subsidiarity principle according to which decisions should be taken at the lowest possible level at which they can be effective.

The United Nations as the main global institution can and must assume important responsibilities in this process, not least to ensure the participation of all nations in the creation and management of a new order. There can be no new world order deserving the name if it is built



on exclusion or domination. While the leadership of one global power or a few powers may be essential for the implementation of the international community's desirable goals, in the process of pulling along the rest care should be taken to avoid the impression and appearance of domination. Instead, the multilateral approach must uphold collaboration, cooperation, coalition and reasoning.

### The role of the United Nations

The United Nations should not be overburdened with an indigestible, almost suffocating agenda. The application of the principle of subsidiarity might prove to have a salutary effect. This would, by implication, call for a strengthening and rejuvenation of the existing myriad of continental, regional and subregional organizations and structures. The exigency of any world governance inevitably also requires the granting of certain powers of enforcement, especially with respect to treaties protecting vital aspects of the future of humanity.

In matters affecting the maintenance of peace, a strengthened international security regime must be devised based on security measures and future peace enforcement, i.e. both economic sanctions and cooperative military arrangements. The proven ability of the UN to field and deploy peace-keeping forces effectively must be complemented by a system of conflict prevention, mediation and mitigation.

To that end, the Secretary General should be authorized and encouraged to deploy a monitoring scheme and global watch team that could discern impending crises. The Secretary General could advise on options available to the Security Council for initiating preventive actions. A permanently earmarked, securely financed and logistically prearranged peace-keeping force, on a standby basis, is the desirable and logical corollary for

such a comprehensive regime of collective security.

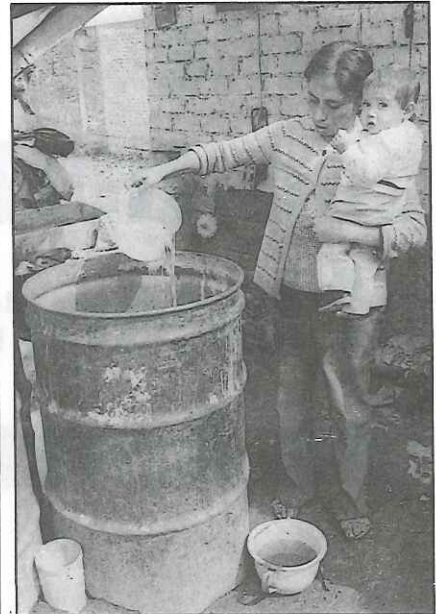
Internally, the Organization must be restructured and adapted to cope in a more effective and credible way with the new demands and expectations, lest the present honeymoon be only transitory. Having survived the paralyzing East-West conflict, the United Nations must now give priority to North-South relations. The UN has the capacity, resources and capability to operate truly effective cooperative international development machinery, instead of the presently fragmented system of competing agencies and entities. Cost-effectiveness can be assured.

If the United Nations is to respond to new challenges, however, its financial health will obviously have to be ensured. We might have to consider innovative approaches in this respect. The Charter of the United Nations speaks of "We, the peoples," not only of "We, the Governments". Maybe, therefore, modalities should be devised that would allow the private sector and non-governmental organizations to contribute to the United Nations budget.

The UN might thus be able to free itself from too great a reliance and dependence on the major donors. In return, such arrangements would also call for structural adjustments that might give non-governmental entities a modicum of participation and influence in the organization's decision-making, especially in the socio-economic sphere.

Whether we look at it from the strategic-security or socio-economic point of view, we cannot but agree that the United Nations — as devised after the Second World War together with its specialized agencies — is sufficiently armored to tackle the myriad problems facing the world today.

There need be no changes in the Charter. What is required is the political will to give history and nature a gentle push in the right



*A trip to the communal water faucet, one of many.*

direction. It is an opportune time for the world to rediscover itself through an honest and reflective soul-searching for an effective and equitable approach. The United Nations system contains within it the requisite mechanisms for a reinvigorated, renewed, rewarding and strengthened international cooperation in support of peace, global security and the welfare and well-being of all mankind.

But despite all adjustments and efforts at the global level, the developing countries must be masters of their fate and future. The success of the Pacific nations has taught all of us a lesson to emulate. We need to undertake new initiatives to achieve effective political and economic restructuring of our societies.

Responsive and effective governance is required to motivate economic growth, promote human development and, at the same time, renew and revive the dwindling interest of the international community. This can only be achieved in an atmosphere of peace, security, stability, cooperation and development **M**