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ECONOMIC AND SOCIAL COUNCIL

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PROVISIONAL SUMMARY RECORD OF THE 18th MEETING

Held at the Palais des Nations, Geneva,
on Monday, 8 July 1991, at 3 p.m.

President: Mr. DJOUDI (Algeria)

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The meeting was called to order at 3.30 p.m.

ADOPTION OF THE AGENDA AND OTHER ORGANIZATIONAL MATTERS (agenda item 1)
(continued) (E/1991/111)

The PRESIDENT drew the Council's attention to the report of the Committee on Non-Governmental Organizations concerning requests from non-governmental organizations for hearings (E/1991/111), in which the Committee had recommended that the organizations referred to be heard under the agenda items indicated. That recommendation had been made and approved at a meeting of the Committee at which 7 out of its total 19 members had been present. Under rule 41 of the Council's rules of procedure, the presence of the representatives of a majority of the members of the body concerned was required for any decision to be taken. However, in view of the fact that not all members of the Council were represented at the current session, and that the Committee itself had met only briefly, he suggested that the Council should, as an exceptional measure, approve the recommendation in question.

It was so decided.

GENERAL DISCUSSION OF INTERNATIONAL ECONOMIC AND SOCIAL POLICY, INCLUDING REGIONAL AND SECTORAL DEVELOPMENTS (agenda item 2) (continued) (E/1991/32, Supplement No. 11; E/1991/45 and 56; A/46/132-E/1991/58; E/1991/64, 70, 72, 75 and 92; E/1991/INF/6 and Add.1)

Mrs. SADIK (Executive Director, United Nations Population Fund) said she would like to make a few comments concerning the central role played by population variables (growth, distribution, age structure, urbanization and migration) in shaping all aspects of economic and social policy. There currently seemed to be an unparalleled consensus, nationally, regionally and globally, on the importance of taking properly into account population growth and other related variables in all policies and interventions related to development, as was shown, for example, by General Assembly resolution 45/216 on population and development. The report of the South Commission (A/45/810) had stated that the explosive and - in the long run - unsustainable pace of population growth in many countries of the South gave grounds for great concern. The imperative need to bring population growth and distribution into line with available resources and prospects for development had been plainly stated in a number of statements and reports, and there was henceforth an unprecedented recognition of the seriousness of population problems. Targets for all areas of population activity, notably fertility and family planning, had become an integral part of both national and international strategies.

However, much additional progress in that area was urgently needed. The development efforts of many developing countries were still being hampered by overrapid population growth, uneven population distribution, uncontrolled urbanization, and massive migratory movements, combined with persistent poverty and unfavourable macroeconomic conditions. The action taken during the 1990s to slow down population growth would to a large extent determine whether the world's current population would eventually double or triple. According to the forecasts, world population was expected to rise from 5.4 billion to 6.5 billion in 2001 and to 8.5 billion in 2005. Virtually the whole of that growth - 95 per cent - would take place in the developing countries, the most rapid rise occurring in sub-Saharan Africa.

Attention should be focused on a number of priority issues and areas. First, efforts should be concentrated on the effective expansion of family planning programmes, as the best method of lowering fertility and of containing population growth. The latest issue of the report of the United Nations Population Fund (UNFPA) on the State of World Population 1991 emphasized that such an expansion would require an improvement in the effectiveness and quality of services, as well as a doubling of expenditure on those services.

Secondly, the success of population programmes, as of all development interventions, would depend directly on the role played by women. Accordingly, there was need for far stronger and more concerted measures to improve the status and participation of women. As was made clear in the World Economic Survey 1991, the more women's immense contribution was properly recognized and remunerated, the more likely it was that all other development efforts would prosper.

A third priority was to address the increasingly complex issues associated with migration, issues which affected almost all regions of the world. It was noteworthy that the strongest migratory pressures, both internal and international, almost always appeared in countries with a rapid population growth and a slow pace of development. In seeking solutions, therefore, those two related problems in the countries of origin should be borne in mind.

Fourthly, attention would have to be given to environmental concerns and to halting resource depletion. The preparatory meetings for the United Nations Conference on Environment and Development had shown that the importance of population and environment linkages was being increasingly recognized.

Fifthly, the momentum generated in the population sphere had to be effectively translated into action. To that end, increased resources were necessary. The recent International Forum on Population in the Twenty-First Century had recognized the urgent need to double resources for population programmes, most of which were being financed by Governments and families in the developing world. In that connection, she noted that the members of the Development Assistance Committee of OECD had emphasized the need for donor countries to give high priority to population assistance.

Stressing the importance of multilateral cooperation and collaboration, she said that UNFPA, for its part, was firmly committed to further expanding its already considerable stress on coordination and saw its role as one of strengthening government capacities in that field upon request, while actively supporting the system of United Nations resident coordinators. Coordination was essential since, no matter how effective the efforts of one organization or sector might be, they would be limited unless all parts of the system and all sectors of the national economy reinforced them. The Fund maintained that all United Nations bodies should act as visible and vocal advocates in population matters and that all system-wide programmes should adequately reflect population considerations.

Furthermore, there was need for greater integration of the analytical and operational parts of the United Nations system. The valuable expertise and experience accumulated within the different parts of the system should be better disseminated.

Lastly, she recalled that, on 11 July, the world community would, for the second time, observe World Population Day with a view to focusing attention on the urgency and importance of population issues in the context of overall development plans and on the need to find solutions to those issues.

Mr. CHABALA (Zambia), having fully endorsed the statement made by the Observer for Ghana on behalf of the Group of 77 (E/1991/SR.17), said that two major points had emerged from the discussions at the Special High-Level Meeting held at the beginning of the Council's second session. The first was that the existing configuration of international economic relations was both promising and dangerous, according to the respective economic strength, potential and degree of vulnerability of each individual country in an increasingly interdependent world. The second was that international

cooperation in the interrelated fields of trade, money, finance, technology and development could, if promoted under the most liberal conditions possible, ensure greater development, equitably shared and stable, in many parts of the world.

However, the emerging trends in international investment flows, the formation of regional trade blocs and global macroeconomic management were clearly at variance with such a scenario. Thus, 80 per cent of foreign direct investments were concentrated in the so-called "Triad", and competition for the remaining 20 per cent between the countries of Central and Eastern Europe, on the one hand, and the developing countries on the other, could easily lead to the emergence of beggar-my-neighbour policies. The fact that the new regional trading blocs were engaged in working out special arrangements with their immediate neighbours signalled an obvious retreat from the ideal of multilateralism.

The existing macroeconomic coordination process at the global level, based exclusively on the G.7 mechanism, still failed to pay due attention to the need for comprehensive cooperation on the economic fundamentals of growth and development. The developing countries still had no effective or equitable participation in the existing institutional decision-making process, notably in the case of the Bretton Woods institutions. In that regard, the governance of the world economy had yet to reflect the democratic values increasingly being championed or the worldwide trend towards pluralism so manifest in national affairs. Lastly, it was also important to stress that the existing discrimination in international manpower flows was contrary to the spirit of the worldwide movement towards free-market principles.

In that context it was essential to overcome the institutional barriers to effective multilateral cooperation. Several multilateral initiatives (the Declaration on International Economic Cooperation, the Second United Nations Conference on the Least Developed Countries, the Uruguay Round, the preparations for the United Nations Conference on Environment and Development, etc.) offered the international community real opportunities to strengthen such cooperation. In order to utilize them, commensurate political will, especially on the part of economically powerful countries, must be mobilized.

The quality and quantity of multilateral aid should be enhanced. The Committee for Development Planning had made pertinent recommendations in that regard which, if they were accepted, could strengthen the position of multilateral aid donors as objective agents of growth and development. In that connection, his delegation supported the proposal made by the Secretary-General to convene an international conference on finance for development. Such a conference would also provide an occasion for addressing the negative implications of the external debt burden of developing countries and the net transfer of resources to developed countries.

In addressing the issue of strengthening multilateral cooperation, his delegation wished to stress the need also for strengthening the coordination of multilateral assistance by donor agencies at the country level. It welcomed bilateral initiatives in that regard, for example, by the Government of Denmark. Multilateral development institutions must also observe complete neutrality when they provided advice and specialist knowledge.

The need to fulfil the commitments agreed upon at the Second Paris Conference on Least Developed Countries was urgent if there was a real desire to sustain the fight against poverty. The Committee for Development Planning had evolved a new set of criteria for classifying least developed countries and his delegation hoped that they would be endorsed by the Council and subsequently adopted by the General Assembly. Zambia's inclusion in the list of least developed countries - which the Committee recommended - would go some way towards alleviating the problems the country was facing in the process of initiating certain structural transformations of its economy. He also hoped that initiatives by the developing countries with regard to structural adjustments would be supported as a matter of principle by external financial assistance. The Deputy Director-General of ILO had rightly recalled that the adjustment process should be socially and politically acceptable and that economic reforms of a type calculated to lead to social progress were required.

In the field of energy, international cooperation was also an urgent issue in view of the choices and commitments which countries would have to make. Similarly, the reactivated Uruguay Round of multilateral trade negotiations should enhance multilateralism. In that regard, his delegation

awaited with interest information about the way in which the European Economic Community intended to modify its common agricultural policy, since its decisions would certainly have a significant bearing on the outcome of the Uruguay Round and the liberalization of the multilateral trading system.

Other proposals on strengthening multilateral cooperation in economic affairs also deserved reflection and serious discussion: there was the proposal to create an "economic security council" which could be helpful, provided that it really promoted pluralism in the management of the world economy; there were also proposals to strengthen the expert nature of certain mechanisms, following the example of the Committee on Development Planning, whose work was always excellent, but, in becoming committees of experts, intergovernmental bodies must not lose their decision-making powers which remained vital. The question of equitable geographical representation continued to be of importance and it must be borne in mind that the African region was underrepresented in the Council. Furthermore, the idea of giving the Committee for Development Planning a more important role was interesting but it would be necessary to clarify its relationship with the Department of International Economic and Social Affairs.

The atmosphere for decision-making in the economic and social sectors of the United Nations had greatly improved and it appeared that a consensus on major pending issues, including that of external debt was gradually emerging. But the climate of consensus would be useful only if it did not conceal important differences and unresolved issues. General debate must become real dialogue.

Mr. SAOUMA (Director General of the Food and Agriculture Organization of the United Nations) said that the year 1991, although it had scarcely passed the half-way mark, would go down in history as the year when the United Nations system had had to face emergencies exceptional both in number and in scope. All emergency situations had one dramatic feature in common: food shortages. Emergencies merely served to highlight the cause of underdevelopment: the poverty of much of the rural population in the third world.

Lack of natural resources did not in itself suffice to explain poverty, which was more clearly linked to certain other causes, such as the population explosion or the overexploitation of natural resources, whose aggravating effects, for example, desertification, made poverty a vicious circle. The

current conditions of international trade were a determining factor also: the prices of primary products exported by developing countries were determined elsewhere and held at very low levels, thus making it possible to contain inflation in the developed countries but causing the producer countries to slide uncontrollably towards absolute poverty and dependence on international aid. The most palpable sign of their progressive degradation was indebtedness: debt-servicing constituted an endless, unavailing labour for the countries of the third world many of which were insolvent but continued to be considered debtor countries, thus barring them from obtaining fresh loans. Much greater resolution was needed to restore balance in international trade and secure a larger share for the developing countries together with an easing, if not complete forgiveness, of their debt.

All those factors led to one conclusion and one only - that the poor countries needed more aid, the more urgently since the countries of Eastern Europe had swelled the ranks of the countries requesting assistance. The raison d'être of development aid was to render itself unnecessary and disappear, but it must first be adequate in amount and in duration. Yet the aggregate volume of aid was currently tending to decline, the generosity of donor countries showing enormous differences: some countries allocated to government aid for development 1 per cent or more of their GNP and others scarcely 0.2 per cent.

By definition, aid precluded immediate returns, because in the resource-poorest countries it could not produce tangible results in the short term. Efforts to protect the environment for example, could produce benefits only in the long term while, in the immediate future, they entailed a reduction in output and in earnings. Support in that sector, as in others, must therefore take the form of compensatory payments.

In that enormous undertaking, multilateral action obviously had a vital role to play. Emergency situations and the persistence of poverty called for strengthened action by the United Nations system and for adequate means to be made available to meet the needs. However, for some years, strong pressures had tended to restrict the means.

He therefore urged redoubled multilateral action proceeding from a coordinated effort pursued in cooperation by the agencies in the system as a whole. But there must be flexibility: all specific problems were interdependent and the competence of several United Nations agencies was

often called into play simultaneously. The longer-established agencies had, by and large, a sectoral vocation whereas other institutions of more recent creation were mandated to address problems affecting specific segments of the population or more than one domain at a time, whence the need for ever more efficient coordination within the system itself. In his opinion, it would be a mistake to advocate integration, strengthening the centre and assigning an ancillary role to the specialized agencies in a quest for greater efficiency. At the very moment when the failure of overcentralized systems was evident, such a system should not be set up within the United Nations itself. It was from the centre that an overall appreciation must be made of policies and approaches but it was at the periphery that problems were encountered and it was at the periphery that they must be solved. Polycentrism, which had inspired the very concept of the United Nations system, continued to be its strength and to ensure its relevance.

Nor was there any contradiction between polycentrism and
 Whenever a situation called for action by several agencies, the
 cooperation and coordination was harmonization. Each agency had its area of competence which gave it a considerable comparative advantage. Greater confidence must be placed in the agencies and, in specific situations cutting across several domains or sectors, responsibility must be assigned to one of them as lead agency to ensure coordination, rather than overloading the centre, which would inevitably become overburdened and eventually paralysed. In the interests of efficient coordination, it was also necessary to curb the current tendency to establish new intersecretariat or intergovernmental mechanisms, which were burdensome for Governments and institutions alike; that tendency also increased the risk of duplication and overlap.

In the last analysis, the system functioned to the extent that the
 States wished it to. All too often, however, the latter skimmed on resources
 which were kept below the critical threshold where interventions by the system might have a lasting impact. The problem was essentially a political one: namely, the scope that the Member States were prepared to accord to diplomacy and multilateral action. In the long run, the facts themselves would show that the defenders of the system were right in that many problems could be solved only through multilateral action.

Mr. KOZYREV (Union of Soviet Socialist Republics) said that, the cold war having ended, international relations would henceforth be governed by the principle of interdependence. The General Assembly, at its eighteenth special session, had shown its awareness of the transition that had taken place by urging recognition of the universal nature of economic development objectives, and of the link between those objectives and respect for democratic freedoms and human rights. In that connection, he wished to inform the Council that, a few days earlier, the Supreme Soviet had decided almost unanimously that the USSR would accede to the Optional Protocol to the International Covenant on Civil and Political Rights, and would comply with the provisions of article 41 of that Covenant, as well as the provisions of article 14 of the International Convention on the Elimination of All Forms of Racial Discrimination.

The world economy was still suffering from grave imbalances in both trade and financial flows, and not only countries but entire regions were suffering ever greater difficulties, as was indicated by the data published in the World Economic Survey 1991 and by the conclusions of the Committee for Development Planning. The United Nations system could and should play a part in the revitalization of the world economy. The ministerial meetings organized by the Council on various topics constituted one of the ways that that could be achieved, and implementation of the package of measures adopted by the General Assembly at its resumed forty-fifth session should considerably enhance the effectiveness of the system. Positive results achieved in specific areas should help to make multilateral economic dialogue more dynamic: for example, it would be useful to complete work on a code of conduct for transnational corporations.

The Soviet Union, for its part, was already taking practical steps to ensure its full participation in the various mechanisms for multilateral interaction in the economic field. The Soviet President would shortly be meeting the leaders of the countries of the Group of Seven, and it was to be hoped that a realistic dialogue would be initiated on that occasion. It was of the greatest importance that the Soviet Union's participation in the work of international meetings or organizations should henceforth go beyond mere ideology and declarations of intent and evidence a willingness to play an active role in the world economy once essential internal reforms had been carried out. The USSR was already participating as an observer in the work of

the General Agreement on Tariffs and Trade (GATT), an exercise which had been helpful to it in deciding what strategic and tactical decisions to take in adopting a market-economy system. In addition, it was in the process of establishing working relations with the World Bank and the International Monetary Fund, believing that participation in the activities of those institutions would likewise help it to integrate into the world economy. All those initiatives were strongly supported by Russia, which often played a locomotive role in bringing about democratic changes in the USSR.

The recent crisis in the Gulf region had severely tested the new climate of consensus that had been achieved in international politics. If the situation in the region was to be stabilized, however, steps would have to be taken to bring about profound political and economic transformations there, to end arms shipments, and to lessen the likelihood of military confrontations. Such changes could be irreversible only if genuine disarmament and the transition to a peacetime economy were guaranteed. The opening of a frank dialogue within the United Nations on ways of demilitarizing certain regimes at the economic level could stimulate Governments to study such problems more closely, and to seek the appropriate political decisions. It was not simply a matter of redirecting the use of resources for peaceful purposes, but also of reversing the current trend whereby, when a technological revolution was taking place, many poor countries were being kept out of the world economy.

There would shortly be held, under United Nations auspices, a number of meetings of truly global significance. The United Nations Conference on Environment and Development would provide an opportunity for consolidating the efforts of the world community to ensure a development which would be at once sustainable and environmentally sound. The Centre for Emergency and Environmental Assistance, recently set up by a resolution of the Governing Council of the United Nations Environment Programme (UNEP), could play a major role in that regard. As was well known, the disaster at the Chernobyl nuclear power station five years earlier had had global repercussions; accordingly, the action taken by the General Assembly in adopting resolution 45/190, which had set up a system of multilateral exchanges to facilitate the international solution of problems related to the consequences of the disaster, was extremely valuable.

Mr. GHEZAL (Tunisia) said he welcomed the fact that the Economic and Social Council had organized a Special High-Level Meeting to examine a topical theme which was of general interest to the entire international community.

The World Economic Survey 1991, which would form the basis of discussion on agenda item 2, had become better and better owing to the objectivity and intellectual honesty of its authors and constituted an important reference document.

The last two years had been marked by two series of great upheavals. First, during the last months of 1989, the international landscape had undergone unprecedented changes of historic magnitude which no one had suspected to be impending. Next, the Gulf crisis had shaken the world which had been put to a harsh test. Owing to the changes which has occurred in the Soviet Union and Central Europe, ideological confrontation had given way to understanding between East and West. Currently there was genuine interdependence among all countries and among all problems, whether it was a question of security, trade, financial resources, poverty or the environment. Nevertheless, while they had given rise to hopes of liberty in Central and Eastern Europe and to hopes of peace throughout the world, including the developing countries, developments since 1989, far from solving the economic problems of the world's countries as a whole, had rather heightened the characteristics of the previous situation by revealing clearly the extent of needs and the urgent necessity of finding solutions. In that connection, it sufficed to mention that production had declined by nearly 11 per cent in Eastern Europe. In the developing countries, except for the "dragons", whose growth had nevertheless faltered somewhat, 1990 had witnessed stagnation and even a decline in economic growth. In Africa, economic growth rates remained below population growth and the problem of poverty continued unchanged.

Debt-reducing measures were commendable but clearly inadequate. Countries with intermediate incomes, particularly those, like Tunisia, in the lower segment of the category, had had their difficulties completely ignored. The negative flow of resources, including those to the World Bank and the International Monetary Fund, continued to weigh heavily on the balance of payments and the capacity for growth of the developing countries. The increase in interest rates and monetary fluctuations added to their debt burden. His delegation deplored the fact that the international community continued to pay so little attention to the Craxi report on debt and

development. Developing countries could mention many other unfavourable external factors, in particular protectionism and the establishment of powerful trade and economic blocs in the North and the deterioration of the terms of trade in the South.

The determination of Africa to rely on its own strength was not mere lip-service. Some 30 African countries had undertaken structural adjustment programmes and were endeavouring to reorganize and rationalize the management of their economies. The rough outlines of a continent-wide common market were even beginning to emerge. As a party to that process, Tunisia had been resolutely applying since 1990 a structural adjustment programme simultaneously with the institution of a pluralist democracy guaranteeing respect for human rights and fundamental freedoms. It was also participating in the construction and economic integration of the Maghreb Arab Union (MAU). It was however, hampered by two obstacles. In the first place, it was not benefiting from any debt-alleviation measure which would enable it to surmount its increasing difficulties in that sector. Secondly, as a financial partner of Kuwait and a trading partner of Iraq, it had suffered from the sanctions imposed by the Security Council at the time of the Gulf crisis. In that connection, Tunisia hoped that future editions of the World Economic Survey would analyse the economic situation of Africa and of the MAU.

The developing countries were primarily responsible for their own economic growth but, because of all the external factors which came into play, part of the responsibility lay also with the industrialized countries, with the multilateral financial institutions and with the United Nations. Growth prospects in the world economy were hardly bright but the industrialized market-economy countries had the resources to meet both the needs of Central and Eastern Europe and those of the developing countries, particularly since the end of the cold war could result in the "dividends of peace", finally becoming a reality. Furthermore, the North must acknowledge that it too would have to make structural adjustments and that the determination which the international community had exhibited in the Gulf crisis would have to be displayed again in the struggle against underdevelopment.

Mr. WANG Baoliu (China) said that the world economic situation scarcely lent itself to optimism. The growth of world trade had slowed down again in 1990 and the expected recovery in the industrialized countries was likely to be both slow and modest. The developing countries had seen their

economic situation deteriorate and had not recorded any improvement in respect of external debt, trade and financial resources. The Gulf war had accentuated those difficulties and the changes that had occurred in Eastern Europe and the Soviet Union had made the course of the world economy more complex. It was to be hoped, therefore, that the discussions of the Council would enable the different parties to agree better about the need and the means to strengthen multilateral economic cooperation, particularly in the context of growing integration and interdependence.

The problems of world development, the role of science and technology, the development of human resources and the problems of poverty and the environment were arousing increased interest, but it had to be said that, in certain important fields, multilateralism was if anything on the decline. Many major principles had been rather neglected and the lack of coordination in the macroeconomic policies of the industrialized countries had had considerable repercussions on the developing countries. Commitments to public development assistance were rarely honoured, there was a flight of private capital from the developing countries and protectionist practices were developing together with discriminatory measures against developing countries, so that assistance was increasingly accompanied by conditions whose purpose was strategic and geo-political.

The international community was not short of major principles capable of directing its action towards strengthening multilateral economic cooperation and fostering the growth of the world economy, and particularly the development of the developing countries. What seemed to be somewhat lacking hitherto was foresight and political will. It was not a matter of charity towards a group of countries, since the gulf which steadily deepened between North and South was in nobody's interest and it could not be filled unless the developing countries enjoyed a favourable economic climate. On the contrary, it was of vital interest to everybody that the world economy should be better managed and that macroeconomic policies should be coordinated. Sound management of the world economy must be juster, fairer and better synchronized with world economic changes and, in particular, with the special needs and concerns of the developing countries. Coordination of macroeconomic policies should make healthier and better balanced world growth possible and ensure that the major economic variables were more stable and evolved in a more equitable way.

Donor countries were asked to honour their commitments in respect of official development assistance while the multilateral financial institutions were asked to increase, as a matter of urgency, their capital contributions. Furthermore, solutions to debt problems must be fairer and accompanied by more favourable conditions. All countries had an interest in the multilateral trading system remaining open and based on reciprocity and non-discrimination. The Uruguay Round must produce a balanced result, including special treatment for the developing countries. Finally, the strengthening of multilateral economic cooperation must be achieved in respect for the sovereign right of every country to choose its development model. Political conditions and intervention in the internal affairs of other countries by means of assistance and cooperation were a violation of the fundamental principles of multilateralism. In any event, the United Nations had an irreplaceable role to play in strengthening multilateral economic cooperation and improvements in its functioning, its working methods and its efficiency would enable it to play that role more effectively.

Mr. BREITENSTEIN (Finland), speaking on behalf of the five Nordic countries, said that it seemed that the world economy would shortly emerge from recession, the growth rate forecast for the OECD countries in 1992 being close to 3 per cent. As the Director-General of the IMF had observed, recovery in the economies of the industrialized countries was of the greatest importance for the developing countries. Though that was so, it was clear that international economic cooperation was not functioning as it ought. With the end of the cold war, the United Nations had achieved unprecedented successes in the promotion of peace and democracy but its action in the economic and social fields did not seem to be commensurate with current problems and challenges, whence the importance of the discussion on strengthening multilateral economic cooperation and on policy coordination. Countries were becoming increasingly aware of the constraints of a national framework and pragmatism and consensus-building had replaced ideological discussion, as evidenced by the Declaration on International Economic Cooperation, the Programme of Action of the Second United Nations Conference on the Least Developed Countries, the New International Development Strategy and the Agreement on the Process of Restructuring and Revitalizing the Economic and Social Council.

The United Nations system had developed in a rather incoherent way as a result of ad hoc reactions to new needs. The reforms hitherto undertaken had addressed only management and administration; the system clearly remained unsuited to the fields in which the United Nations enjoyed, in principle, a major comparative advantage: the fight against poverty, the development of human resources, sustainable and environmentally sound development, population problems and the consequences of natural and man-made disasters. It was in those fields that the system particularly required strengthening. As things stood, the idea of the United Nations as a world parliament did not have an optimal impact in the economic, social and related fields. There was, therefore, a temptation to replace the current hierarchical system by a reshuffling of powers and responsibilities between a political level, a management level and an operational level. The political level and overall management would rest with the General Assembly. However, if its resolutions were to have greater political impact, the Assembly should pronounce only on issues of decisive importance in the economic and social fields. The Economic and Social Council would also be a decision-making body but at a level closer to operational activities, to problems of international economic cooperation and to national and sectoral policies. Promotion of the development of developing countries would be at the heart of the Council's deliberations but, in view of their repercussions on the world economic environment, the policies of the industrialized countries should also be examined in order to cover all the areas of mutual interest and the common objectives.

In 1988, Denmark, Finland, Norway and Sweden had decided to consider jointly the contribution they could make to the discussion on reforming the United Nations in the economic and social fields, mainly at the operational level. They had worked out a series of proposals and ideas that could be further refined by all the parties to the reform process. Among other specific proposals, the Nordic plan suggested the establishment of a new form of management for the operational activities of the United Nations system, on the model of a board of directors. Universal and egalitarian participation and representation were of capital importance but the existing system had become virtually impossible to administer. Smaller management bodies could give more continuous direction and support to the Secretariat in the management of activities at the operational level. Beneficiary countries would, of course, be strongly represented on such bodies.

The Nordic countries were also putting forward the idea of an international development council, which would enable Member States at last to have at their disposal a forum to discuss development issues at a high political level, that of the ministers responsible for development cooperation, for example and to establish the guidelines for the United Nations operational activities. If the reforms relating to the Economic and Social Council on which agreement had been reached at the resumed forty-fifth session of the General Assembly were carried out with determination, the Council could become such a forum.

The Nordic plan also contained a certain number of ideas about the United Nations method of financing the operational activities of the system, which should be improved and strengthened since increasingly large sums were required not only for development but also to finance emergency operations, repatriation programmes, supervision of elections, etc. In the view of the Nordic countries, it was imperative to find new ways of obtaining increased financial resources for the United Nations system. Lastly, in view of the extent of natural disasters and political unrest and the number of victims of such phenomena, the problem of emergency assistance was becoming a matter of top priority and the needs in that field had considerably increased. It was essential for the United Nations, with the help of the Member States, to acquire a permanent capacity to intervene rapidly and effectively so as to be able to provide well-coordinated humanitarian assistance within the United Nations system as a whole.

Mr. KRALIK (Czechoslovakia) said that Europe and the continents with which it had historic links were moving from a Manichean bipolarity towards a new organization of relations in Europe and in the world. The architecture of that new organization had been described in different ways, by President Gorbachev, who had spoken of a common European home, by President Bush, who had suggested that a new world order should be established and by President Mitterrand, who had launched the idea of a European confederation. All those ideas and suggestions conjured up the vision of a system in which the substantial increase in the exchange of information and the introduction of advanced technologies into the transcontinental economic potential would intensify interactions of unprecedented scope among the democratic States.

The nations of Czechoslovakia, which since the eighth century had contributed to the rise of the highest values of European culture, owed it to themselves to participate in the establishment of that new world system based on equality, democracy and plurality. Furthermore, the close cooperation demonstrated by the coalition States during the Gulf war had proved that the international community could join forces when necessary. The time had come to take up the challenge to re-evaluate the old cooperation infrastructures and institutions and to find more flexible and secure mechanisms.

The preparations for the United Nations Conference on Environment and Development offered new opportunities to establish new cooperation mechanisms within the international community. The concept of sustainable development had become the leading principle and the common standard of national policies. Efforts in the economic, environmental and humanitarian fields should be centred upon the survival and development of the individual and the quality of his life.

Regarding emergency and disaster relief, the United Nations system had an irreplaceable role in providing humanitarian assistance. In particular, his Government was grateful to the various bodies which had cooperated to alleviate the consequences of the Chernobyl nuclear accident. Consequently, it did its best to support the activities of organizations such as the Office of the United Nations Disaster Relief Coordinator (UNDRO), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the World Health Organization (WHO).

The Economic Commission for Europe (ECE), in which Czechoslovakia was interested for geo-economic reasons, had undertaken a fundamental restructuring of its interests and basic tasks. His delegation deemed it important that interregional projects should be financed directly from the central United Nations budget or with financial participation of the United Nations agencies or institutions involved. It also greatly appreciated the fact that a flexible and pragmatic work method had been chosen - workshops for example - to assist the countries that were making the transition to a market economy. It was pleased that the various international organizations respected the important place of ECE in priority sectors such as the environment, transport, statistics and economic analysis.

A Europe divided between a "Europe of the poor" and a "Europe of the rich" would be no better than the Eastern Europe and Western Europe of the past. Sooner or later, a new form of confrontation and rivalry would develop that would bring prosperity to nobody. On the contrary, it would render impossible the creation of a new and balanced world system, based on a partnership of equals. It was important to strengthen the relations of the existing great European institutions among themselves as well as with the Conference on Security and Cooperation in Europe (CSCE) and the States participating in the CSCE that were not members of those institutions. A new system of bilateral agreements between the countries of Central and Eastern Europe and the establishment of a framework based on agreements between the key European institutions and between those institutions and the non-member States would bring greater stability to the region.

To conclude, he expressed the hope that the countries of Central and Eastern Europe, which had suffered at different moments of history, would play the role of active creators in the new era which was dawning for mankind.

Mr. KRAVCHENKO (Observer for the Byelorussian Soviet Socialist Republic) said that he was pleased that the agenda of the current session of the Economic and Social Council reflected the dynamic process of the radical reforms taking place in the world, with the successes, difficulties and contradictions they were experiencing.

Among the key factors that had contributed to the establishment of an improved international climate were the political, social and economic reforms that had begun in the Soviet Union and in the countries of Eastern and Central Europe, the end of the cold war and the fact that the two greatest nuclear powers had moved away from confrontation to cooperative relations. The beginning of real disarmament, the elimination of ideological factors from the relationships between States and the development of the integration process in Europe were also significant. On the other hand, in the economic sphere, as the Secretary-General had pointed out in his statement, the gap continued to widen between the industrialized countries of the North and the developing countries of the South, where real per capita income had not only not increased but had even decreased. In those circumstances, it was particularly important to strengthen the United Nations capability to react so

as to control the dynamic forces at play in the world, to intensify its role in preventing conflicts and to establish the foundations of broad international cooperation.

His delegation attached great importance to the discussion of the world economic situation in the Economic and Social Council. That kind of discussion was indispensable to strengthen the Council's role and effectiveness as the body responsible for economic and social matters within the United Nations and which was thus called upon to devise political and practical recommendations to help Governments overcome their economic and social problems. His delegation approved of the conclusions contained in the World Economic Survey 1991 and, in particular, the conclusions in the chapter on the countries in transition in Eastern Europe, including Byelorussia.

The Byelorussian Soviet Socialist Republic was currently shifting from a planned economy to a market economy and was therefore experiencing the same problems as all the other countries of Eastern Europe, namely, recession, a decline in investment, an upsurge of inflation and the emergence of unemployment. In order to overcome the crisis, it would rely on the principles of the Declaration on the Sovereignty of the State of the Byelorussian Soviet Socialist Republic which should enable it to move swiftly from a centrally-planned system to a market economy. Like other countries, it believed that one important condition of the success of that transition was the full functioning of social institutions and the protection of human rights and fundamental freedoms. In that connection, he said that his country intended to ratify the Optional Protocol at the next session of the Supreme Soviet of Byelorussia. Other measures would be taken, such as the privatization of economy, the recognition of various forms of property, and the stimulation of economic activity and entrepreneurship. Byelorussia had passed a law on the national bank declaring the banking system independent and it was in the process of drafting a bill on securities and joint-stock companies. It had also passed a law on employment to regulate the job market.

Decentralization and privatization of the economy were essential measures to ensure the transition to a market economy and to enable the country to be integrated into the world economy. Measures had been adopted to attract and protect foreign investment and to create free-trade areas. Foreign businessmen were entitled to open accounts in roubles in Byelorussian banks and invest in the national economy. The law governing that matter was,

incidentally, the first of its kind adopted in the Soviet Union. In addition, over 400 enterprises and organizations had been authorized to engage in business on the foreign market. However, there were a number of factors - such as the shortage of energy potential - which were hampering the transition to a market economy. The situation was not yet critical but the construction of two nuclear plants had been halted after the Chernobyl tragedy, and, sooner or later, that would affect the country's energy balance. In that connection, Byelorussia attached great importance to the proposal by Mr. Lubbers to create a single European energy system and was also keenly interested in the energy programme of the Economic Commission for Europe. His Government intended to send a communication to the Commission on that subject in the near future.

In the light of the growing interdependence of national economies, it had become increasingly vital to coordinate the economic policies of the States in order to ensure sustainable development of the world economy. The role of the multilateral mechanisms of the United Nations system, including the Council, should also be strengthened and everything possible should be done to resolve the most acute problems in both East-West and North-South relations.

The meeting rose at 5.45 p.m.