

Appendix 1

COMMUNIQUE OF THE THIRD WORLD FORUM CONFERENCE IN KARACHI

1. An inaugural meeting of the Third World Forum was held in Karachi from 5 to 10 January 1975 to discuss critical elements in the national and international economic order as well as to discuss means of action to meet the continuing crisis in the relationship between the industrialized and the developing countries.

2. The participants to the Forum supported the objectives stated in the Santiago Declaration and agreed on the need for a continued intellectual revolution to overcome the dependence of the Third World and for profound changes in the internal and external order that the developing countries face today. They felt that they could best make a contribution to the promotion of these aims by organizing a Third World Forum on a permanent basis. The delegates accordingly considered and adopted a constitution to found such a Forum.

Functions and Organization of the Forum

3. It was agreed that, in line with the Santiago Declaration, the principal functions of the Forum would be to:

- (a) provide an intellectual platform for an exchange of views on alternative development strategies and their policy implications;
- (b) provide intellectual support to the Third World countries in devising their policy options and negotiating alternatives on all relevant development issues;
- (c) stimulate and organize relevant socio-economic research, particularly through the regional and national research institutes, in the Third World;
- (d) foster the interchange of relevant ideas and research, identify the areas of Third World interdependence and, to this end, seek to influence appropriate international, regional and national decision-making bodies to recognize and protect the legitimate rights and interests of the people of the Third World;
- (e) provide support to programmes of action on all types of co-operation among developing countries by:
 - (i) suggesting areas, methods, and types of action that would be most effective for mutual co-operation;
 - (ii) defining areas in which the Third World countries could offer assistance or could benefit from assistance provided by other Third World countries;
 - (iii) examining and analysing mutual co-operation in all fields, including science and technology, with the purpose of facilitating the exchange of ideas, information and an efficient transfer of these between Third World countries;

- (f) express views on international issues affecting the Third World and its relations with the developed world.
4. It was agreed that the membership of the Forum will be open to leading social scientists, eminent experts and other intellectuals—both men and women from the Third World acting in their personal capacities.
5. The following were elected to form the first Executive Committee of the Forum for a period of two years. It was decided to enlarge the membership of the Executive Committee to 16 at a later stage as the total membership of the Forum expands.

1. Enrique V. Iglesias
2. Enrique Oteiza
3. Oscar Pino-Santos
4. Samir Amin
5. Justinian Rweyemamu
6. Ikenna Nzimiro
7. Mohamed Said al Attar
8. Mahbub ul Haq
9. Gamani Corea

6. The Executive Committee was authorized to prepare concrete plans for the permanent location of the secretariat of the Forum in a Third World country and for the financing of its activities.

National Development Strategies

7. The participants considered the need for the new development strategies, more responsive to the aspirations of their masses. They agreed that, while there could be many separate roads to development, the new strategies must be based on at least the following principles:

the real focus should be on the satisfaction of basic human needs and on a meaningful participation of the masses in the shaping of economic and social change;

the policies of self-reliance should be encouraged, with emphasis on a self-confident and creative use of local resources, manpower, technology and knowledge, and with growing stress on collective self-reliance between the societies of the Third World;

the concepts of development should embrace the political needs and cultural patterns of their societies, so that life styles in the Third World do not become a pale imitation of somebody else's experience but a proud extension of their own value systems.

8. The participants also reviewed the national development strategies of a few selected countries which had adopted a distinctive style of their own. They agreed that there should be a greater exchange of experience in economic development between the developing countries themselves, with more organized publications and visits to one another than the traditional visits to the centres of the developed countries.

9. In order to promote these concerns, the Forum agreed to:
- sponsor specific studies on national development strategies,
 - discuss and disseminate the results of such studies and
 - organize seminars and visits for a more orderly exchange of development experience. The participants authorized the Executive Committee to develop a concrete programme of action to implement these concerns.

New International Economic Order

10. The participants reviewed the nature of the current inequitable world order and discussed specific proposals for the establishment of a more just international economic order.

11. The participants agreed that the present crisis in the world system was neither a 'normal' economic recession nor the result of the oil problem. It, in fact, marked the gradual crumbling of an old order in which a group of rich nations constituting the developed centre continuously expanded by the use of energy and raw materials provided by the poor nations at the periphery at cheap price. The increase in the price of oil by the OPEC could, therefore, be seen as a part of the struggle of the Third World to obtain a better deal from the world order. But this struggle would neither be complete nor meaningful until other poor nations at the periphery also obtained a fairer deal and unless the present polarization between the countries at the centre and those at the periphery was changed by different patterns of collective self-reliance among the Third World countries.

12. The participants discussed a number of specific proposals to improve the prospects of the Third World in the present world order. These proposals included:

the establishment of a Commodity Bank to strengthen commodities in a weak bargaining position;
the promotion of producers' associations for suitable commodities for ensuring better supply management and for creating countervailing power against the existing concentration of control at the buying end;

more control over the creation and distribution of international credit by the Third World;

bold policy and institutional measures to promote trade among the countries of the Third World including the establishment of payment unions within the Third World;

a new alliance of interdependence including the flow of investments towards agriculture production to various Third World countries;

a conference of principal creditors and debtors to reach an agreement on the basic principles of a long term settlement of the past debt that the developing countries have accumulated;

the termination of all unfavourable contracts, leases and concessions given to the multinational corporations by the developing countries

for the exploitation of their natural resources and their re-negotiation;

establishment of a Third World Development Bank financed by OPEC and other Third World countries;

a new and more automatic basis for international transfer of resources to the poor nations from traditional sources which could be financed from a development cess on non-renewable resources exported from the Third World to the industrialized countries, royalties from ocean bed mining and link between SDRs and aid;

democratization of control over international financial institutions by obtaining at least 50% of the voting power for the Third World; setting up of institutions of intellectual self-reliance within the Third World financed by a trust fund of the order of \$ 1 billion.

13. In connection with these initiatives the participants considered that close co-operation between OPEC and other parts of the Third World was vital in the next stage of this continuing struggle if the Third World was to succeed in its efforts to obtain more justice from the world order and if oil exporting countries were to expect to consolidate and maintain their gains.

14. It was agreed that, in order to prepare a concrete programme of action, (a) various proposals should be placed in a clear time perspective, (b) they should be backed up by concrete studies so as to carry both conviction and weight, and (c) there should be an identification of the specific fora and implementation machinery through which they ought to be pursued. Besides the need for concrete elaboration of the above proposals the following studies were identified to examine the legitimacy of existing international economic relations:

the present margins between producers' returns and consumers' price for important commodity exports of the Third World;

the waste and inefficiencies in the consumption as well as the production patterns;

the magnitude of the existing debt as compared with the surpluses which were extracted from the developing world during the colonial era and the surpluses now being extracted through unjust trade and investment patterns;

the systematic intellectual biases which have been diffused in much of the literature produced in the developed world on such questions as economic development, international trade, welfare economics and project criteria;

the means by which the media in the developing world could develop its own networks aimed at informing the peoples of the Third World of each other's needs, aspirations and achievements.

15. The participants authorized the Executive Committee to prepare a concrete plan of studies, including the identification of individuals and institutions for preparing these studies within specified time periods and the selec-

tion of fora and instruments through which implementation of concrete proposals should be pressed.

Appeal to other intellectuals

16. The Forum appealed to all intellectuals of the Third World to get organized behind these concerns of vital importance to their societies and to initiate action at all levels to create a climate for more equitable national and international orders.

The Forum concluded by extending its warm thanks to the Government of Pakistan for its generous invitation to hold the plenary session in Karachi and to the National Bank of Pakistan for the excellent arrangements for the conduct of the conference, to the news media of Pakistan for their extensive coverage and support for the activities of the Forum and to the people of Pakistan who are an essential part of the struggle which the entire Third World is waging and for which the Third World Forum was established on a permanent basis during its historic meeting in Karachi. The Forum expressed its deep appreciation to the Governments of Sweden and Canada for providing funds for the meeting.

Appendix II

THE DAKAR DECLARATION AND ACTION PROGRAMME

Following on their success at the Sixth Special Session of the UN on "raw materials and development", New York, April 1974, the developing countries again on the initiative of the non-aligned at their Fourth Summit, met in Dakar, 4-8 February to review problems of raw materials and development.

Noting the perpetuation of inequalities in economic relations, imperialist domination, neo-colonialist exploitation, and total absence of any solutions to their basic problem, the "77" agreed to join together to strengthen the "irreversible process opened in international relations with its promise to end imperialist domination". They agreed that this process begins with recovery and control of their natural resources, wealth, and means of economic development in favour of their people's economic, social and cultural progress.

Basing their analysis on their Fourth Summit together with the Sixth Special Session, they adopted a 12-page Declaration and a 16-page Action Programme.

Because of the influence these will have in preparation for and at the UN's Seventh Special Session, we provide the following summaries:

A. The Dakar Declaration

1. *On international trade*: The structure of international commerce, originated in imperialist and colonialist exploitation, continued today in most cases through neo-colonialism, must be replaced by a new international economic order based on justice and equity; one that safeguards common interests of all peoples, while correcting and preventing recurrence of present injustices. Today's crisis only demonstrates again the breakdown of traditional mechanisms and the vulnerability of the developing countries' economies. World trade advantages mainly the developed.

To change this situation the "77" have two powerful weapons: first, defence of their resources; secondly, combining their forces as they are doing, into effective bargaining power.

2. *Failure of theory of trade*: Up to now the industrialized, capitalist countries imposed their views that free markets in primary products normally ensure an equitable distribution of world resources; while rising demand in the industrial States for primary products would stimulate the economic growth of the developing countries. This could only have happened if primary products had had free access to the markets of the developed countries. *But as suppliers of raw materials, the "77" ran into obstacles. First is chronic instability of commodity markets due in part to excessive speculative activities, encouraged by the absence of regulation. Second is the control by transnational corporations of production and trade in those primary commodities where their monopoly structure creates powerful bargaining power against weak sellers.*

3. *Some consequences of failure of trade theory*: The inadequacy of partici-