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**Bandung And The Political Economy  
of North-South Relations:  
Sowing The Seeds For Revisioning  
International Society**

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## ABSTRACT

This paper revisits the 1955 Bandung Conference in an effort to identify and evaluate the legacy of Bandung for the international political economy. James Mayall interpreted the Bandung movement as a revisionist alliance that sought to restructure international society, most notably through the principle of non-alignment. This paper argues that the 1955 Bandung Conference sowed the seeds for revisioning international society in two further ways. Bandung's call for equitable representation in international decision-making for newly independent states was essentially a call to take seriously international justice principles, particularly that of procedural justice, in the management of world affairs. Bandung participants also articulated an alternative set of principles for inter-state engagement that emphasised dialogue and accommodation, collective problem-solving and the search for consensus or compromise, principles that were regarded as more suited to the increasingly plural international society of states following decolonisation, and a necessary alternative to the power politics and coercion that had been the basis of colonialism and that threatened to dominate international relations in a world of superpower bloc politics. Fifty years on, these principles remain salient. Procedural justice remains curtailed for developing states, particularly in the key institutions of global economic governance, while the emergence of a range of justice claims articulated by a wider cast of actors beyond states has not led to the emergence of a genuine 'world society' based on a consensus of values. By drawing on insights from the English School of International Relations and Jurgen Habermas's theory of communicative action, the paper suggests that Bandung's endorsement of dialogue over coercion and confrontation may be the best option to reach a reasoned consensus on values, agendas and in problem-solving. Although existing power disparities will continue to intrude, dialogue processes merit greater attention as a necessary (though not sufficient) step in negotiations. In the end, Bandung's lasting legacy for a plural world, yet one that is fast integrating, could well be its endorsement of deliberative politics.

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# **BANDUNG AND THE POLITICAL ECONOMY OF NORTH-SOUTH RELATIONS: SOWING THE SEEDS FOR REVISIONING INTERNATIONAL SOCIETY**

## **1. Introduction<sup>1</sup>**

The first Asian-African Conference (popularly referred to as the Bandung Conference) held in Bandung, Indonesia in April 1955 brought together the newly independent countries of Asia and Africa to discuss a range of issues. Much of the literature on the Conference focuses on the international relations of the newly independent countries of Asia and Africa. This is not surprising given that inter-state politics rather than economics was the central focus of high-level deliberations at Bandung.<sup>2</sup> Those works that have addressed the political economy implications of Bandung have done so by interpreting Bandung as the initial stage of an unfolding Third World movement of newly independent countries that sought to transcend their colonial histories by using the state as the means to ‘freedom, self-determination and modernisation that would unite its inhabitants and carry them towards development’.<sup>3</sup> This was argued to be the essence of the ‘Bandung Spirit’, and the heyday of this form of ‘Third Worldism’ was the period from 1955-75, what Mark Berger terms the Bandung Era.<sup>4</sup> The call for a New International Economic Order (NIEO) by the developing world was, therefore, an integral part of the Bandung Era.

This reading of Bandung allows us to go beyond the narrow perspective of the 1955 Bandung Conference itself to locate Bandung within the wider Third World movement, which sought to translate the *de jure* political sovereignty and rights that previously colonised countries had attained through independence into effective capabilities that would enable them to bring development and progress to their populations, and through that, to renew the bases of legitimacy for post-colonial governments. Conflicting interests among the countries meant that the coalition that emerged was often fragile, while claims that the Third World displayed

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<sup>1</sup> An earlier version of this paper was prepared for the Workshop on *Bandung Revisited: A Critical Appraisal of a Conference's Legacy*, organised by the Institute of Defence and Strategic Studies, Nanyang Technological University, Singapore, 15 April 2005. The author is grateful to the workshop convenors, Amitav Acharya and Tan See Seng for permission to publish the revised paper as an IDSS working paper. The author also thanks Alan Chong for his helpful and constructive comments on the earlier draft.

<sup>2</sup> George McTurnan Kahin, *The Asian-African Conference: Bandung, Indonesia, April 1955*, (Ithaca, NY: Cornell University Press, 1956), pp. 10-11.

<sup>3</sup> Mark T. Berger, *The Battle for Asia: From Decolonisation to Globalisation*, (London and New York: Routledge, 2004), pp. 47-55. Other works include James Goodman, ‘Reforming the United Nations and Global Governance’, paper presented to the *Conference on the Golden Jubilee of the 1955 Bandung Conference*, organised by the Asia-Pacific Research Network, Bandung, Indonesia, 14-16 April 2005.

[www.aprnet.org/activities/2005/bandung\\_paper01.htm](http://www.aprnet.org/activities/2005/bandung_paper01.htm) (accessed 3 August 2005).

<sup>4</sup> Berger, *op. cit.*

‘extraordinary unity’ on the subject of the NIEO<sup>5</sup> needs to be qualified by the reality of radical and reformist camps within the coalition.<sup>6</sup> Nevertheless, both camps subscribed to common interpretations of the causes of Third World under-development, although they differed with respect to their preferred remedies on how to address these problems.<sup>7</sup> Their common perspective came from shared dependency ideas that emphasised external structural causes of Third World under-development.<sup>8</sup> NIEO proponents believed that the unequal position of the developing world in the Cold War hierarchical order helped explain the failure of their states to attain post-independence goals. By framing the development problem in this way, the value of the state as the primary vehicle of development was preserved.<sup>9</sup>

Much has been gained from studies like Berger’s that have interpreted Bandung as an ideological force centred on Third Worldism and the search for authentic forms of state-mediated development. It is, however, equally important to interrogate this idea that Bandung and the NIEO movement are all of one piece, with the former leading seamlessly into the NIEO and the NIEO having its antecedents in the Bandung Conference, or more commonly, drawing its inspiration from the Bandung Spirit. This paper revisits the 1955 Bandung Conference in an effort to identify the connections, continuities *and* differences between the Bandung movement and later developments such as the NIEO. Such an exercise, undertaken in Sections 2 and 3, cannot be exhaustive or provide conclusive answers to the question of Bandung’s impact on North-South relations, especially when undertaken by a non-historian. Nevertheless, the insights gained can be helpful in identifying and evaluating the legacy of Bandung for the international political economy.

The analysis builds on James Mayall’s reading of the Bandung movement as a revisionist alliance that sought to restructure international society,<sup>10</sup> most notably through the principle of non-alignment. Aside from this, the paper suggests that the 1955 Bandung Conference sowed the seeds for revisioning international society in two other ways. Bandung’s call for equitable representation in international decision-making for the new members of the now

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<sup>5</sup> This is Krasner’s observation. See Stephan Krasner, ‘Transforming International Relations: What the Third World Wants and Why’, *International Studies Quarterly*, vol. 25, no. 2 (1981), pp. 119-48.

<sup>6</sup> James Mayall, *Nationalism and International Society*, (Cambridge: Cambridge University Press, 1990), p. 126.

<sup>7</sup> *Ibid.*, p. 128.

<sup>8</sup> Craig N. Murphy, *Global Institutions, Marginalisation and Development*, (London and New York: Routledge, 2005).

<sup>9</sup> Berger. *op cit*, p.52.

<sup>10</sup> International society, a concept from the English School of International Relations, refers to the ensemble of states in the international anarchic system plus the norms, rules and institutions that these states adhere to or use to govern the conduct of their relations with each other. See Hedley Bull, *The Anarchical Society: A Study of Order in World Politics*, (London: Macmillan Press, 1977). Also see Iain McLean (ed), *Oxford Concise Dictionary of Politics*, (Oxford: Oxford University Press, 1996), pp. 248-9.

expanding international society of states was essentially a call to take seriously international justice principles, particularly that of procedural justice, in the management of world affairs. Bandung participants also articulated an alternative set of principles for inter-state engagement that emphasised dialogue and accommodation, collective and peaceful problem-solving and the search for consensus or compromise. These principles were regarded as more suited to the expanding and increasingly plural international society of states following decolonisation, and a necessary alternative to the power politics and coercion that had been the basis of colonialism/imperialism and that threatened to become the dominant mode of international relations in a world of superpower bloc politics. These diplomatic principles were identified by those closely associated with the 1955 Conference as the 'Bandung Spirit'. Fifty years on, Bandung's initial articulation of alternative principles for international society remains salient.

The discussion in Section 4 reveals that procedural justice remains curtailed for developing states, particularly in the key institutions of global economic governance where power disparities and institutional structures limit the extent to which genuine dialogue and debate over how to organise the 'good life' can take place. A range of other justice claims has also emerged, articulated by a wider cast of actors beyond states. The ethical rationale for international economic justice has shifted from one based on the 'rights and duties of states' during the 1960s and 1970s to the principle of reciprocity since the 1980s whereby developing states have to demonstrate a certain standard of 'good behaviour' in return for development assistance. While this shift focuses attention on problems internal to developing countries that have undermined development and human rights, there is a downside to the extent that it draws attention away from the essential unfairness of some of the new global rules that impede development. Good governance principles, for instance, have often been conflated with neoliberal economic policies that may not necessarily provide the best way forward for these countries. On the other hand, the shift towards more cosmopolitan notions of justice emphasising individual human rights rather than the rights of states has been progressive on the whole, especially for minority groups and even entire populations that have been subject to abuse by governments. It does, however, bring to the fore tensions with statist notions of international justice, and with the Westphalian norms of sovereignty and non-intervention.

By drawing on insights from the English School of International Relations and Jurgen Habermas's theory of communicative action, Section 5 suggests that in a situation where a

range of justice claims are now articulated by a variety of actors, the Bandung principle that endorses dialogue over coercion and confrontation may be the best option to reach consensus on values, agendas and in problem-solving. Although existing power disparities will continue to intrude into such processes, dialogue or communicative action processes merit greater attention as a means for reaching a reasoned consensus through persuasion and arguing in international relations. In the end, Bandung's lasting legacy for a plural world - yet one that is fast integrating - could well be its endorsement of deliberative politics. The rest of the paper elaborates on these arguments.

## **2. The 1955 Bandung Conference: Revisioning International Society**

The Asian-African Conference held in April 1955 in Bandung, Indonesia was the high point of the Afro-Asian movement, which was itself built on the various Asian and African nationalisms that had emerged since the turn of the 20<sup>th</sup> century. By the late 1940s, when the first official expressions of African and Asian solidarity were made, the Afro-Asian movement's specific aim had already become clearly defined: to hasten the process of decolonisation and achieve independence for the colonies.<sup>11</sup> Although these objectives constituted the backdrop to the Bandung Conference, the immediate focus at Bandung was the problem of peaceful co-existence in the enlarged society of states, especially between the communist and non-communist worlds.<sup>12</sup> The Conference's five sponsors – Burma, Ceylon, India, Indonesia and Pakistan – also shared a concern that there was dangerous tension building up between the US and Communist China, which they feared would result in a disastrous world war that would unleash frightening atomic consequences on the rest of the world. Moreover, these five governments also wanted to lay the basis for peaceful relations between Communist China and their own states.<sup>13</sup>

Underpinning these specific aims for the Bandung Conference was the genuine desire for 'association and for brotherhood' amidst an unfolding Cold War in which the two superpowers – the US and the Soviet Union – sought to broaden their zones of influence through aggressive foreign policies.<sup>14</sup> The Bandung sponsors recognised the importance of solidarity and cooperation amongst newly independent states, all generally weak states having to contend with the 'mixture of wooing, bullying, flattery, threats and "presents"' that

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<sup>11</sup> David Kimche, *The Afro-Asian Movement: Ideology and Foreign Policy of the Third World*, (Jerusalem: Israel Universities Press, 1973), pp. 1-2.

<sup>12</sup> Kahin, *op cit.*

<sup>13</sup> *Ibid*, pp. 4-5.

<sup>14</sup> Kimche, *op cit.*, p. 13.



marked the attitudes of the two superpowers to these new states.<sup>15</sup> Unsurprisingly, therefore, the Afro-Asian movement devoted considerable attention to international politics at (and since) the 1955 Bandung Conference,<sup>16</sup> notwithstanding the 12 paragraphs on economic cooperation in the Conference's Final Communiqué.<sup>17</sup> Even the preparatory ministerial meetings leading up to the Second African-Asian Conference in 1964 (later cancelled) were concerned primarily with political questions.<sup>18</sup>

### ***Economics: A Neglected Area?***

Although the 1955 Bandung Conference had been divided into three committees – political, economic and cultural – observers had from the outset expected that politics would take centre-stage, and that meetings of the Politics Committee would attract the top delegates present.<sup>19</sup> True enough, much of the serious discussion focused on the search for common principles for world peace and cooperation against the backdrop of the unfolding inter-state tensions described above. Debates thus focused on, *inter alia*, the notion of non-alignment, sovereignty and non-interference, the idea of peaceful co-existence, the role of collective defence, principles of inter-state engagement, and even definitions of colonialism. Given the rather contentious debates on these issues, it was not surprising that none of the leaders of the delegations attended the meetings of the Economic Committee.<sup>20</sup> Perhaps this enabled officials and experts in charge of the economic deliberations to reach an agreed resolution in 'record time', as noted by one observer, with the final agenda then approved without amendment by delegation heads.<sup>21</sup>

Despite the overwhelming emphasis on political matters, economics was clearly of some importance even if delegation heads and leaders were engaged on other matters. A 12-point Economic Cooperation agenda was issued as part of the Final Communiqué. This section begins with an acknowledgement that economic development was an urgent priority for the Bandung states. Much of the economic agenda was uncontroversial, however, with Bandung participants calling for increased aid and technical assistance for their countries, while acknowledging that assistance already received from outside the African-Asian region had contributed significantly to their development programmes. Bandung participants also

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<sup>15</sup> *Ibid.*, p. 263.

<sup>16</sup> *Ibid.*, p. 268.

<sup>17</sup> Final Communiqué of the Asian-African Conference, reproduced in Kahin, *op. cit.* pp. 76-85.

<sup>18</sup> The Conference Secretariat, *Meeting of Ministers in preparation for the Second African-Asian Conference, Djakarta, 10-15 April 1964*, (Djakarta: The Conference Secretariat, 1964), p. 9.

<sup>19</sup> Kahin, *op. cit.*, pp. 10-11.

<sup>20</sup> G.H. Jansen, *Afro-Asia and Non-Alignment*, (London: Faber and Faber, 1966), p. 309.

<sup>21</sup> *Ibid.*

affirmed the importance of economic cooperation with states outside the region, and the value of foreign investment for their countries.<sup>22</sup>

The uncontroversial nature of the economic agenda at Bandung was not surprising. The early 1950s were a time of great optimism in both the western and post-colonial worlds that development was a technical problem that simply required an injection of the right kind of resources and the creation of the right domestic conditions for economic take-off.<sup>23</sup> Moreover, decolonisation was, at most, a decade old, and leaders had yet to confront the political ramifications of domestic economic problems, especially those associated with rampant poverty.<sup>24</sup> Interestingly, many delegates to the Economic Committee reportedly chose to avoid issues that they felt had ‘significant political overtones’.<sup>25</sup> Thus, the issue of UN export restrictions to China, which had salience for a number of the delegations present, was studiously avoided in the deliberations. The idea presumably was to ensure that the Conference did not degenerate into a forum for confrontation with the western world. Western observers, especially the US, who had expected the Conference to adopt an anti-western course, had, in fact, been sufficiently reassured by the proceedings, with US Secretary of State Dulles praising, perhaps grudgingly, the Final Communiqué for its measured tone and non-hostile stance.<sup>26</sup> Bandung participants had taken considerable pains to stress that they were not forming another bloc, which had been the great fear of the US and Britain.<sup>27</sup> Thus, the Final Communiqué stressed that the call for closer cooperation among Bandung participants did not preclude economic ties with states outside the grouping.<sup>28</sup>

There were, however, two key areas of concern in economics that were debated and mentioned in the Final Communiqué. The Communiqué revealed that participants were worried about the sources of instability coming from the world economy. This was clear from the recommendations on commodity trade.<sup>29</sup> The end of the Korean War had led to a rapid

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<sup>22</sup> See paragraph 1 in Section A on Economic Cooperation of the Final Communiqué.

<sup>23</sup> Richard Higgott, *Political Development Theory*, (London and Sydney: Croom Helm, 1983), p. 18.

<sup>24</sup> Jansen, *op cit.*, p. 308.

<sup>25</sup> Kahin, *op cit.* p. 33.

<sup>26</sup> See Ang Cheng Guan, ‘The Bandung Conference and the Cold War International History of Southeast Asia’, paper prepared for the Workshop on *Bandung Revisited: A Critical Appraisal of a Conference’s Legacy*, organised by the Institute of Defence and Strategic Studies, Nanyang Technological University, Singapore, 15 April 2005.

<sup>27</sup> Jansen, *op. cit.*, p. 309.

<sup>28</sup> See the Final Communiqué, Paragraph 1, Section A.

<sup>29</sup> See paragraphs 4, 5 and 6 in Section A on Economic Cooperation of the Final Communiqué.

decline in primary product prices that had been artificially inflated during the War.<sup>30</sup> Aside from a call to stabilise international prices of commodities and demand for them through bilateral and multilateral arrangements, the Bandung participants also advocated export diversification through raw material processing as a way to reduce countries' economic vulnerability. Participants were also troubled by their lack of participation in the international institutions that had been established to govern world affairs. The Conference thus called on participants to consult with each other prior to international economic forums in order to further their mutual economic interest.<sup>31</sup> This fit in with the broader theme of the Conference. As Kahin notes, a central motivation of most participants at Bandung, and certainly of its five sponsors, was to protest the failure of the western states 'to consult with them and to share with them sufficiently in decisions affecting the countries of Asia' and Africa, reflecting 'their conviction that they have the right to take a greater and more active part in such matters'.<sup>32</sup>

As already noted above, interpretations of Bandung, for instance Mark Berger's, as an ideological force centred on Third Worldism and the search for authentic forms of state-mediated development help give Bandung its proper place in the story of the Cold War and international development.<sup>33</sup> It does, however, exaggerate the notion that Bandung *endorsed* state-directed approaches to national development. As the Bandung Communiqué reveals, Bandung participants endorsed the rights of governments to freely choose their own political and economic systems. That many states may have opted for state planning or statist approaches to development should not be solely imputed to the Bandung Conference nor to the Bandung Spirit. Moreover, the Bandung Spirit, for those closely associated with that Conference, was 'essentially a method of approach' for international diplomacy and the governance of world affairs.<sup>34</sup> In any case, the prevailing understanding of development at that time in policy and academic circles – modernisation theory – did recognise an implicit role for the state in creating the conditions for economic take-off.<sup>35</sup> Likewise, development economics during this period emphasised national planning, aided no doubt by Keynesian

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<sup>30</sup> Jansen, *op cit.*, p. 209. Artificial price inflation has been attributed to the effect of raw material stockpiling. US stockpile policy had developed in the early 1950s. See Fred Bergsten, 'The Response to the Third World', *Foreign Policy*, No. 17 (Winter 1974-75), pp. 3-34.

<sup>31</sup> See paragraph 12 in Section A on Economic Cooperation of the Final Communiqué.

<sup>32</sup> Kahin, *Asian-African Conference*, p. 4.

<sup>33</sup> See the work by Berger, *op cit.*

<sup>34</sup> Roeslan Abdulgani, *Bandung Spirit: Moving on the Tide of History*, (Jakarta: Prapantja Publishers, 1964), p. 64. Roeslan Abdulgani was the elected Secretary General of the 1955 Bandung Conference, and had been the Chair of the Preparatory Secretariat in Indonesia, the host state.

<sup>35</sup> Higgott, *op. cit.*

ideas on the role of the state in demand management.<sup>36</sup> Thus, Bandung was not the sole inspiration for statist approaches to national development, although Bandung and its successor, the Non-Aligned Movement (NAM) celebrated the independent territorial state as the primary medium to achieve freedom, development and modernisation for peoples.

### ***Revisioning International Society***

While interpretations of Bandung such as Berger's are valuable in locating Bandung on the stage of world politics, especially with respect to North-South relations, they tend to miss other facets of Bandung's significance to the international society of states. In this context, James Mayall's suggestion that the 'underlying collective purpose [of Bandung] was to restructure international society' is instructive.<sup>37</sup> In fact, Mayall terms Bandung a 'revisionist alliance'.<sup>38</sup> This seems to be a rather surprising viewpoint, as Bandung's endorsement of the sovereign, independent state tends to reinforce the prevailing Westphalian international system. Mayall suggests that Bandung's revisionism was based on three objectives that Third World leaders at and beyond the 1955 Conference shared: (a) non-alignment in the cold war; (b) the elimination of all forms of colonialism and racism; and (c) modernisation and economic development.<sup>39</sup>

While these Bandung goals affirmed the existing Westphalian state system, they were revisionist in that they identified alternative approaches to the management of world order beyond what had been the trend during the colonial period, and what was emerging in the bipolar world of superpower bloc politics. In particular, non-alignment - not to be confused with neutrality - offered a third way in international politics. Non-alignment's chief architect, Indian Prime Minister Jawaharlal Nehru, emphasised that non-alignment did not preclude cooperation or allying with a superpower, provided this was the result of a free choice and not the result of coercion.<sup>40</sup> While detractors point to the numerous breaches of the non-alignment principle in Third World foreign policy practices, the point to emphasise is its emergence as a new international norm that gave states the right to chart an autonomous, freely determined course in the international system without being compelled to follow the

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<sup>36</sup> Berger, *op cit.*, pp. 61-85.

<sup>37</sup> Mayall, *op.cit.*, p. 126.

<sup>38</sup> *Ibid.*

<sup>39</sup> *Ibid.*, pp. 126-7.

<sup>40</sup> Nehru was one of the five sponsors of the Bandung Conference, and the principle exponent of non-alignment. For a discussion of the Nehruvian conception of non-alignment, and especially its distinction from neutralism, see Kanti Bajpai, 'Indian Conceptions of Order and Justice: Nehruvian, Gandhian, Hindutva, and Neoliberal', in Rosemary Foot, John Lewis Gaddis and Andrew Hurrell (eds), *Order and Justice in International Relations*, (Oxford: Oxford University Press, 2003), pp. 236-61.

dictates of the superpowers and their respective blocs.<sup>41</sup> The US was, however, initially hostile to the idea of non-alignment.<sup>42</sup>

There was also a preoccupation at Bandung that all states should be regarded and treated as equal partners sharing in the management of world affairs. Indonesian President Sukarno in his opening speech at the Bandung Conference claimed ‘the affairs of all the world are our affairs’.<sup>43</sup> In analysing the Bandung Conference, Kahin predicted that the determination of participating delegates to ‘share more fully with the West in decisions affecting the interests of their countries’ would endure.<sup>44</sup> Conference participants had also drawn attention to their under-representation on the UN Security Council and called for more equitable participation in bodies such as this.<sup>45</sup> The emphatic call for equitable representation and participation in international decision-making was a second way in which Bandung challenged prevailing approaches to world order. Prior to decolonisation, the question of equitable participation did not really arise. Decolonisation at one stroke increased the number of independent states in the system, with the prospect of more to come, thereby raising questions about how these new states would participate in world affairs.

Decolonisation also led to a qualitatively different system where there were now marked differences in political and economic development between states, as well as differences in their cultural contexts. The marked differences in material wealth between the western world and the newly independent states meant that a novel situation now emerged – one in which sharp inequalities were found in separate political jurisdictions (independent states) but within one international system.<sup>46</sup> This required thinking about questions of international justice, especially international economic justice. The Bandung Conference, however, did not explicitly address issues of fairness and justice in substantive areas. These matters were, however, central to the debates on the NIEO, to be discussed in Section 3. In fact, the early 1960s already saw growing acceptance of the social liberal principle that wealth inequality required juridicially equal countries to be treated differently. It led to revisions in the General

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<sup>41</sup> Part of the problem stems from critics equating non-alignment with neutrality. In any case, behaviour that contradicts that prescribed by a norm does not necessarily signal a breakdown in that norm or its absence. See Friedrich Kratochwil, *Rules, Norms and Decisions: On the Conditions and Practice of Legal Reasoning in International Relations and Domestic Affairs*, (Cambridge: Cambridge University Press, 1991).

<sup>42</sup> Mayall, *op. cit.*, p. 119.

<sup>43</sup> Reproduced in Kahin, *op. cit.*, p. 47.

<sup>44</sup> *Ibid.* p. 38.

<sup>45</sup> *Ibid.* p. 33.

<sup>46</sup> During the colonial era, inequalities were found within different imperial or colonial jurisdictions. See Chris Brown, *International Relations Theory: New Normative Approaches*, (New York: Columbia University Press, 1992), p. 158.

Agreement on Tariffs and Trade (GATT) that added a new chapter to address the special problems of developing countries, which included the principle of special and differential treatment for developing states. The Generalised System of Preferences (GSP) adopted by the industrial states from the 1960s directly accorded preferential trade treatment to developing countries on a bilateral basis.<sup>47</sup>

Although the Bandung Conference did not directly address justice and fairness in *substantive* economic matters, Bandung's emphasis on equitable participation and representation in international decision-making implies a concern with matters of *procedural* justice, which is perhaps prior and fundamental to achieving fairness in substantive areas.<sup>48</sup> Equitable representation in the international institutions that govern the world economy, for instance, could provide the developing states with a platform from which to articulate their views, justify their position on substantive matters, and find ways collectively to adjudicate between conflicting claims. With substantive justice claims – distributive justice, for instance – dependent on cultural perspectives, national and regional histories, and economic, political and social circumstances, fair process and genuine dialogue or consultation can facilitate decision-making when parties hold different moral claims.<sup>49</sup> It appears, therefore, that the seeds of international justice concerns, especially the more fundamental procedural justice, were planted at Bandung.<sup>50</sup>

Aside from calling for more voice in international decision-making, the articulation of a set of principles to guide international diplomacy was another instance of Bandung attempting a revisioning of a now qualitatively different international society. By emphasising diplomacy, and especially the diplomacy of dialogue and accommodation, collective and peaceful problem-solving and rejection of power politics and the use of force, these principles, which some of those involved with the Conference have termed the 'Bandung Spirit', were offered to the international community as principles of engagement that would contribute to peace and cooperation in a highly diverse world.<sup>51</sup> These principles represented a rejection of the coercion and dominance that had characterised the colonial/imperial mode of interaction between the west and Asia-Africa, and that appeared to be the dominant mode of

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<sup>47</sup> Mayall, *op. cit.*, pp. 134-6.

<sup>48</sup> On the distinction between the two forms of justice, and for a comprehensive discussion of international justice, see Andrew Hurrell, 'Order and Justice in International Relations: What is at Stake?', in Rosemary Foot, John Lewis Gaddis and Andrew Hurrell (eds), *Order and Justice in International Relations*, (Oxford: Oxford University Press, 2003), pp. 24-48.

<sup>49</sup> Hurrell, *op. cit.*, pp. 44-5.

<sup>50</sup> I am indebted to Alan Chong for pointing this out to me.

<sup>51</sup> Abdulgani, *op. cit.*, 64.

international relations in the unfolding Cold War.<sup>52</sup> Despite the colonial experience, non-confrontation even with regard to the colonial powers was emphasised, as seen on a number of occasions at the Conference. The decision by the economic committee to avoid issues that were politically sensitive to the western powers has been discussed above. In another instance, Nehru warned Bandung participants to avoid using ‘agitational language’ in drafting their position on the issue of continued colonialism in French North Africa.<sup>53</sup>

These principles of inter-state engagement were also an acknowledgement that the newly independent states were militarily and economically weak, and therefore unable to use power as a tool of statecraft.<sup>54</sup> By offering these methods of inter-state engagement as a preferable alternative to power politics and wielding ‘the big stick’,<sup>55</sup> Bandung participants were not only attempting to create a more hospitable international arena for themselves; they were also, in effect, attempting to enhance their ability to meaningfully participate in world affairs. International relations based on dialogue and diplomacy would offer far greater chances for post-colonial states to engage in world affairs than a world based on confrontation, power politics, and the use of force. If these principles were to guide dialogue and negotiation processes, the chances for fair process or procedural justice also become enhanced. Theorists working in the English School tradition of International Relations point to the importance of dialogue between different states and communities from which basic agreement about order and justice might emerge, and through which process consensual moral principles on international justice could be devised.<sup>56</sup> Amartya Sen similarly endorses the importance of public debate in reaching reasoned consensus in diverse societies, pointing out also that the dialogic tradition of reasoning, debate and argument has a very long history in Asia and Africa pre-dating colonialism, and was a common means by which communities in these settings governed social life.<sup>57</sup>

How much of an impact did these developments at the 1955 Bandung Conference have on North-South relations more specifically, and more broadly on the international political

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<sup>52</sup> China’s military skirmishes into disputed Indian territory, Indonesia’s Confrontation with Malaysia and other inter-state conflicts within the Asian-African alliance does not negate the value and utility of these principles as the basis for international relations.

<sup>53</sup> Kahin, *op. cit.*, p. 18.

<sup>54</sup> President Sukarno’s opening speech to the 1955 Bandung Conference. Reproduced in Kahin, *op. cit.*, p. 45.

<sup>55</sup> See Sukarno’s speech, reproduced in Kahin, *ibid.*

<sup>56</sup> Andrew Linklater, ‘Rationalism’, in Scott Burchill and Andrew Linklater (eds), *Theories of International Relations*, (London: Macmillan Press, 1996), pp. 93-118.

<sup>57</sup> In fact, public discussion has been a characteristic means of managing diversity in India since classical times, with clear rules laid down for the proper conduct of debates and disputation by the Buddhist Emperor Ashoka during the third century BCE and by the Mughal Emperor Akbar in the 16<sup>th</sup> century CE. Amartya Sen, *The Argumentative Indian*, (London: Allen Lane/Penguin Books, 2005).

economy? The next section addresses this question with respect to Third World demands for a New International Economic Order (NIEO). Following this, Section 4 looks more closely at the issue of international economic justice from the perspective of contemporary global governance.

### **3. From Bandung to the NIEO: North-South Conflict or North-South Dialogue?**

The history and dynamics of the NIEO have been much studied and this paper will try and avoid covering familiar ground.<sup>58</sup> It will, instead, focus on a number of issues salient to the theme of this paper, namely the continuities and discontinuities between the Bandung Conference and the NIEO movement as they impinge on revisioning international society. To be sure, a fundamental difference is that the call for an NIEO was issued by the Non-Aligned Movement (NAM) formally at its 1971 Summit in Algiers, but informally from 1964 as a set of demands to reform governance of the world economy.<sup>59</sup> More precisely, negotiations on the NIEO were the purview of the G-77, the largest Third World coalition in the United Nations that had been established in June 1964 following the first session of the United Nations Conference on Trade and Development (UNCTAD).<sup>60</sup> Although the NAM was itself an offshoot of the 1955 Bandung Conference, the latter was confined to participants from the African-Asian region while the NAM involved Latin American states as well. These states, which had gained independence far earlier than the African and Asian colonies, had long been active in the UN on matters pertaining to reforming the international economic system.

More important than the question of membership is the point that the NAM has played a major role in embedding the notion of an international development agenda as a shared international problem that required collective solutions by the international society of states.<sup>61</sup> It was also at the 1961 NAM Summit and the subsequent Cairo Economic Conference in 1962 where it was first proposed that the more dangerous division in the world was the North-South divide between the haves and the have-nots rather than the East-West divide that major western powers were so preoccupied with.<sup>62</sup> Bandung too had devoted a great deal of attention to the East-West divide. Although Bandung 1955 had planted the seeds for the notion of equitable participation and representation in international decision-making and

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<sup>58</sup> For a comprehensive review of debates and different perspectives on the NIEO, see Robert Cox, 'Ideologies and the New International Economic Order: Reflections on Some Recent Literature', *International Organisation*, vol. 33, no. 2 (Spring 1979), pp. 257-302. See also Murphy, *op. cit.*

<sup>59</sup> Goodman, *op. cit.*

<sup>60</sup> On the western side was Group B, the negotiating committee of western industrial countries. See Mayall, *op. cit.*, p. 143.

<sup>61</sup> Mayall, *op. cit.*, p. 147.

<sup>62</sup> Jansen, *op. cit.*, p. 311.



agenda setting, its participants had not adequately conceptualised *moral* justifications with regard to development as an *international* responsibility. To be sure, the idea of international rights and duties to states had already been articulated at the UN during the 1940s, and was the basis of the United Nations Relief and Rehabilitation Administration (UNRRA), which distributed assistance from other states to Europe for its reconstruction.<sup>63</sup> Since then, cold war considerations became more important than the ‘rights and duties’ of states in the provision of development assistance.

Moral claims for international assistance were not formally articulated at Bandung, however. In their Communiqué, Bandung participants had simply called for continued western assistance for development as well as endorsed multilateral approaches to development by calling for the early establishment of the Special UN Fund for Economic Development and the International Finance Corporation as well as the allocation of more resources by the World Bank for Asian and African countries. As already noted, Bandung avoided controversial economic matters, while its primary focus had been to search for ways to ensure peaceful co-existence in a world characterised by an East-West divide. The economic situation had yet to become pressing in 1955 and optimism prevailed, as pointed out above. However, a number of Bandung’s leading lights did not even endorse the idea of an international economic conference of non-aligned countries in the early 1960s even when the economic situation in many newly independent states had become pressing.<sup>64</sup> It was President Tito of Yugoslavia who provided leadership on this issue during the early 1960s.

### ***Between Belgrade and Cairo: International Development as an International Obligation***

By the late 1950s, the economic situation facing many newly independent states had become dire, and the earlier optimism gave way to deep pessimism. The average per capita income of the 112 countries listed as under-developed by the UN rose by only 1 per cent from US\$90 in 1950 to US\$100 in 1959. The end of the Korean War boom revealed the marked volatility of primary product prices. The 20 per cent fall in raw material export prices coupled with a 6 per cent rise in industrial products import prices led to a loss to under-developed countries of about US\$1.6 billion annually. Moreover, 80 per cent of developing country exports were concentrated in only five products, while three-quarters of their trade was with the industrial world. This structural feature promised to become a serious liability with the decision in Western Europe to form the European Common Market (ECM), and in Eastern Europe to

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<sup>63</sup> Murphy, *op. cit.*, p. 109.

<sup>64</sup> Nehru was especially opposed to the idea. See Jansen, *op. cit.*, p. 313.

form COMECON (Council for Mutual Economic Assistance), raising fears of closed regional blocs. In fact, the first three years of the ECM saw the non-aligned countries losing US\$1.26 billion in export earnings per annum, which was double the financial aid from the ECM countries to developing states.<sup>65</sup>

President Tito of Yugoslavia publicised these issues at the first NAM Summit in Belgrade in 1961. While criticising the formation of the ECM and COMECON, he emphasised that the response from the non-aligned states should not be a quid-pro-quo regional grouping that would be a 'new closed market'. This was a realistic position given the dominance of the industrial world in developing country trading relationships. Instead, Tito suggested convening a world conference at the United Nations to debate these pressing economic matters. Jansen suggests that the idea of a world conference was the primary achievement of the Belgrade NAM Summit, and the starting point of further international dialogues on development issues.<sup>66</sup> Tito also lobbied for an economic conference of NAM countries to be held soon after the Belgrade Summit in order to discuss issues pertaining to economic development.

Tito's economic conference, held a year after the Belgrade summit in Cairo in July 1962, was largely an Asian-African affair, with only three Latin American states attending and Yugoslavia the sole European participant. Moreover, only nine ministers were in attendance out of the 39 countries represented, a marked contrast to the 1955 Bandung Conference where leaders and/or foreign ministers of 29 countries were in attendance. Nevertheless, the Cairo Conference involved a fairly substantial economic agenda. Five areas were emphasised.<sup>67</sup> First, there was a call that industrial countries put aside 1 per cent of their national income or savings from disarmament for international development.<sup>68</sup> Moreover, preference was expressed for assistance to be disbursed through the UN rather than bilaterally. Interestingly, Cairo participants acknowledged that developing states must also contribute to their own development, but with help from the industrial states. In this regard, the Cairo Conference reiterated the Bandung proposal that developing countries focus on primary processing activities and labour-intensive consumer products manufacturing. At Cairo, however, industrial countries were also explicitly called on to leave these areas of activity to the developing countries, whilst they moved up the manufacturing ladder into

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<sup>65</sup> All statistics obtained from Jansen, *ibid.*, p. 310.

<sup>66</sup> Jansen, *ibid.*, p. 312.

<sup>67</sup> These are discussed extensively in Jansen, *ibid.*, pp. 315-8.

<sup>68</sup> This figure was later reduced to 0.7 per cent.

capital goods and other complex manufactures that required resources developing states did not possess. It is difficult to fault this proposal, based as it was on the neoclassical economic principle of comparative advantage. Third, participants emphatically rejected the idea of forming a third economic bloc. Fourth, the ever-present issue of commodity price stabilisation was discussed, including proposals for commodity stabilisation schemes. Finally, the Cairo Economic Conference reiterated Tito's earlier call for the convening of an international conference on trade and development, which dovetailed well with US President Kennedy's idea of the UN Development Decade proposed a year earlier.

Although it reiterated a number of ideas raised at Bandung, the Cairo Declaration was more substantive than the economic component of Bandung's Final Communiqué. Yet, like Bandung, it displayed moderation in terms of its demands. It also attempted to fairly apportion duties amongst all states. Jansen suggests that participants' recognition of the futility of heroic politics and grandstanding, coupled with the reasonableness of their demands, led to greater receptiveness on the part of the industrial world to their agenda, particularly on the need for a UN body to oversee development.<sup>69</sup> The contribution of both the Belgrade NAM Summit and the Cairo Conference must be recognised in UNCTAD's establishment in 1964.

The establishment of a UN agency to address Third World development issues was, in some respects, a significant departure from prevailing 'Cold War' thinking that emphasised bilateral assistance, which was often directly or implicitly linked to anti-communist strategies. For instance, the US Marshall Plan of 1948-51 aimed at post-war European reconstruction was motivated by concern within US policy circles that continued economic distress in Europe following the second world war could provide a thriving breeding ground for communism. Bilateral development assistance to other countries during the 1950s was likewise linked to political and commercial interests of the donor country. US President Kennedy's revival of US leadership on development finance in the UN similarly reflected a strong anti-communist commitment.<sup>70</sup> The establishment of the multilateral UNCTAD to address development issues was, therefore, a departure from the prevailing bilateral and anti-communist framework for development assistance, an event rendered even more significant by the potential for the numerically dominant developing world to dominate UNCTAD. At

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<sup>69</sup> *Ibid.*, p. 318.

<sup>70</sup> John Toye and Richard Toye, 'From Multilateralism to Modernisation: US Strategy on Trade, Finance and Development in the United Nations, 1945-63, in Louis Emmerji (ed), *The History of Ideas: An Introduction to the United Nations Intellectual History Project*. Extracts viewed at [www.unhistory.org](http://www.unhistory.org) in July 2005.

the inaugural UNCTAD session in Geneva in 1964, the G-77 was formally launched. More than a decade later, UNCTAD would become increasingly marginal to global economic governance as industrial powers, notably the US, rejected any role for the body in trade negotiations.<sup>71</sup>

### ***The NIEO: Radicalism versus Reformism***

Where Bandung 1955 had not explicitly articulated *moral* justifications with respect to the international obligation of states to economically assist the developing states, Cairo 1962 tentatively asserted this principle, while Geneva 1964 embraced it wholeheartedly. Furthermore, Latin American economist Raul Prebisch's dependency ideas formed the theoretical basis for the package of demands Third World countries issued at the 1964 UNCTAD Conference in Geneva. Prebisch had by this time been appointed UNCTAD's first Secretary General. These demands included proposals for improved market access to the industrial countries, greater self-reliance amongst the South and more controversially, the right to nationalise assets and a call to democratise *all* binding international decision-making based on the principle of 'one-nation, one-vote'. This last proposal had been advanced at the Second NAM Summit in Cairo in 1964.<sup>72</sup> The package of demands was, unsurprisingly, rejected by the industrial states.<sup>73</sup> These proposals also reflected Prebisch's diagnosis of Third World under-development in terms of its structural dependency on a capitalist core that controlled all levers of international decision-making and profitable economic activity, thereby appropriating much of the gains from international economic activity.

Rejection of the UNCTAD proposals, coupled with growing frustration with the sharply declining economic conditions in many parts of the developing world, led to the emergence of a more sustained radical critique of the international economic system in many of these countries.<sup>74</sup> For a new generation of Asian and African radical nationalists, Latin American-inspired dependency ideas proved appealing. The dependency discourse was further strengthened by the presence in various UN bodies of intellectuals who subscribed to these radical ideas.<sup>75</sup> While the radical critique of the international system helped secure unity within the Third World coalition, radical remedies – de-linking from the capitalist world

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<sup>71</sup> Ian Taylor, 'The United Nations Conference on Trade and Development', *New Political Economy*, vol. 8, no. 3 (November 2003), pp. 409-18.

<sup>72</sup> Branislav Gosovic, *UNCTAD: Conflict and Compromise*, (Leiden: A.W. Sijthoff, 1972).

<sup>73</sup> Alfred George Moss and Harry N.M Winton, *A New International Economic Order: Selected Documents, 1945-1975*, (New York: UNIPUB, 1976), 43-51.

<sup>74</sup> Mayall, *op. cit.*, p. 129.

<sup>75</sup> *Ibid.*

economy – did not find favour in many developing states. Instead, the preference was for reformist rather than revolutionary remedies that revealed an eclectic mix of theoretical economic perspectives.

In fact, the underlying basis of the reformists' remedies was a social liberal philosophy that sought to treat international society as a domestic social welfare state writ large. At the domestic level, welfare principles endorse income redistribution through taxation and welfare entitlements. The international counterpart to these policies was readily evident in the reformist proposals – resource transfers (aid), preferential trade and pricing arrangements, and technology transfer as a right.<sup>76</sup> Many western scholars and policy analysts also endorsed the reformist agenda. A few, notably US economist Fred Bergsten, went so far as to acknowledge that the Third World's assertive actions in the mid-1970s on a number of economic issues, including the formation of the OPEC cartel and the oil price hike, were 'fully understandable and at least partially just'.<sup>77</sup>

For Bergsten, Third World demands were not unreasonable because terms of trade for primary products, including oil, had declined markedly for producers during the 1950s-60s while western states had been slow to negotiate the commodity agreements developing states had long requested. In fact, industrial states had often manipulated commodity trade, including through stockpiling policy.<sup>78</sup> Industrial country protection against developing country exports was high, especially for primary processed goods and simple manufactures. Most importantly, Third World states had been left out of much of the discussions on the international economic rules and institutions that had taken place during the early 1970s, especially on monetary and exchange rate matters, following the unilateral US decision to abandon the post-war fixed exchange rate system. For Bergsten, US opposition to Third World demands and its refusal to negotiate on these pressing matters had contributed significantly to the 'radicalisation of Third World policies'.<sup>79</sup> To him, the correct response was a revised US strategy based on dialogue and genuine interdependence rather than dominance,<sup>80</sup> incidentally principles that had also been articulated at the 1955 Bandung Conference

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<sup>76</sup> *Ibid.*, p. 131.

<sup>77</sup> Bergsten, 'The Response to the Third World', *Foreign Policy*, No. 17 (Winter 1974-75), p. 5.

<sup>78</sup> Carlos F. Diaz-Alejandro, 'North-South Relations: The Economic Component', *International Organisation*, vol. 29, no. 1 (Winter 1975), pp. 213-41.

<sup>79</sup> Bergsten, *op. cit.*, p. 6.

<sup>80</sup> *Ibid.*, p. 27. See also Diaz-Alejandro, *op. cit.*, p. 213.

The Brandt Commission Report, which was commissioned by World Bank Director Robert McNamara and placed under the chairmanship of retired West German Chancellor Willy Brandt, likewise acknowledged Third World demands as reformist rather than revolutionary. The Report, therefore, advocated negotiations and compromises with the Third World, as did the American Council on Foreign Relations. There was much recognition amongst certain quarters in the industrial world that Third World concerns were justified even if the statist logic of their proposals was not altogether appealing.<sup>81</sup> In fact, the Third World reformist movement depended on such allies to provide the intellectual and political support for its negotiations with the industrial countries.<sup>82</sup> Importantly, these allies acknowledged the fairness of Third World demands, especially for their inclusion in international decision-making.<sup>83</sup>

The OPEC oil price hikes in 1971 and 1973, which shocked the industrial world, also altered the balance of power in favour of the South, albeit temporarily, and led to a greater willingness on the part of the industrial countries to negotiate on the NIEO demands.<sup>84</sup> Mayall, however, points out that following the 1973 price hike, the Third World coalition miscalculated its relative bargaining strength and presented its NIEO proposals as a set of categorical or unconditional demands. The industrial world responded negatively to such a strategy, which prompted the coalition to abandon its confrontational stance. A return to a 'dialogue' approach saw some progress being made as negotiations on the NIEO resumed.<sup>85</sup>

### ***The Moral Claim for International Justice: Rights and Obligations but not Restitution***

There was clearly much sympathy for the Third World predicament and its reformist agenda, although powerful critics warned against any negotiations with or concessions to the developing world.<sup>86</sup> The NIEO package broadly reflected social liberal principles, and was an attempt to institute an international Keynesianism that went further than the embedded liberalism of the post-war GATT and Bretton Woods economic order. The post-war embedded liberal order endorsed a range of departures from external liberalisation to maintain domestic employment and social stability. Thus, an essentially liberal international

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<sup>81</sup> Murphy, *op. cit.*, p. 115.

<sup>82</sup> Mayall, *op. cit.*, p. 132.

<sup>83</sup> Diaz-Alejandro, *op. cit.*, p. 241.

<sup>84</sup> Susan Sell, *Power and Ideas: North-South Politics of Intellectual Property and Antitrust*, (New York: State University of New York Press, 1998).

<sup>85</sup> Mayall, *op. cit.*, p. 132.

<sup>86</sup> Murphy, *op. cit.* elaborates further on the powerful NIEO critics, especially from US academic and policy circles.

economic order accommodated Keynesian economic principles and practices at the domestic level.

The NIEO package was qualitatively distinct from the *status quo* in that it sought to emplace Keynesian inspired principles of demand management and economic regulation, as well as the social liberal inspired welfarist principles *at the international level*. Although this went against the liberal economic principles at the heart of the post-war economic regimes, the industrial countries during the mid-1970s acknowledged the essential fairness underlying the NIEO demands even if they would not agree to adopting all the proposals in the package.<sup>87</sup> The adoption of the 1975 Charter of Economic Rights and Duties of States at the United Nations General Assembly reflected, at least at that point in time, a successful addition to the prevailing principles of international society to include the ‘rights and duties of all states to aid the economic development of other states along the path chosen by its government’.<sup>88</sup> To be sure, the notion of international obligation could be based on underlying justice claims or on benevolence and charity.<sup>89</sup> The writings and pronouncements of sympathetic western academics and officials, however, pointed to justice as the fundamental ethic behind the Charter.

Although the ethic of ‘rights and duties’ had prevailed during the 1940s as already noted, it had become less salient since then given that emerging Cold War interests had intruded into issues of international aid for the developing states. The ‘rights and duties’ principle was tentatively revived in the 1960s. The 1975 Charter meant a further assertion of this principle in international society. Unfortunately, the accommodative climate that permitted the adoption of such a reformist Charter was undermined by a revival amongst elements in the G-77 of the moral claim of ‘restitution’, which was based on the notion that the North owed something to the South as compensation for colonialism.<sup>90</sup> The principle of restitution had long been held by radical African governments such as Ghana and Guinea during the 1960s, and its inclusion as part of the NIEO package by radical elements in the Third World coalition helped split the Third World coalition into two camps by 1970 and contributed to the coalition’s decline. The coalition was only revived following the OPEC price hikes in 1971 and 1973.<sup>91</sup>

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<sup>87</sup> Bergsten, *op. cit.*, outlines the NIEO package of demands.

<sup>88</sup> Murphy, *op. cit.* p. 113.

<sup>89</sup> Brown, *op. cit.* p. 158.

<sup>90</sup> Murphy, *op. cit.* p. 113.

<sup>91</sup> Mayall, *op. cit.*, p. 128.

The revival in the mid-1970s of the restitution principle by some quarters in the Third World coalition as the basis for reforming the post-war economic institutions hardened western opinion once more against the NIEO. American economist Martin Bronfenbrenner was scathing in his criticism of the restitution argument that UNCTAD had used to justify the NIEO demand for the GSP system.<sup>92</sup> While Bronfenbrenner was prepared to support specific concessionary policies such as the GSP on the grounds that the industrial world's long history of protectionism had prevented developing states from utilising their comparative advantage to develop, he was nonetheless adamant that the broader NIEO programme for greater influence in international economic decision-making, what he termed a 'conspiracy or lunacy', should be resisted.<sup>93</sup> He was especially scathing of the flawed political logic behind the restitution claim.

### ***The Failure of the NIEO: What About International Justice Principles?***

One of the reasons suggested for the failure of the NIEO was the depiction of its proposals as irrational and revolutionary, and the Third World as malign and self-serving in proposing them, a position that soon dominated over more sympathetic readings.<sup>94</sup> It was, therefore, not surprising that the NIEO collapsed in the end. Moreover, there were instrumental reasons for the growing inflexibility of the western position, one being the growing constellation of interests coalescing against the NIEO proposals, especially from industries uneasy with developing country demands for easier access to Northern technology.<sup>95</sup> Aside from hardening western opinion, internal splits within the coalition resurfaced during the late 1970s as the world headed for another recession. This, coupled with the 1980s debt crisis, provided the political space for the US to undertake a major reform of the international economic system, but away from international Keynesianism and the search for international economic justice.

President Reagan's ideological belief in the superiority of the market mechanism and his quest to reform the international economic institutions meant that alternative paths to development based on different mixes of market and state were slowly discredited at the ideational or rhetorical level, even if state intervention in markets continued to remain an

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<sup>92</sup> Martin Bronfenbrenner, 'Predatory Poverty on the Offensive: The UNCTAD Record', *Economic Development and Cultural Change*, vol. 24, no. 4 (1976), pp. 825-31.

<sup>93</sup> *Ibid.*, p. 831.

<sup>94</sup> Murphy, *op. cit.* pp. 113-7.

<sup>95</sup> Sell, *op. cit.* p. 130.



empirical reality in the industrial world and in the developmental states of Northeast Asia. The ideational ascendance of the neoliberal model of development – the so-called Washington Consensus – and the discrediting of Keynesianism shaped the programmes and advice of these institutions throughout the 1980s and well into the 1990s. In face of these developments, the more sympathetic western readings of the NIEO that advocated compromises and negotiations with the Third World became marginal, despite these being the views of scholars and development practitioners with deep knowledge of the developing areas in question.<sup>96</sup>

The 1980s thus saw a shift away from collective efforts to relieve world poverty and underdevelopment towards a market-centred approach that saw development as resulting simply from liberalising markets and retrenching the state through privatisation and deregulation.<sup>97</sup> In the international economic institutions, the position of the US was predominant, and unassailable, with the 1980s debt crisis allowing these institutions unprecedented access to developing countries to reform their economic governance institutions and practices in line with the new thinking. The North-South conflict was effectively over, at least for some time. The North-South *dialogue* was similarly put aside. Whether the failure to make progress on reducing the conflict between the developing and the industrial worlds was primarily due to the inflexibility of the opposing camps remains unclear. Clearly, the distribution of power played a key part in how western states responded to the NIEO and in determining its outcomes. However, it was also clear that some progress had been achieved, and usually when the negotiations had taken place in a conciliatory environment of give-and-take and genuine dialogue on both sides.

The North-South divide resurfaced in the late 1990s with the collapse of the 1999 WTO Ministerial Meeting at Seattle and the ongoing stalemate at the WTO despite six years of negotiations. The growing criticism of the Washington Consensus and neoliberal globalisation during the 1990s, which was heightened since the 1997-98 Asian financial crisis, led to a re-consideration of international justice principles. In particular, the thorny question of fairness and accountability in the international economic institutions and in international decision-making is once again a central issue in global governance. However, there is a difference. There is now a tension between competing notions of international justice, particularly between claims for inter-state justice, as was the case from Bandung to

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<sup>96</sup> Murphy, *op. cit.*, pp. 115-6.

<sup>97</sup> Brown, *op. cit.*, p. 183.

the NIEO, *and* justice claims that privilege not states but individuals as human beings deserving of human rights. The latter emerged in the post-Cold War 1990s as the principle approach to justice in international affairs.

#### **4. Contemporary Global Governance and International Justice**

Contemporary global economic governance is characterised by multiple networks of authority, ranging from inter-governmental bodies such as the World Trade Organisation (WTO), to private networks such as the credit-rating agencies and transnational networks of non-governmental organizations (NGOs) and civil society groups, as well as regional institutions. Debates about economic governance invariably raise questions with respect to fairness, accountability and distributive justice. The developing world in particular has had long and sometimes conflictual relations with the key multilateral institutions, particularly the International Monetary Fund (IMF) and the WTO over these issues.

Both the IMF and the WTO have been criticised for, among other things: (a) ill-judged privatisation and liberalisation programmes that often leave developing countries in a fragile state through exacerbating internal inequalities and worsening poverty; (b) that they represent the interests of powerful industrial country groups; and (c) that as a result, their programmes are politicised.<sup>98</sup> There is much literature on this subject, which will not be repeated here. Instead, the discussion focuses on a more specific issue related to the broad theme of the paper – the extent to which justice concerns have become incorporated in the processes through which these institutions make decisions about and engage with the developing world. Do developing countries continue to experience exclusion from these key institutions of global economic governance, or have recent internal reforms improved their representativeness and accountability to the developing world? As John Toye notes, the institutional structures and processes of these organizations, especially how decisions are made and new rules adopted, will determine whether the outcomes of these organizations may be considered ‘just’ to developing countries.<sup>99</sup>

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<sup>98</sup> Ngaire Woods, ‘Order, Justice, the IMF and the World Bank’, in Rosemary Foot, John Gaddis and Andrew Hurrell (eds), *Order and Justice in International Relations*, (Oxford: Oxford University Press, 2003), pp. 80-102.

<sup>99</sup> Toye notes that there are different conceptions of justice, with the current free trade ideology justified on utilitarian notions of justice. John Toye, ‘Order and Justice in the International Trade System’, in Rosemary Foot, John Gaddis and Andrew Hurrell (eds), *Order and Justice in International Relations*, (Oxford: Oxford University Press, 2003), pp. 103-24.

## *The IMF*

Representation of the developing states in the IMF remains inadequate. The Executive Board, which is responsible for the day-to-day operations and the major work of the Fund, does not sufficiently represent all its members, especially those countries that are the most affected by the Fund's decision-making and its programme design, namely the recipients of its loans. While the largest members are directly represented by their respective executive directors, other countries are grouped within constituencies and represented by just one director for each grouping. Thus, the US has the largest voting share at 17.11 per cent, followed by the second largest voting bloc of 6.14 per cent for Japan. Thirteen Arab states are collectively accorded 2.95 per cent of voting shares while 23 African states hold just 1.16 per cent.<sup>100</sup> China holds 2.94 per cent. Despite the presence of formal voting shares, Executive Board decisions are usually taken by consensus. Nevertheless, voting power does matter, but in a 'behind-the-scenes' fashion.<sup>101</sup> One, it is usually taken into consideration in determining the extent of agreement reached, which is calculated based on the formal voting share of those taking part in these informal discussions. Two, IMF staff and management, mindful that Board approval will be needed, tend to keep voting shares in mind when designing loan agreements and policies.

This problem of representation is compounded by the fact that much of the IMF's decision-making takes place through informal processes of consultation in which developing states lack influence, a problem that is also evident in the WTO.<sup>102</sup> Many decisions, for instance on loan approvals, are often reached outside of these formal board meetings.<sup>103</sup> For many of these decisions, US approval is a necessity. In fact, without US approval, a matter often does not even get placed on the table for discussion by the executive board.<sup>104</sup> The US also holds an effective veto in the IMF, as other countries rarely act collectively to challenge the US.<sup>105</sup> Moreover, it is often assumed that the voting structure is fair because it correlates with the capital contributions of the shareholders, which constitute the core asset base of the IMF, with the US contributing 17.67 per cent (while its voting share is 17.11 per cent). This is misleading, however, for two reasons. First, all creditors to the IMF have been remunerated

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<sup>100</sup> Bessma Momani, 'American Politicisation of the International Monetary Fund', *Review of International Political Economy*, vol. 11, no. 5 (December 2004), pp. 880-904.

<sup>101</sup> Ngaire Woods, 'The IMF and the World Bank', in *Routledge Encyclopaedia of Politics*, (London and New York: Routledge, 2002).

<sup>102</sup> Woods, 2003, p. 85.

<sup>103</sup> IMF, *External Evaluation of IMF Surveillance*, Report by a Group of Independent Experts, (Washington DC: International Monetary Fund, 1999), p. 34.

<sup>104</sup> Woods, 2003, p. 87-8.

<sup>105</sup> Woods, 2002.

since 1968; and second, the actual expenses in running the institution come from income that the IMF earns from the charges it levies on borrowers, which are mainly the developing states.<sup>106</sup> These charges have, moreover, increased since the 1970s. Thus, the voting structure of the IMF does not adequately reflect the burden borne by the developing states in financing the IMF.

Contrary to claims by the IMF that its decision-making is apolitical, the US government has intervened in allocation and design of loan agreements. During the Cold War, IMF and World Bank lending was directed towards the key allies of the western world.<sup>107</sup> In 1987 and 1991, Washington overruled the tough conditionalities in the IMF agreements with Egypt that had been agreed to by IMF staff and the Egyptian authorities following their Article IV Consultations. Nevertheless, Egyptian representation to the US government led to more lenient agreements being adopted following US pressure on the Executive Board. In this instance, US power worked to Egypt's advantage.<sup>108</sup> In other instances, the US has insisted on harsher conditionalities, especially following the end of the Cold War when it had to worry less about strategic alliances.<sup>109</sup> During the Asian financial crisis, the IMF worked closely with the US Treasury to develop strict reform policies that would be part of IMF emergency lending to the East Asian states.<sup>110</sup> These policies have been roundly criticised for going beyond what is needed to regain access to capital markets.<sup>111</sup> The point to note is that the combination of voting shares in the IMF and its preponderant power in the international system has given the US unprecedented influence in the IMF and over its dealings with member states, although it is not the only major power that has exercised such leverage.<sup>112</sup>

The problems with inadequate representation and accountability at the IMF have been compounded by the considerable expansion in its remit or agenda. Since the debt crisis and the end of the Cold War, the IMF, as well as the World Bank, have embraced areas of policy that extend into virtually all areas of public policy-making, including judicial reform, corporate governance, labour policy, education, and health and social welfare, to name a few. In many instances, health care and education policy have ended up being decided on the

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<sup>106</sup> *Ibid.*

<sup>107</sup> *Ibid.*

<sup>108</sup> Momani, *op.cit.*

<sup>109</sup> Kimberley Elliot and Gary Hufbauer, 'Ambivalent Multilateralism and the Emerging Backlash: The IMF and the WTO', in Stewart Patrick and Shephard Forman (eds), *Multilateralism and US Foreign Policy: Ambivalent Engagement*, (Coulter, Co: Lynne Rienner, 2002), p. 383.

<sup>110</sup> Joseph Stiglitz, *Globalisation and its Discontents*, (London: Allen Lane, 2002), p. 100.

<sup>111</sup> Martin Feldstein, 'Refocusing the IMF', *Foreign Affairs*, vol. 77, no. 2 (March/April 1998), pp. 20-33.

<sup>112</sup> Currently, the 50-year old compromise between the US and the Europeans that a US national heads the World Bank while a European would be appointed to head the IMF continues.

narrow criteria of efficiency and cost effectiveness rather than the broader criteria required to evaluate any social sector programme.<sup>113</sup>

To be sure, both the IMF and the World Bank have undertaken reforms to enhance their accountability and transparency.<sup>114</sup> One of their more significant moves has been to open dialogue with civil society groups. Although NGOs have not been accorded a formal participatory role in IMF decision-making, NGOs have, nonetheless, exercised significant power and influence, particularly the Northern NGOs. In some instances, these NGOs seem even more influential than the developing country governments whose formal participation is undermined by the problems of representation identified above.<sup>115</sup> Certainly, engagement with civil society is a good thing. As Woods points out, however, these innovative attempts at reaching out to a broader cast of stakeholders should not deflect attention from the ‘core lack of accountability to developing country governments’.<sup>116</sup>

### ***The WTO***

The WTO’s establishment in 1995 was hailed as a positive development for developing states as it would provide a consistent rules-based environment for trade liberalisation, particularly through an enhanced dispute settlement mechanism. Moreover, the continuation of the ‘one-country one-vote’ system from the GATT also suggested that developing countries could not be marginalised in this new institution. Finally, the Uruguay Round negotiations (1986-93) had succeeded in bringing agriculture and textiles/clothing under WTO trade disciplines, which represented yet another plus for developing countries, given the importance of these sectors to their development efforts. Their previous exclusion from GATT disciplines had worked to the great disadvantage of developing states.

The reality of the WTO for many developing states has, however, been very different. Industrial country protectionism has continued in sectors like agriculture, primary products processing, and labour-intensive manufactures in which developing states, with their large, especially rural populations, could have easily specialised in on the basis of comparative advantage.<sup>117</sup> The trade regime as it stands locks poor states into low value-added activities or

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<sup>113</sup> Woods, 2002, p. 89.

<sup>114</sup> These are detailed in Woods, *op.cit.*

<sup>115</sup> *Ibid.*, p. 97.

<sup>116</sup> *Ibid.*, p. 98.

<sup>117</sup> Ronald Mendoza and Chandrika Bahadur, ‘Toward Free and Fair Trade: A Global Public Goods Perspective’ *Challenge*, 45, no. 5 (2002): 21-62.

confines them to commodity production, impeding their development prospects.<sup>118</sup> Moreover, commodity markets such as in cotton and sugar have long been distorted by industrial country subsidies that keep prices artificially low, while tariff escalation, which means higher tariffs on processed commodities, reduces the incentive in commodity producing countries to shift into primary processing export activity. Likewise, simple labour-intensive activities with which most countries begin their industrialisation, notably textiles and clothing, have been long protected in the industrial world, with protection ending only in 2005.

Power disparities explain much of the bias against developing states in the WTO. Although the WTO was expected to provide a consistent rules-based environment that would benefit developing states, critics claim that its institutional structures and negotiating processes have allowed these power disparities to influence negotiating outcomes.<sup>119</sup> For instance, the process of decision-making in the WTO has relied not just on the formal mechanisms but also on informal processes both inside WTO meeting rooms (Green Room meetings) as well as outside, in ‘corridors, cafes and restaurants’.<sup>120</sup> Developing states found themselves excluded from the Green Room consultations at the 1999 Seattle Ministerial.<sup>121</sup> Many developing country negotiators have admitted that they are often subject to pressure from the industrial states to take particular positions on negotiating issues.<sup>122</sup> These tendencies tend to undermine the ‘one-member one-vote’ mechanism that was seen as an instrument that should theoretically have helped overcome power disparities in the international system.

To be fair, there have been many instances where developing states have themselves exercised their power to block, notably at the 2003 Cancun Ministerial Meeting. Furthermore, a mixed coalition of governments, NGOs and the media successfully challenged the pharmaceutical companies and altered intellectual property rules at the WTO to allow generic HIV/AIDS drugs to be produced in developing countries. However, the fact remains that the power to block is far less satisfactory than the ability to influence agendas and engage meaningfully in negotiating processes. Other observers of the WTO reject the idea that the WTO has delivered unfair outcomes for developing states, pointing out instead that the WTO provides avenues for these countries to challenge the unfair trade practices of other states. In

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<sup>118</sup> Oxfam, ‘Running into the Sand: Why Failure at the Cancun Trade Talks Threatens the World’s Poorest People’, *Oxfam Briefing Paper*, No. 53, (Oxford: Oxford Famine Relief, 2003).

<sup>119</sup> Amrita Narlikar, ‘Developing Countries and the WTO’, in Brian Hocking and Steven McGuire (eds), *Trade Politics (second edition)*, (London and New York: Routledge, 2004), pp. 133-45.

<sup>120</sup> Amrita Narlikar, ‘The Ministerial Process and Power Dynamics in the World Trade Organisation: Understanding Failure from Seattle to Cancun’, *New Political Economy*, vol. 9, no. 3 (Sept. 2004), pp. 413-28.

<sup>121</sup> *Ibid.*, p. 421.

<sup>122</sup> *Ibid.*

2004, Brazil successfully challenged the subsidies the US government paid to its cotton farmers. Small, poor West African states like Burkina Faso, Benin and Mali that are heavily dependent on cotton for the bulk of their export earnings and have been hit hard by the sharp falls in cotton prices as a result of US subsidies, will also gain from the ruling, provided the subsidies are dismantled.<sup>123</sup> In addition, legal assistance is now provided to countries through the WTO Secretariat, thereby assisting those government lacking sufficient legal resources to assess and file legal challenges at the WTO. While there was little genuine consultation and dialogue amongst the diverse WTO membership between the 1999 Seattle Ministerial and the 2003 Cancun meeting, greater efforts have been made since then to consult more with developing states following the breakdown of the Cancun talks.

Toye, however, cautions against drawing overly optimistic conclusions from such trends. In reality, the WTO is a highly intrusive organization that has the authority to compel changes in a wide range of domestic policies in support of open markets. While open markets are broadly a good thing, developing states aiming to ‘catch up’ need a wider range of policy instruments than permitted by neoliberal frameworks. To be fair, the WTO has not gone completely down the neoliberal path, since many industrial policies including subsidies, performance requirements and infant industry protection are still available to developing countries, though for a limited period of time.<sup>124</sup> Wade, nevertheless, warns of a potential for a ‘shrinking of the development space’ available to developing states,<sup>125</sup> an argument also put forward by Toye. Toye argues that the presence of ambiguities in the different agreements that make up the WTO could result in a situation where legal challenges to the use of industrial policies could result in judicial interpretations that move the organisation closer towards the neoliberal position. In a world where states do not confront each other as economic equals and where agenda-setting and rule-writing in global organizations have been governed less by fair process and more by power distribution, ‘judicialisation [only] tightens the screws of unjust rules’.<sup>126</sup>

Thus, an emerging consensus seems to be to limit the scope and agenda of these bodies. However, the more fundamental shift required is to get these organizations to recognise the

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<sup>123</sup> *The Economist*, ‘Unpicking cotton subsidies’, 30 April 2004.

<sup>124</sup> Ha Joon-Chang, *Globalisation, Economic Development and the Role of the State*, (London and New York: Zed Books, 2003), pp. 325-8.

<sup>125</sup> Robert Hunter Wade, ‘What Strategies are Viable for Developing Countries Today? The World Trade Organisation and the Shrinking of “Development Space”’, *Review of International Political Economy*, 10, no. 4 (2003), pp. 621-44.

<sup>126</sup> Toye, *op. cit.*, p. 123.

presence of alternative models of development rather than the single, neoliberal model that has dominated international economic policymaking for much of the 1990s and that continues to influence global economic governance.<sup>127</sup> In fact, there are a range of market models that combine different mixes of state and market, distinct institutions and rules, and a variety of policy instruments, and that emphasise a wider range of legitimate end goals than market efficiency and competitiveness that have successfully delivered development in various parts of the world.<sup>128</sup> UNCTAD and its economists and development specialists who articulate alternative approaches to development, albeit still within the capitalist framework have, unfortunately, been marginalised from the core of global economic governance. Following the failed Cancun WTO talks, the industrial countries stepped up their moves to limit UNCTAD to a capacity building and technical assistance role, and to curtail its renewed interest in providing independent analysis to developing countries on trade matters.<sup>129</sup> UNCTAD analysis had helped developing states put together a coherent argument rejecting the US and EU agenda at Cancun that would have further expanded the remit of the WTO into still more areas of domestic regulation and policy. It is not surprising then that the US and the EU were unhappy with the draft conference text prepared for the UNCTAD XI Conference in June 2005 that had called for greater policy space to be given to developing states to design trade policies that would benefit development.<sup>130</sup>

### ***Global Governance and Contrasting Notions of International Justice***

International justice concerns did not simply disappear during the 1980s following the collapse of the NIEO project and the consolidation of the neoliberal globalisation project.<sup>131</sup> Instead, the neoliberal free trade project was based on an implicit utilitarian notion of justice that irrespective of differences between countries, unrestricted trade would generate a higher level of aggregate welfare *for all parties*.<sup>132</sup> Moreover, the 1980s witnessed a shift in academic and policy circles that under-development was caused by poor policy choices in the Third World and inefficient and/or corrupt governments, rather than due to structural barriers in the international political economy. These new views helped undermine whatever

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<sup>127</sup> See the arguments in Dani Rodrik, 'Development Strategies for the Next Century', Kennedy School of Government, Harvard University, 2000 [<http://ksghome.harvard.edu/~drodrik>].

<sup>128</sup> Chang, *op. cit.*

<sup>129</sup> Alexandra Stricker, *Geneva Update 5<sup>th</sup> February 2004*, Institute for Agriculture and Trade Policy, Geneva. [www.investmentwatch.org/articles/gu5feb2004.html](http://www.investmentwatch.org/articles/gu5feb2004.html) (accessed 4 August 2004).

<sup>130</sup> *Ibid.*

<sup>131</sup> On the neoliberal globalisation project, see Philip McMichael, 'Globalisation: Myths and Realities' *Rural Sociology*, 61, no. 1 (1996): 25-55.

<sup>132</sup> This, however, ignored other notions of justice, social liberal versions for instance, that recognise that differences between countries call for differential treatment, as was the moral basis of international justice claims articulated during the 1960s and 1970s. Toye, *op. cit.*, p. 105-6.



consensus had been emerging on the validity of the Third World's international justice concerns, especially its moral claims for collective approaches to addressing underdevelopment and poverty and the obligation of rich states to help poor states. The indictment of the Third World state reinforced neoliberal prescriptions to retrench the state, which unfortunately contributed to situations where hollowing out of the state has taken place.<sup>133</sup> Such stark policy positions have been replaced from the late 1990s by approaches that recognise that the state has a crucial role to play, but often, this role tends to be seen in terms of a purely regulatory function to embed market governance in the economy and society.<sup>134</sup>

Alongside this shift in attitude towards the state has been renewed attention to standards of good governance by which states are now judged. Under its Millennium Challenge Account announced in 2002 to provide increased development assistance to poor states, the US government is explicit that assistance will only be available to countries that demonstrate, *inter alia*, a commitment to good governance defined as rooting out corruption, upholding human rights, and adhering to the rule of law.<sup>135</sup> That such conditionalities may be appropriate and necessary is not the issue here. The point to note is that the move towards conditionalities for development aid, a practice that took off during the structural adjustment programmes of the 1980s, reflects an embrace of notions of justice rooted in *reciprocity*. Previously, moral claims for development assistance during the 1950s-70s had not required states to act in certain ways in order to qualify for development assistance or to be treated fairly (justice as impartiality) in international economic decision-making.<sup>136</sup> Although international development and poverty reduction as international obligations are back on the world's agenda, reflected especially in the adoption of the UN Millennium Development Goals in September 2000,<sup>137</sup> the norm of reciprocity is now embedded in the contemporary thinking and practice of development. In contrast, international justice claims raised by bodies such as the NAM and the G-77 in the past had emphasised impartiality rather than reciprocity.

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<sup>133</sup> Francis Fukuyama, *State Building: Governance and World Order in the Twenty First Century*, (London: Profile Books, 2004), pp. 53-4.

<sup>134</sup> On the role of the state in a globalising world, see Peter Evans, 'The Eclipse of the State? Reflections in an Era of Globalisation' *World Politics*, vol. 50, no. 1 (1997), pp. 62-87.

<sup>135</sup> United States Agency for International Development (USAID), *Millennium Challenge Account Update*, Fact sheet of 3 June 2002. [www.usaid.gov/press/releases/2002/fs\\_mca.html](http://www.usaid.gov/press/releases/2002/fs_mca.html) (accessed 2 August 2005).

<sup>136</sup> See Brian Barry, 'Justice as Reciprocity', in Brian Barry (ed.), *Democracy, Power and Justice*, (Oxford: Clarendon Press, 1989).

<sup>137</sup> United Nations, *United Nations Millennium Declaration*, (55/2), a resolution of the fifty-fifth session of the UN General Assembly. [www.un.org/millennium/declaration/ares552e.htm](http://www.un.org/millennium/declaration/ares552e.htm) (accessed 2 August 2005).

The 1990s also saw attention shifting towards cosmopolitan notions of justice that emphasise justice and human rights for individuals rather than notions of inter-state justice.<sup>138</sup> In fact, a range of actors aside from states is now articulating justice claims. As already noted, international organizations increasingly open to pressure from NGOs are articulating justice claims on behalf of populations and other disadvantaged groups, while marginalised groups and individuals are themselves pressing these issues on international (global and regional) agendas. It appears that international justice considerations are increasingly reflected in the new global norms that now being created or strengthened; for instance, good governance, fairness and accountability in multilateral institutions, and participatory governance involving civil society. Whether these norms are mutually reinforcing or whether their advocates are pushing along parallel tracks remains unclear.<sup>139</sup> What is clear, however, is that cosmopolitan justice claims can conflict with claims of inter-state justice coming from states (or their governments) that perceive themselves to be disadvantaged and/or unfairly treated in international forums and in the world economy.

## **5. Conclusion: The Importance of Deliberation in International Society**

This paper builds on James Mayall's reading of the Bandung movement as a revisionist alliance that sought to restructure international society, particularly through the principle of non-alignment. The paper suggests that the 1955 Bandung Conference sowed the seeds for revisioning international society in two further ways. Bandung's call for equitable representation in international decision-making for the new members of the now expanding international society of states was essentially a call to take seriously the issue of international justice, particularly that of procedural justice in the management of world affairs. Bandung participants also articulated an alternative set of principles for inter-state engagement that emphasised dialogue and accommodation, collective and peaceful problem-solving and the search for consensus or compromise that they saw as more suited to the expanding and increasingly plural international society of states, rejecting therefore power politics and coercion as the basis for international relations. These diplomatic principles were identified as the 'Bandung Spirit' by those closely associated with the 1955 Conference. These alternative principles for international society remain salient in the twenty first century.

Procedural justice remains curtailed for developing states, particularly in the key institutions of global governance, while the moral claims that had underpinned calls for distributive

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<sup>138</sup> Rosemary Foot, 'Introduction', in Rosemary Foot, John Gaddis and Andrew Hurrell (eds), *Order and Justice in International Relations*, (Oxford: Oxford University Press, 2003), pp. 1-23.

<sup>139</sup> Foot, *op. cit.*, p. 11.

justice during the 1960s and 1970s, especially under the rubric of the NIEO, have shifted from claims based on the 'rights and duties of states' to norms of reciprocity, whereby developing states have to demonstrate a certain standard of 'good behaviour' in return for development assistance. This is not necessarily a bad thing as it has drawn attention to problems internal to developing countries that have undermined prospects for development in some states and worsened human rights abuses in others. It is a problem to the extent that it draws attention away from the unfairness of some of the new global rules and practices that can impede the development process. Good governance principles, for instance, have often been conflated with neoliberal economic policies that may not necessarily provide the best way forward for these countries.<sup>140</sup> On the other hand, the shift towards more cosmopolitan notions of justice, emphasising individual human rights over the rights of states, has been progressive on the whole, especially for minority groups and even entire populations that have been subject to rule by incompetent, corrupt or abusive governments. It does, however, bring to the fore tensions with the norms of sovereignty and non-intervention. The emergence of a range of justice claims has, however, not been accompanied by the emergence of a genuine 'world society based on a consensus of values'.<sup>141</sup> Processes of global governance continue to reveal the exercise of power rather than fair process, which can mean that the understandings of justice held by certain groups are privileged over others.<sup>142</sup>

English School theorists suggest that the way to reach a consensus on values is through dialogue, a position that echoes Jurgen Habermas's theory of communicative action. In the ideal communicative action situation, each participant should treat the others as equals, not as objects to be manipulated or coerced. In addition, each participant should be willing to accept that the outcome of the dialogue could be open-ended rather than expecting the other parties to change their preferences while maintaining one's unchanged.<sup>143</sup> Deliberation or arguing, according to Thomas Risse, is a necessary though not sufficient step in negotiation processes, facilitating the development of common understandings about a situation or problem and a shared normative framework, and in devising an optimal solution to that problem.<sup>144</sup> These principles reflect the approach to inter-state engagement endorsed at Bandung.

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<sup>140</sup> Ian Taylor, 'Hegemony, Neoliberal Good Governance and the International Monetary Fund: A Gramscian Perspective', in Morten Boas and Desmond McNeill (eds), *Global Institutions and Development: Framing the World*, (London and New York: Routledge, 2004), pp. 124-36.

<sup>141</sup> Foot, *op. cit.*, p. 23.

<sup>142</sup> Hurrell, *op. cit.*, p. 48.

<sup>143</sup> Marc Lynch, 'Why Engage? China and the Logic of Communicative Action', *European Journal of International Relations*, vol. 8, no. 3 (June 2002), pp. 187-230.

<sup>144</sup> Thomas Risse, 'Let's Argue: Communicative Action in World Politics', *International Organisation*, vol. 54, no. 1 (Winter 2000), pp. 1-39.

Much of international affairs involving North-South relations has (much has or much have? I think the former/singular), on the whole, demonstrated strategic rather than communicative action and the continuation of power politics. Contemporary realities suggest that power disparities will continue to intrude into negotiation processes and hinder prospects for reaching consensus. Even in the absence of power politics, the diversity inherent in the world today means that there are many different conceptions of the good life, making it difficult in practice to reach consensus or even compromises. Yet, it is precisely because of these diversities that dialogue processes become crucial. Interestingly, the NIEO episode reveals that when dialogue rather than confrontation was adopted, some degree of accommodation that took account of the interests of both sides did emerge.

It is in this regard that a revival of Bandung's emphasis on deliberative politics may have salience for global governance in the 21<sup>st</sup> century. To many detractors, unfortunately, dialogue is seen simply as a 'talk-fest' that allows its participants to avoid making hard decisions. Moreover, continuing power disparities do undermine possibilities for genuine deliberation. There is, however, merit in endorsing approaches that emphasise the search for reasoned consensus and optimal solutions and compromises in a plural though fast integrating world. In this regard, the adoption by the 2005 Bandung Conference of a number of cooperative projects towards development and growth<sup>145</sup> can be helpful if they enhance the economic and political standing of Asian and African developing states in international society, and through that pave the way for processes of genuine dialogue among equals.

However, there must not be an uncritical revival of the ideas and practices encountered at the 1955 Bandung Conference. Debate on politically sensitive issues should be embraced rather than avoided. Instead, proper rules may be developed to guide the communicative process to prevent dialogues from descending into hostile confrontations. In addition, inter-state approaches to justice must give way to broader notions of justice to emphasise individual human rights and the responsibilities of developing states towards their populations. It is in such a plural context of complex notions of justice that the Bandung Spirit of diplomacy and accommodation, dialogue and consensus building, and the search for compromise needs to be extended to non-state actors as well. In the end, Bandung's lasting legacy could well be its emphasis on deliberative politics.

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<sup>145</sup> See Ali Alatas, 'Towards a New Strategic Partnership between Asia and Africa', *IDSS Commentaries*, No. 18/2005, (19 April 2005), Institute of Defence and Strategic Studies, Singapore. [www.idss.edu.sg/publications/Perspective/IDSS182005.pdf](http://www.idss.edu.sg/publications/Perspective/IDSS182005.pdf)

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